

# **Armitage Pet Care Limited**

**Annual Report and Financial Statements**

**70 week period ended**

**30 September 2021**

**Company Number 10851999**



# Armitage Pet Care Limited

## Company Information

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<b>Directors</b>	B G Goodman T J Wright R Phillips (appointed 1 January 2022) R M Newbery (appointed 29 December 2021)
<b>Company secretary</b>	B G Goodman
<b>Registered number</b>	10851999
<b>Registered office</b>	Armitage House Colwick Nottingham NG4 2BA
<b>Independent auditor</b>	BDO LLP Two Snowhill Birmingham B4 6GA

# Armitage Pet Care Limited

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# **Armitage Pet Care Limited**

## **Strategic Report For the period ended 30 September 2021**

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### **Introduction**

The directors present the strategic report for the 70 week period ended 30 September 2021.

### **Business review**

We aim to present a balanced view of the performance of our business during the period and its position at 30 September 2021. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

The Company did not trade during this period as it acts as an intermediate holding company. The only items affecting profit or loss for the period were administrative expenses, interest payable on loans from related parties and amortisation of debt capitalised thereon of £1,850,000 (2020 - £420,000).

The Company has made a loss for the period of £5,512,000 (2020 - £3,585,000) and is in a net liabilities position of £14,282,000 (2020 - £8,770,000). The directors have considered the position of the company and the impact of the Covid-19 pandemic on the company's current and future activities.

The company engages with its shareholder and subsidiaries on an ad hoc basis on requests for additional capital distributions or funding. Based on the planning and forecasting undertaken, the support provided by the Spectrum group, and the financial position of the company the directors are satisfied that the company will continue to have sufficient cash resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Whilst acknowledging the unprecedented conditions we are currently facing, after consideration of these forecasts, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason, they continue to adopt a going concern basis in preparing the financial statements.

### **Risk management policies and objectives**

The company's performance is reliant on the continuing trading operations of its main subsidiaries, the risks of which are carefully managed within the subsidiaries.

### **Future developments and strategy**

The company's success is dependent on maintaining growth in the market segments in which it and its main subsidiary operates. Investment in and development of key product categories within the pet treating and accessories sector is essential to achieving this aim.

The company will continue to operate as an intermediate holding company in the future, and service the debt of the group.

# Armitage Pet Care Limited

## Strategic Report (continued) For the period ended 30 September 2021

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### **Directors' statement of compliance with duty to promote the success of the Company**

Section 172 of the Companies Act 2006 ("the Act") requires directors to take into consideration the interests of stakeholders in their decision-making having regard to the matters set out in Section 172(1)(a)-(f) of the Act. The following section sets out how the directors have engaged with the company's stakeholders during the year.

The company has no employees, however, as a subsidiary holding company within the group headed by Spectrum Brands Holdings Inc ("the group"), the directors consider the impact of the company's activities on its shareholder, its subsidiaries, the group businesses that have an interest in the company's investments and other stakeholders. The company's stakeholders are consulted routinely on a wide range of matters including funding decisions, investment strategy, governance of its subsidiaries and compliance with group policies with the aim of maximising investment returns for the benefit of its shareholder and ensuring that its subsidiaries maintain high standards of business conduct and governance.

The company engages with its shareholder and subsidiaries on an ad hoc basis on requests for additional capital distributions or funding. The directors assess such requests in light of the company's minimum capital requirements to maintain profitability in the long term.

The performance of the company's investments are monitored regularly with senior management from the group businesses that have an interest in and are responsible for managing such investments. The board considered the company's investments in light of the group's corporate and social responsibility strategy and requested businesses to consider changing the composition of the company's investments to align to the group's strategy.

The directors continued to provide oversight governance of its subsidiaries to ensure that they comply with the group's policies and maintain high standards of business conduct. The subsidiaries provide regular updates on their activities to the directors.

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

*Robin Newbery*

**R M Newbery**  
Director

Date: 10/28/2022 | 1:49 PM CDT

# Armitage Pet Care Limited

## Directors' Report For the period ended 30 September 2021

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The directors present their report and the financial statements for the 70 week period ended 30 September 2021.

### Principal activity

The principal activity of the company during the period was that of an intermediate holding company.

### Results and dividends

The loss for the period, after taxation, amounted to £5,512,000 (2020 - £3,585,000).

No dividends were paid in the period (2020 - £Nil).

The directors do not recommend payment of a final dividend (2020 - £Nil).

