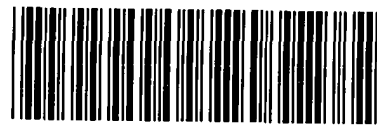


ROSEWOOD PET PRODUCTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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ROSEWOOD PET PRODUCTS LIMITED

COMPANY INFORMATION

Directors	N J Panter B J Panter N Cruickshank M D Bollands
Registered number	00662785
Registered office	Unit 9 Hortonwood West Queensway Telford Shropshire TF1 6AH
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

ROSEWOOD PET PRODUCTS LIMITED

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ROSEWOOD PET PRODUCTS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

Principal activities, review of business and future developments

The principal activity of the group and company continues to be the distribution of pet accessories.

The directors consider that the results for the year and the group's financial position at the end of the year were satisfactory.

Turnover has been in line with the directors' expectations during the year and the group remains in a strong financial position.

Sales for the year were £47.6m (2020: £42.6m) and the gross margin achieved has increased against that of the previous year from 16.9% to 19.5%.

The market in which the group operates continues to be challenging, however the directors are committed to continual market and product development.

Financial key performance indicators

We consider that our key financial performance indicators are the operating profit performance and return on capital employed. Operating profit for the year was £2,423,460 (2020: £1,724,006). The return on capital employed for the year was 25.9% compared to prior period of 19.7%. It is calculated as operating profit divided by total assets less current liabilities. The group also monitors its cash position and invests the cash generated in product development and stock to sustain further growth.

Principal risks and uncertainties

The group's revenues are principally derived from retail markets. These markets, and therefore group revenues can be subject to variations in patterns of demand and are largely influenced by economic growth and consumer confidence. In response to this risk the directors keep up to date with local and wider economic conditions and are able to adapt the pricing strategy and cost base of the group accordingly.

Financial instruments

The group holds financial instruments to finance its operations and these are monitored as part of the day to day control procedures of the group.

In addition, various financial instruments such as trade debtors and creditors arise directly from trading. Cash flow requirements are considered on a regular basis to ensure that appropriate facilities are available to be drawn upon as necessary.

ROSEWOOD PET PRODUCTS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk, interest rate risk and foreign exchange risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

Price risk

The group is exposed to changes in the market prices of its products. In order to protect against adverse price movements, the group uses agreements where possible to lock in the price of products and periodically reviews its agreements with suppliers to ensure these are on commercially favourable terms.

Credit risk

Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements. A credit insurance policy has been implemented to add further mitigation against bad debts.

Liquidity risk

The group is financed with appropriate long term and short term finance to match the need of the business.

Interest rate risk

The group's bank loan bears interest, exposing the group to cash flow risk on adverse movements in the underlying base rate.

Foreign exchange risk

The group is exposed to foreign currency risk on its operations, by virtue of entering into transactions in currencies other than the group's functional currency of Sterling. In order to manage this risk, the group enters into forward currency arrangements to fix the exchange rate for known transactions. This mitigates the risk that the exchange rate may move unfavourably, resulting in adverse cash outflows.

Brexit

Turnover in the first quarter of 2021 was impacted by the increased requirements to export to the EU. This recovered during the remainder of the year as logistic partners and customers alike became more familiar with the additional export burden.

The group envisages further increases in turnover and gross profits in the future. The directors consider that there are very few concerns regarding the supply or price of pet products which would be a principal risk to the business.

The group transacts its business in various currencies and a proportion of sales are in Euros and Dollars. The group has adopted all policies that it considers necessary at this stage to reduce the impact of Brexit and is working with our suppliers to ensure that there is a smooth and continuous supply of products.

Coronavirus

At the date of signing these accounts, Coronavirus represents both a risk to the business and its people. The group is taking active measures to ensure its people remain safe and healthy. Coronavirus is still impacting the global supply chain, however the business has put measures in place with suppliers and logistic partners to ensure there is smooth continuous supply of products.

ROSEWOOD PET PRODUCTS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' section 172 (1) statement of compliance

The directors have acted in the way they consider, in good faith, promotes the success of the group for the benefit of its members as a whole, and in doing so have given regard to (amongst other matters):

Business relationships

Having traded for over 60 years, the need to build strong long-standing relationships with both our customers and suppliers is paramount to the success of the group and its longevity. We continually develop strategies to maintain and grow our client base and further improve relationships with our suppliers.

With respect to suppliers the group's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal trade practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

Our people

The group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, shareholders, communities, and society as a whole. People are at the heart of delivering quality specialist services both internally and externally. For our business to continue to succeed we continually manage our peoples' performance and develop and bring through talent while ensuring we operate as efficiently as possible.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees became disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the period, the policy of providing employees with information about the group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Community, charity and environment

We support our staff in their charitable endeavours, encouraging them to get involved with organisations or events, alongside promoting their causes to our workforce to encourage sponsorship and awareness. As a business we also like to be proactive with fundraising and we support a variety of initiatives throughout the year.

In the past 12 months our staff have raised approximately £5.5k for our charities. However, as a company, we have extended our support to national and international causes, The directors and the staff have raised approximately £20k for different causes in the last two decades.

Furthermore, we have also supported requests from employees, customers and other local businesses. We have donated money, time and product.

Culture and values

The group recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals the right and fair way, so we look after the best interests of our shareholders, customers, people, suppliers, and other stakeholders. During 2020, using customer and employee engagement we created a long-term vision and identified 7 core values that govern how we act as a business.

ROSEWOOD PET PRODUCTS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Shareholders

The management is committed and openly engaged with our shareholders through regular Board Meetings and effective dialogue. The shareholders are actively engaged in understanding and implementing our strategy, culture, people, and the performance of our shared objectives for the short, mid and longer terms.

Political donations

The company does not make any donations to any political party or organisation.

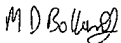
Engagement with suppliers, customers and others

The group has several key relationships with key customers and suppliers which if terminated or damaged could impact on the group's performance. The group has good relationships with key suppliers and seeks to promote and maintain these at all levels.

The group also seeks to maintain a diverse customer and supplier base where appropriate.

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

DocuSigned by:



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M D Bolland

Director

Date: 29 June 2022

ROSEWOOD PET PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £1,864,188 (2020: £1,376,428).

During the year the company paid dividends of £221,013 (2020: £199,458). The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year are stated on the company information page.

Future developments

The directors do not foresee any changes in the principal activities of the group.

Matters included within the Strategic Report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (strategic report and directors' report) Regulations 2013 to set out in the company's strategic report information required by the large and medium-sized companies and groups (accounts and reports) Regulations Schedule 7 to be contained in the directors' report.

ROSEWOOD PET PRODUCTS LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021****Streamlined Energy and Carbon Reporting (SECR)**

UK Greenhouse gas emissions and energy use data for the period 1 January to 31 December:

	<u>2021</u>
Energy consumption used to calculate emissions (kWh)	182,112.50
Scope 1 – Emissions in metric tonnes CO₂e	
Gas consumption	5.23
Scope 2 – Emissions in metric tonnes CO₂e	
Purchased electricity	32.60
Scope 3 – Emissions in metric tonnes CO₂e	
Business travel in employee owned vehicles	19.83
Total gross emissions in metric tonnes CO₂e	57.66
Intensity ratio tonnes per CO₂e	0.70

As a business we recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions. Since January 2021 we have introduced a project team, "The Green Team" to actively work on ways to reduce Rosewood Pet Products carbon footprint. Initiatives include increased recycling at our head office, investigation into solar panels to reduce third party energy and most importantly the reduction on non-recyclable materials in all products and product packaging sold by the group.

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per employee, the recommended ratio for the sector.

ROSEWOOD PET PRODUCTS LIMITED

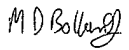
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the 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 and the group's auditor is aware of that information.

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

DocuSigned by:

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M D Bolland
Director

Date: 29 June 2022

ROSEWOOD PET PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSEWOOD PET PRODUCTS LIMITED

Opinion

We have audited the financial statements of Rosewood Pet Products Limited ('the parent company') and its subsidiaries ('the group') for the year ended 31 December 2021, which comprise the group profit and loss account, the group and company balance sheets, the group and company statement of changes in equity, the group statement of cash flows, the group analysis of net debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ROSEWOOD PET PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSEWOOD PET PRODUCTS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

ROSEWOOD PET PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSEWOOD PET PRODUCTS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- To address the risk of fraud through management bias and override of controls, we:
 - tested a sample of journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias, in particular the company's assessment over the stock valuation and trade debtor recoverability;
 - investigated the rationale behind significant or unusual transactions; and
 - reviewed nominals of certain nominal codes for indication of any management override.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;
 - enquiring of management as to actual and potential litigation and claims;
 - reviewing correspondence with HMRC and associated parties.