### Directors

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

M J Andrews (resigned 1 January 2022)  
S L Smith (resigned 26 October 2021)  
B G Goodman (appointed 26 October 2020)  
T J Wright (appointed 26 October 2020)  
F Yeomans (appointed 26 October 2020, resigned 29 December 2021)  
A R D Jamieson (resigned 26 October 2020)  
B S Slatter (resigned 26 October 2020)

### Qualifying third party indemnity provisions

The company has provided qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

### Matters covered in the strategic report

The group has chosen, in accordance with Companies Act 2006, s.414C(11), to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of a review of its business, its principal risks and uncertainties, and future developments and strategy.

### 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'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's auditor is aware of that information.

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

*Robin Newbery*

**R M Newbery**  
Director

Date: 10/28/2022 | 1:49 PM CDT

# **Armitage Pet Care Limited**

## **Directors' Responsibilities Statement For the period ended 30 September 2021**

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The directors are responsible for preparing the strategic report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Armitage Pet Care Limited

## Independent Auditor's Report to the Members of Armitage Pet Care Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its loss for the 70 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Armitage Pet Care Limited ("the Company") for the 70 week period ended 30 September 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the notes to the financial statements, 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### 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 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.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. 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.



# **Armitage Pet Care Limited**

## **Independent Auditor's Report to the Members of Armitage Pet Care Limited (continued)**

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### **Other Companies Act 2006 reporting**

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

- the information given in the Strategic report and the Directors' report for the financial 70 week period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement 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 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 Company or to cease operations, or have no realistic alternative but to do so.

### **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 financial statements.

# Armitage Pet Care Limited

## Independent Auditor's Report to the Members of Armitage Pet Care Limited (continued)

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design and execute 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:

- enquiring of management and the directors, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
  - a) identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - b) detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
  - c) the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- we obtained an understanding of the legal and regulatory frameworks applicable to the Company based on our understanding of the business, sector experience and discussions with management. The most significant considerations are the application of UK Accounting Standards, the Companies Act 2006, corporate taxes and VAT legislation, employment taxes, health and safety and the Bribery Act 2010.
- discussing amongst the engagement team to assess how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the area of management override of controls.

We executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures included the following:

- we made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.
- we tested the appropriateness of accounting journals and other adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the year to identify and substantively test any which we considered were indicative of management override.
- we reviewed the Company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

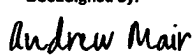
# Armitage Pet Care Limited

## Independent Auditor's Report to the Members of Armitage Pet Care Limited (continued)

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### 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.

DocuSigned by:  
  
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**Andrew Mair** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham  
United Kingdom

Date: 28 October 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Armitage Pet Care Limited

## Statement of Comprehensive Income For the period ended 30 September 2021

		70 week period ended 30 September 2021 £000	52 week period ended 31 May 2020 £000
	Note		
Administrative expenses		(1,607)	(275)
<b>Operating loss</b>		<b>(1,607)</b>	<b>(275)</b>
Interest payable and similar charges	7	(3,905)	(3,166)
<b>Loss before tax</b>		<b>(5,512)</b>	<b>(3,441)</b>
Tax on loss	8	-	(144)
<b>Loss for the financial period</b>		<b>(5,512)</b>	<b>(3,585)</b>

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 12 to 23 form part of these financial statements.

# Armitage Pet Care Limited

Registered number:10851999

## Balance Sheet As at 30 September 2021

	Note	30 September 2021 £000	30 September 2021 £000	31 May 2020 £000	31 May 2020 £000
<b>Fixed assets</b>					
Investments	9		47,665		47,665
<b>Current assets</b>					
Debtors: amounts falling due within one year	10	171		171	
Creditors: amounts falling due within one year	11	(62,118)		(20,456)	
<b>Net current liabilities</b>			(61,947)		(20,285)
<b>Total assets less current liabilities</b>			(14,282)		27,380
Creditors: amounts falling due after more than one year	12		-		(36,150)
<b>Net liabilities</b>			(14,282)		(8,770)
<b>Capital and reserves</b>					
Called up share capital	14		-		-
Profit and loss account	15		(14,282)		(8,770)
<b>Deficit on shareholders' funds</b>			(14,282)		(8,770)

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

*Robin Newbery*

**R M Newbery**  
Director

10/28/2022 | 1:49 PM CDT

The notes on pages 12 to 23 form part of these financial statements.

# Armitage Pet Care Limited

## Statement of Changes in Equity For the period ended 30 September 2021

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 June 2020	-	(8,770)	(8,770)
<b>Comprehensive expense for the period</b>			
Loss for the period	-	(5,512)	(5,512)
<b>Total comprehensive expense for the period</b>	-	(5,512)	(5,512)
<b>At 30 September 2021</b>	-	(14,282)	(14,282)

## Statement of Changes in Equity For the period ended 31 May 2020

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 3 June 2019	-	(5,185)	(5,185)
<b>Comprehensive expense for the period</b>			
Loss for the period	-	(3,585)	(3,585)
<b>Total comprehensive expense for the period</b>	-	(3,585)	(3,585)
<b>At 31 May 2020</b>	-	(8,770)	(8,770)

The notes on pages 12 to 23 form part of these financial statements.

# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

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### 1. General information

Armitage Pet Care Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales under the Companies Act 2006. The registered office is Armitage House, Colwick, Nottingham, NG4 2BA.

On 31 March 2021 the company extended its current accounting period from 31 May 2021 to 30 September 2021, resulting in a current period of 70 weeks. The prior period to 31 May 2020 consists of 52 weeks and as a result some balances within this set of accounts may not be comparable.

The company's principal activities and nature of its operations are disclosed in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies, which have been applied consistently, are set out below:

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Notes and disclosures of a statement of cash flows and related notes and disclosures;
- Section 11 'Basic Financial instruments' and Section 12 'Other Financial instrument issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Spectrum Brands Holdings Inc, a company registered in the USA. These consolidated financial statements are available from its registered office, 3001 Deming Way, Middleton, WI 53562.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts, as it is included in the non-UK group accounts of a larger group. The financial statements present information about the company as an individual entity and not about its group.

# **Armitage Pet Care Limited**

## **Notes to the Financial Statements For the period ended 30 September 2021**

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### **2. Accounting policies (continued)**

#### **2.2 Going concern**

The company engages with its shareholder and subsidiaries on an ad hoc basis on requests for additional capital distributions or funding. Based on the planning and forecasting undertaken, the support provided by the Spectrum group, and the financial position of the company the directors are satisfied that the company will continue to have sufficient cash resources to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Whilst acknowledging the unprecedented conditions we are currently facing, after consideration of these forecasts, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason, they continue to adopt a going concern basis in preparing the financial statements.

#### **2.3 Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **2.4 Financial Instruments**

The company has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

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### 2. Accounting policies (continued)

#### 2.4 Financial instruments (continued)

##### **Basic financial assets**

Basic financial assets, which include other debtors and amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including other creditors, accruals, bank loans and overdrafts and amounts owed to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Other financial liabilities**

Derivatives, being forward foreign exchange contracts, are not basic financial instruments. Derivatives are measured at their fair value.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

# **Armitage Pet Care Limited**

## **Notes to the Financial Statements For the period ended 30 September 2021**

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### **2. Accounting policies (continued)**

#### **2.5 Equity Instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **2.6 Taxation**

Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Impairment of investments

The directors have considered whether there are indicators of impairment and concluded that no formal assessment is required. Where there are indicators of impairment, the carrying value of investments is based on value in use which requires estimates in respect of the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth. See note 9 for the carrying value of investments.

### 4. Employees

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

	70 week period ended 30 September 2021 £000	52 week period ended 31 May 2020 £000
Wages and salaries	1,317	880
Social security costs	164	112
Pension costs	65	15
	<u>1,546</u>	<u>1,007</u>

All employee costs in the previous financial period were borne by Armitages Pet Products Limited, a subsidiary of the company.

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

	2021 No.	2020 No.
Administration staff	<u>5</u>	<u>6</u>

# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

### 5. Directors' remuneration

	70 week period ended 30 September 2021 £000	52 week period ended 31 May 2020 £000
Directors' emoluments	584	521
Company contributions to defined contribution pension schemes	15	7
	<u>599</u>	<u>528</u>

The highest paid director received remuneration of £442,000 (2020 -£389,000).

A R D Jamieson was employed by the ultimate parent company, K9 Topco Limited, and details of his remuneration is given in the financial statements of that company.

B S Slatter received no remuneration in respect of his services as a director of the company.

### 6. Auditor's remuneration

	70 week period ended 30 September 2021 £000	52 week period ended 31 May 2020 £000
Fees payable to the company's auditor and its associates for the audit of the company annual financial statements	<u>21</u>	<u>18</u>
<b>For other services</b>		
Tax services	7	5
All other non-audit services	12	3
	<u>19</u>	<u>8</u>

# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

### 7. Interest payable and similar charges

	70 week period ended 30 September 2021 £000	52 week period ended 31 May 2020 £000
<b>Interest on finance liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	1,203	2,701
<b>Other finance costs:</b>		
Amortisation of debt fees	1,850	420
Interest payable on loans from group undertakings	852	-
Unwinding of discount on deferred consideration	-	45
	<u>3,905</u>	<u>3,166</u>

# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

### 8. Taxation

	70 week period ended 30 September 2021 £000	52 week period ended 31 May 2020 £000
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	144
<b>Taxation on loss</b>	-	144