ROSEWOOD PET PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSEWOOD PET PRODUCTS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

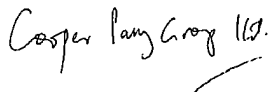
Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Rowley (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditors

Chartered Accountants & Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 29 June 2022

ROSEWOOD PET PRODUCTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	1.4,3	47,621,001	42,626,178
Cost of sales		(38,354,015)	(35,409,219)
Gross profit		9,266,986	7,216,959
Administrative expenses		(5,943,935)	(6,118,655)
Other operating income	4	81,183	33,741
Fair value movements		(980,774)	591,961
Operating profit	5	2,423,460	1,724,006
Interest receivable and similar income	9	5,691	9,444
Interest payable and similar expenses	10	(245,176)	(182,976)
Profit on ordinary activities before taxation		2,183,975	1,550,474
Taxation on profit on ordinary activities	11	(307,838)	(166,431)
Profit for the financial year		1,876,137	1,384,043
Profit for the year attributable to:			
Non-controlling interests		11,949	7,615
Owners of the parent		1,864,188	1,376,428
		1,876,137	1,384,043

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated profit and loss account.

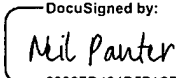
The notes on pages 20 to 41 form part of these financial statements.

ROSEWOOD PET PRODUCTS LIMITED
REGISTERED NUMBER: 00662785

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	323,879	579,815
Investments	15	104,348	-
		<u>428,227</u>	<u>579,815</u>
Current assets			
Stocks	16	9,726,645	6,367,783
Debtors	17	15,268,317	14,338,502
Cash at bank and in hand		838,779	7,591,884
		<u>25,833,741</u>	<u>28,298,169</u>
Creditors: amounts falling due within one year	18	<u>(16,887,298)</u>	<u>(20,169,499)</u>
Net current assets		<u>8,946,443</u>	<u>8,128,670</u>
Total assets less current liabilities		<u>9,374,670</u>	<u>8,708,485</u>
Creditors: amounts falling due after more than one year	19	(1,354,167)	(2,104,167)
Provisions for liabilities			
Deferred taxation	22	-	(168,274)
Net assets		<u><u>8,020,503</u></u>	<u><u>6,436,044</u></u>
Capital and reserves			
Called up share capital	23	500	500
Share premium account	24	109,500	109,500
Capital redemption reserve	24	14,400	14,400
Profit and loss account	24	8,149,690	6,506,515
Equity attributable to owners of the parent company		<u>8,274,090</u>	<u>6,630,915</u>
Non-controlling interests		(253,587)	(194,871)
Shareholders' funds		<u><u>8,020,503</u></u>	<u><u>6,436,044</u></u>

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

DocuSigned by:

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N J Panter
Director

Date: 29 June 2022

The notes on pages 20 to 41 form part of these financial statements.


ROSEWOOD PET PRODUCTS LIMITED
REGISTERED NUMBER: 00662785

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	323,879	579,815
Investments	15	1,541,109	1,436,761
		<u>1,864,988</u>	<u>2,016,576</u>
Current assets			
Stocks	16	9,654,202	6,201,546
Debtors	17	15,286,860	14,495,855
Cash at bank and in hand		789,513	7,388,960
		<u>25,730,575</u>	<u>28,086,361</u>
Creditors: amounts falling due within one year	18	(17,207,181)	(20,343,131)
Net current assets		<u>8,523,394</u>	<u>7,743,230</u>
Total assets less current liabilities		<u>10,388,382</u>	<u>9,759,806</u>
Creditors: amounts falling due after more than one year	19	(1,354,167)	(2,104,167)
Provisions for liabilities			
Deferred taxation	22	-	(165,035)
Net assets		<u><u>9,034,215</u></u>	<u><u>7,490,604</u></u>
Capital and reserves			
Called up share capital	23	500	500
Share premium account	24	109,500	109,500
Capital redemption reserve	24	14,400	14,400
Profit and loss account	24	8,909,815	7,366,204
Shareholders' funds		<u><u>9,034,215</u></u>	<u><u>7,490,604</u></u>

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

N J Panter
Director

DocuSigned by:

 09327D424D574C7...
 29 June 2022

Date:

The notes on pages 20 to 41 form part of these financial statements.

ROSEWOOD PET PRODUCTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent company £	Non-controlling interests £	Total equity £
At 1 January 2021	500	109,500	14,400	6,506,515	6,630,915	(194,871)	6,436,044
Profit for the year	-	-	-	1,864,188	1,864,188	11,949	1,876,137
Dividends: Equity capital	-	-	-	(221,013)	(221,013)	-	(221,013)
Dividends paid by subsidiary to minority interests	-	-	-	-	-	(70,665)	(70,665)
At 31 December 2021	<u>500</u>	<u>109,500</u>	<u>14,400</u>	<u>8,149,690</u>	<u>8,274,090</u>	<u>(253,587)</u>	<u>8,020,503</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent company £	Non-controlling interests £	Total equity £
At 1 January 2020	500	109,500	14,400	5,329,545	5,453,945	(108,574)	5,345,371
Profit for the year	-	-	-	1,376,428	1,376,428	7,615	1,384,043
Dividends: Equity capital	-	-	-	(199,458)	(199,458)	-	(199,458)
Dividends paid by subsidiary to minority interests	-	-	-	-	-	(93,912)	(93,912)
At 31 December 2020	<u>500</u>	<u>109,500</u>	<u>14,400</u>	<u>6,506,515</u>	<u>6,630,915</u>	<u>(194,871)</u>	<u>6,436,044</u>

The notes on pages 20 to 41 form part of these financial statements.

ROSEWOOD PET PRODUCTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Shareholders' funds £
At 1 January 2021	500	109,500	14,400	7,366,204	7,490,604
Profit for the year	-	-	-	1,764,624	1,764,624
Dividends: Equity capital	-	-	-	(221,013)	(221,013)
At 31 December 2021	<u>500</u>	<u>109,500</u>	<u>14,400</u>	<u>8,909,815</u>	<u>9,034,215</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Shareholders' funds £
At 1 January 2020	500	109,500	14,400	6,143,349	6,267,749
Profit for the year	-	-	-	1,422,313	1,422,313
Dividends: Equity capital	-	-	-	(199,458)	(199,458)
At 31 December 2020	<u>500</u>	<u>109,500</u>	<u>14,400</u>	<u>7,366,204</u>	<u>7,490,604</u>

The notes on pages 20 to 41 form part of these financial statements.

ROSEWOOD PET PRODUCTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,876,137	1,384,043
Adjustments for:		
Amortisation of intangible assets	-	19,050
Depreciation of tangible assets	357,136	434,144
Loss on disposal of tangible assets	-	(1,396)
Interest paid	245,176	182,976
Interest received	(5,691)	(9,444)
Taxation charge	307,838	166,431
Increase in stocks	(3,358,862)	(334,361)
Increase in debtors	(855,163)	(3,900,250)
Increase in creditors	2,222,365	1,996,120
Corporation tax paid	(168,449)	(30,109)
Net cash generated from/(used in) operating activities	<u>620,487</u>	<u>(92,796)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(101,200)	(138,951)
Sale of tangible fixed assets	-	4,479
Purchase of other investments	(104,348)	-
Interest received	5,691	9,444
HP interest paid	(803)	(876)
Net cash from investing activities	<u>(200,660)</u>	<u>(125,904)</u>

ROSEWOOD PET PRODUCTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from financing activities		
New secured loans	-	1,000,000
Repayment of loans	(520,833)	(500,000)
Repayment of finance leases	(9,943)	(9,957)
Dividends paid	(221,013)	(199,458)
Interest paid	(244,373)	(182,100)
Dividends paid to non-controlling interests	(70,665)	(93,912)
Movements on invoice discounting	(496,239)	577,394
Net cash (from)/used in financing activities	(1,563,066)	591,967
Net (decrease)/increase in cash and cash equivalents	(1,143,239)	373,267
Cash and cash equivalents at the beginning of the year	1,982,018	1,608,751
Cash and cash equivalents at the end of the year	838,779	1,982,018
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	838,779	7,591,884
Bank overdrafts	-	(5,609,866)
	838,779	1,982,018

The notes on pages 20 to 41 form part of these financial statements.

ROSEWOOD PET PRODUCTS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	Transfers £	At 31 December 2021 £
Cash at bank and in hand	7,591,884	(6,753,105)	-	838,779
Bank overdrafts	(5,609,866)	5,609,866	-	-
Bank loan < 1 year	(520,833)	520,833	(750,000)	(750,000)
Bank loan > 1 year	(2,104,167)	-	750,000	(1,354,167)
Invoice discounting	(5,587,618)	496,239	-	(5,091,379)
Finance leases < 1 year	(9,943)	9,943	-	-

The notes on pages 20 to 41 form part of these financial statements.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

Rosewood Pet Products Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£) and are for a period of 52 weeks ended 31 December 2021 (2020: 52 weeks ended 31 December 2020).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard FRS 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

As permitted by FRS 102 the group has taken advantage of the disclosure exemptions available under the standard in relation to the presentation of a company cash flow statement.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the group's management to exercise judgement in applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Going concern

At the balance sheet date the group had a significant cash balance and a strong net asset position. The group meets its day-to-day working capital requirements through its bank facilities. The group's forecasts and projections, taking account of possible changes in trading performance, show that the group can operate within the level of its current facilities.

At the date of signing these accounts, after making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these accounts. The group therefore continues to adopt the going concern basis in preparing its financial statements.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group 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 group has transferred the significant risks and rewards of ownership to the buyer;
- the group 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 group 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.

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated profit and loss account over its useful economic life.

Other intangible assets

Intangible assets in respect of customer relationships acquired as part of the acquisition of International Sales Development Limited are valued based on the expected future discounted cash flows anticipated from the contracts acquired as part of the acquisitions.

The estimated useful lives range as follows:

Goodwill	-	5	years
Other intangible assets	-	5	years

1.6 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.

The group 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 group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the consolidated profit and loss account during the period in which they are incurred.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	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 the consolidated profit and loss account.

At each balance sheet date, the directors review the carrying amounts of the group's tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the director estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

1.7 Valuation of investments

Investments in subsidiaries are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the consolidated profit and loss account and the value of the investment is reduced accordingly.

Other investments are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the consolidated profit and loss account and the value of the investment is reduced accordingly.

1.8 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. 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 the consolidated profit and loss account.

1.9 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.10 Financial instruments

Basic financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Complex financial instruments

The group uses forward foreign currency contracts to reduce exposure to foreign exchange rates. These financial instruments are initially recorded at fair value on the date on which the contract is entered into and are subsequently measured at fair value through the consolidated profit and loss account.

The fair value of forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

Forward foreign currency contract assets and liabilities are derecognised when the liability is extinguished, that is when the contract obligation is discharged, cancelled or expired.

1.11 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account.

1.12 Finance costs

Finance costs are charged to the consolidated profit and loss account 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.

1.13 Dividends

Equity dividends are recognised when they become legally payable.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.14 Leasing and hire purchase

Assets that are held by the group under leases which transfer substantially all the risk and rewards of ownership are classified as being held under hire purchase or finance lease. Leases which do not transfer substantially all the risk and rewards of ownership are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods.

The finance element of the rental payment is charged to the consolidated profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.15 Pensions

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

The contributions are recognised as an expense in the consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in an independently administered fund.

1.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the group 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 the consolidated profit and loss account in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 balance sheet.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.18 Taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which do not exceed five years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.20 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the consolidated profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated profit and loss account in the same period as the related expenditure.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of fixed assets

The directors assess the impairment of tangible fixed assets and intangible assets subject to depreciation or amortisation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Customer relationships

Customer relationships are amortised over their useful lives. The useful life is assessed annually and may vary depending on a number of factors such as future market conditions.

Recoverability of trade debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such a difference will impact the carrying value of debtors and the charge in the consolidated profit and loss account.

Valuation of derivatives

The group recognises foreign exchange contracts on the balance sheet at their fair value. The fair value measurement utilises market observable inputs and data as far as possible. When not directly observable in active markets information the fair value must be computed internally based on internal assumptions. Changes in internal assumptions could materially impact the internally computed fair value. Changes in fair value are reflected in the consolidated profit and loss account.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Judgements in applying accounting policies (continued)

Carrying value of stocks

The directors review the market value of and demand for the group's stock on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stock. The directors use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the group's products and achievable selling prices.

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due. Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3. Turnover

The whole of the turnover is attributable to the distribution of pet accessories.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	41,189,876	36,550,257
Rest of Europe	3,975,347	4,407,131
Rest of the world	2,455,778	1,668,790
	<u>47,621,001</u>	<u>42,626,178</u>

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**4. Other operating income**

	2021 £	2020 £
Furlough income received	3,543	12,591
Government grants received	77,640	21,150
	<u>81,183</u>	<u>33,741</u>

Other operating income relates to an amount of £3,543 (2020: £12,591) received in respect of employees placed on "furlough" during the year, as part of the UK Government's Coronavirus Job Retention Scheme, an amount of £67,140 (2020: £21,150) received in respect of the Birmingham Business Grant, and an amount of £10,500 (2020: £Nil) received in respect of the HMRC Customs Grant.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	357,136	434,144
Amortisation of intangible assets, including goodwill	-	19,050
Foreign exchange differences	(57,658)	126,227
Fair value movement on foreign exchange contracts	980,774	(591,961)
Operating lease rentals	487,277	470,843
Defined contribution pension cost	248,630	159,119
	<u>248,630</u>	<u>159,119</u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	21,500	20,500
	<u>21,500</u>	<u>20,500</u>
Fees payable to the group's auditor in respect of:		
Taxation compliance services	6,145	5,850
All other services	4,000	1,800
	<u>10,145</u>	<u>7,650</u>

Auditor's fees for the company were £19,750 (2020: £18,800).

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,345,004	2,223,304	2,345,004	2,223,304
Social security costs	199,262	188,828	199,262	188,828
Pension costs	248,630	159,119	248,630	159,119
	<u>2,792,896</u>	<u>2,571,251</u>	<u>2,792,896</u>	<u>2,571,251</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Office and management	24	24	24	24
Sales and distribution	58	52	58	52
	<u>82</u>	<u>76</u>	<u>82</u>	<u>76</u>

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	251,528	247,948
Directors' pension costs	161,384	81,157
	<u>412,912</u>	<u>329,105</u>

During the year retirement benefits were accruing to 4 directors (2020: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £101,544 (2020: £98,816).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,252 (2020: £3,664).

9. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>5,691</u>	<u>9,444</u>

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**10. Interest payable and similar expenses**

	2021 £	2020 £
Bank interest payable	138,723	69,181
Finance leases and hire purchase contracts	803	876
Invoice discounting interest payable	105,650	112,919
	<u>245,176</u>	<u>182,976</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	551,198	77,593
Adjustments in respect of previous periods	(434)	1,456
Total current tax	<u>550,764</u>	<u>79,049</u>
Deferred tax		
Origination and reversal of timing differences	(295,043)	77,044
Adjustments in respect of prior periods	52,117	10,338
Total deferred tax	<u>(242,926)</u>	<u>87,382</u>
Taxation on profit on ordinary activities	<u>307,838</u>	<u>166,431</u>

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	2,183,975	1,550,474
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	414,955	294,590
Effects of:		
Expenses not deductible for tax purposes	187,902	6,047
Difference between capital allowances and depreciation	(2,679)	3,047
Adjustment in respect of research and development tax credit	(88,448)	(167,167)
Adjustments to tax charge in respect of prior periods	(434)	2,532
Adjustments to deferred tax charge	(18,694)	9,262
Other group movements	69	18,120
Timing differences not recognised in the computation	(184,833)	-
Total tax charge for the year	307,838	166,431

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at 31 December 2021. As such, the deferred tax rate applicable at 31 December 2021 is 25% and deferred tax has been re-measured at this rate.

12. Dividends

	2021 £	2020 £
'A' ordinary shares	221,013	199,458

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Intangible assets

Group

	Research and development £	Goodwill £	Customer and supplier relationships £	Total £
Cost				
At 1 January and 31 December 2021	72,180	145,900	817,000	1,035,080
Amortisation				
At 1 January and 31 December 2021	72,180	145,900	817,000	1,035,080
Net book value				
At 31 December 2020 and 31 December 2021	-	-	-	-

Company

	Research and development £
Cost	
At 1 January and 31 December 2021	72,180
Amortisation	
At 1 January and 31 December 2021	72,180
Net book value	
At 31 December 2020 and 31 December 2021	-

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2021	1,822,063	108,394	1,299,834	3,230,291
Additions	53,440	47,760	-	101,200
At 31 December 2021	<u>1,875,503</u>	<u>156,154</u>	<u>1,299,834</u>	<u>3,331,491</u>
Depreciation				
At 1 January 2021	1,651,440	72,278	926,758	2,650,476
Charge for the year	96,152	27,966	233,018	357,136
At 31 December 2021	<u>1,747,592</u>	<u>100,244</u>	<u>1,159,776</u>	<u>3,007,612</u>
Net book value				
At 31 December 2021	<u>127,911</u>	<u>55,910</u>	<u>140,058</u>	<u>323,879</u>
At 31 December 2020	<u>170,623</u>	<u>36,116</u>	<u>373,076</u>	<u>579,815</u>

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2021	1,822,063	108,394	1,297,666	3,228,123
Additions	53,440	47,760	-	101,200
At 31 December 2021	1,875,503	156,154	1,297,666	3,329,323
Depreciation				
At 1 January 2021	1,651,440	72,278	924,590	2,648,308
Charge for the year	96,152	27,966	233,018	357,136
At 31 December 2021	1,747,592	100,244	1,157,608	3,005,444
Net book value				
At 31 December 2021	127,911	55,910	140,058	323,879
At 31 December 2020	170,623	36,116	373,076	579,815

The net book value of assets held under finance leases or hire purchase contracts relating to the group and the company, included above, are as follows:

	2021 £	2020 £
Motor vehicles	5,854	13,375

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Fixed asset investments

Group

	Other investments £
Cost	
At 1 January 2021	-
Additions	104,348
At 31 December 2021	<u>104,348</u>
Net book value	
At 31 December 2021	<u>104,348</u>
At 31 December 2020	<u>-</u>

During the year, on 3rd November 2021, the parent company acquired a 6% share holding in Scoobybox Limited.

Scoobybox Limited is incorporated in the Republic of Ireland and its registered office is Unit 30, Orion Business Campus, Ballycoolin, Dublin 15, D15 YW3W.

Company

	Investments in subsidiary companies £	Other investments £	Total £
Cost			
At 1 January 2021	1,436,761	-	1,436,761
Additions	-	104,348	104,348
At 31 December 2021	<u>1,436,761</u>	<u>104,348</u>	<u>1,541,109</u>
Net book value			
At 31 December 2021	<u>1,436,761</u>	<u>104,348</u>	<u>1,541,109</u>
At 31 December 2020	<u>1,436,761</u>	<u>-</u>	<u>1,436,761</u>

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation or registration Holding	
International Sales Development Limited	England	90%
Ningbo Rosewood Huge Dragon Company Limited	China	100%

International Sales Development Limited is incorporated in the United Kingdom and its registered office is the same as Rosewood Pet Products Limited.

Ningbo Rosewood Huge Dragon Company Limited is incorporated in China and its registered office is Room 6D07, Hall 10, International Exhibition Center, Yinzhou, Ningbo, China, 315042.

16. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	9,726,645	6,367,783	9,654,202	6,201,546

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	13,171,348	12,068,836	13,164,119	12,126,711
Amounts owed by group undertakings	-	-	105,218	102,568
Other debtors	1,437,482	2,073,628	1,434,392	2,070,538
Prepayments and accrued income	584,835	196,038	505,240	196,038
Deferred taxation	74,652	-	77,891	-
	15,268,317	14,338,502	15,286,860	14,495,855

Included within other debtors are foreign currency forward contracts amounting to £111,683 (2020: £752,700).

Amounts included within group and company trade debtors at the year end that are subject to invoice discounting arrangements total £10,919,561 (2020: £9,553,601).

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	5,609,866	-	5,609,866
Bank loans	750,000	520,833	750,000	520,833
Invoice discounting	5,091,379	5,587,618	5,091,379	5,587,618
Trade creditors	4,869,626	4,172,122	4,855,152	4,127,280
Amounts owed to group undertakings	-	-	815,432	666,296
Corporation tax	400,177	17,862	372,150	-
Other taxation and social security	692,971	1,116,674	692,971	1,116,674
Obligations under finance lease and hire purchase contracts	-	9,943	-	9,943
Other creditors	669,875	386,860	340,125	-
Accruals and deferred income	4,413,270	2,747,721	4,289,972	2,704,621
	<u>16,887,298</u>	<u>20,169,499</u>	<u>17,207,181</u>	<u>20,343,131</u>

Included within other creditors are foreign currency forward contracts amounting to £339,756 (2020: £Nil).

Bank loans are secured by a fixed and floating charge over the assets of the group.

During the year ended 31 December 2019, a loan of £2,500,000 was taken out with Lloyds Bank PLC. Interest is payable at an amount equal to aggregate of an interest margin of 1.95% over LIBOR.

During the prior year, a loan of £1,000,000 was taken out with Lloyds Bank PLC under the Coronavirus Business Interruption Loan Scheme (CBILS). Interest is payable at an amount of 2.25%.

The amounts under invoice discounting arrangements are secured by a first legal charge over debtors less than 120 days old.

Net obligations under finance leases and hire purchase contracts are secured on the asset to which they relate.

19. Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	<u>1,354,167</u>	<u>2,104,167</u>	<u>1,354,167</u>	<u>2,104,167</u>

See note 18 for disclosure regarding security.

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**20. Loans**

Bank loan repayments are due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	750,000	520,833	750,000	520,833
Amounts falling due 1-2 years				
Bank loans	750,000	750,000	750,000	750,000
Amounts falling due 2-5 years				
Bank loans	604,167	1,354,167	604,167	1,354,167
	<u>2,104,167</u>	<u>2,625,000</u>	<u>2,104,167</u>	<u>2,625,000</u>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	-	9,943	-	9,943

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

22. Deferred taxation

Group

	2021 £	2020 £
At the beginning of the year	168,274	80,892
(Credited)/charged to the consolidated profit and loss account	(242,926)	87,382
At the end of the year	(74,652)	168,274

Company

	2021 £	2020 £
At the beginning of the year	165,035	77,653
(Credited)/charged to the profit and loss account	(242,926)	87,382
At the end of the year	(77,891)	165,035

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(17,343)	23,245	(17,343)	23,245
Separable intangibles	(3,239)	(3,239)	-	-
Other timing differences	(60,548)	141,790	(60,548)	141,790
	(74,652)	168,274	(77,891)	165,035

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
500 Ordinary 'A' shares of £1.00 each	500	500

ROSEWOOD PET PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**24. Reserves****Share capital**

Share capital represents the nominal value of shares that have been issued.

Share premium account

The share premium account includes the premium on issue of equity shares.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit and loss account

The profit and loss reserve represents all current and prior period retained profits and losses less dividends paid.

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £248,630 (2020: £159,119). Contributions totaling £19,907 (2020: £14,452) were payable at the balance sheet date and are within other creditors.

26. Commitments under operating leases

At 31 December 2021 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	432,499	450,982	432,499	450,982
Later than 1 year and not later than 5 years	1,418,208	1,481,669	1,418,208	1,481,669
Later than 5 years	1,920,900	2,241,050	1,920,900	2,241,050
	<u>3,771,607</u>	<u>4,173,701</u>	<u>3,771,607</u>	<u>4,173,701</u>

27. Guarantees

Import guarantees of £400,000 (2020: £400,000) were due to HM Customs and Excise at 31 December 2021.

ROSEWOOD PET PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

28. Related party transactions

During March 2012 Rosewood Pet Products Limited advanced funds totalling £310,000 to a company under common ownership. Interest is receivable on the loan at 1.10% above base rate. At 31 December 2021 an amount of £124,029 (2020: £121,659) was due from the company and is included in debtors.

The directors consider there to be no key management personnel, other than the directors of the group who have authority and responsibility for planning, directing and controlling the activities of the group.

29. Controlling party

The group is controlled by N J Panter and B J Panter.