#### Factors affecting tax charge for the period

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

	70 week period ended 30 September 2021 £000	52 week period ended 31 May 2020 £000
Loss before tax	(5,512)	(3,441)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,047)	(654)
<b>Effects of:</b>		
Adjustment in respect of prior periods	-	147
Expenses not deductible for tax purposes	18	215
Group relief	1,029	436
<b>Total tax charge for the period</b>	-	144

#### Factors that may affect future tax charges

The corporation tax is calculated at 19% (2020 – 19%) of the estimated assessable profit for the year. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2021 on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements. On 3 March 2021, The UK Government announced that the corporation tax rate will increase from 19% to 25% from April 2023. As this rate was substantively enacted at the balance sheet date it has been used to calculate the deferred tax balances.

# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

### 9. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost</b>	
At 31 May 2020 and 30 September 2021	47,665

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Focus 100 Limited	Holding company	Ordinary	100%
Armitage Brothers Limited	Property rental to group	Ordinary	100%
Spectrum Brands EMEA UK Limited (Formerly Armitages Pet Products Limited)	Manufacture of pet food, treats and accessories	Ordinary	100%
Good Boy Pet Food Limited	Dormant company	Ordinary	100%
Algarde Enterprises Limited	Dormant company	Ordinary	100%
Armitage Trustees Limited	Dormant company	Ordinary	100%
Rotastak Limited	Dormant company	Ordinary	100%

The registered office of Rotastak Limited is 5th Floor Quartermile Two, C/o Morton Fraser LLP, 2 Lister Square, Edinburgh, EH3 9GL.

The registered office of Spectrum Brands EMEA UK Limited is Rosemount House, Rosemount Avenue, West Byfleet, Surrey KT14 6LB

All remaining subsidiaries have their registered office at Armitage House, Colwick, Nottingham, NG4 2BA.

On 29 May 2022 Armitage Brothers Limited, a subsidiary of the Company, sold all shares of Spectrum Brands EMEA UK Limited to K9 Topco Limited for a consideration of £188.9m. This was part of an internal restructuring of the Spectrum Brands group, which is headed by Spectrum Brands Inc. and which remains the ultimate parent company. This represents a non adjusting post balance sheet event.

# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

### 10. Debtors

	30 September 2021 £000	31 May 2020 £000
Amounts owed by group undertakings	171	167
Other debtors	-	4
	<u>171</u>	<u>171</u>

### 11. Creditors: Amounts falling due within one year

	30 September 2021 £000	31 May 2020 £000
Bank loans (note 13)	-	4,000
Amounts owed to group undertakings	62,108	15,445
Other creditors	-	318
Accruals and deferred income	10	693
	<u>62,118</u>	<u>20,456</u>

Included within amounts owed to group undertakings is a loan from Spectrum Brands (UK) Limited of £32,671,000 (2020 - £Nil), which includes accrued interest of £278,000 (2020 - £Nil). The loan is unsecured, bears interest at a rate of 2.65% per annum and is due for repayment on 26 October 2021.

After the year end, the loan agreement was amended to extend the maturity of the loan to 26 October 2023. This is considered to be a non-adjusting post balance sheet event.

### 12. Creditors: Amounts falling due after more than one year

	30 September 2021 £000	31 May 2020 £000
Bank loans (note 13)	-	36,150



# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

### 13. Borrowings

Analysis of the maturity of loans is given below:

	30 September 2021 £000	31 May 2020 £000
<b>Amounts falling due within one year</b>		
Bank loans	-	4,000
<b>Amounts falling due after more than five years</b>		
Bank loans	-	36,150
	<u>-</u>	<u>40,150</u>

On 26 October 2020, the company's bank loan of £36,150,000 was settled in full, by means of funds provided by Spectrum Brands (UK) Limited, after its purchase of 100% of the share capital of K9 Topco Limited (the group's previous ultimate parent company).

### 14. Share capital

	30 September 2021 £000	31 May 2020 £000
<b>Allotted, called up and fully paid</b>		
1 (2020 -1) Ordinary share of £1.00	<u>-</u>	<u>-</u>

### 15. Reserves

#### Profit and loss account

Cumulative profit and loss, net of distributions to owners.

# Armitage Pet Care Limited

## Notes to the Financial Statements For the period ended 30 September 2021

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### **16. Financial commitments, guarantees and contingent liabilities**

At 31 May 2020, the bank overdrafts and facilities of the K9 Topco Limited group, totalling £42,000,000, were secured by an unlimited multilateral guarantee given by K9 Topco Limited, K9 Midco Limited, Armitage Pet Care Limited, Focus100 Limited, Armitage Brothers Limited and Armitages Pet Products Limited.

On 26 October 2020, all the group's bank overdrafts and facilities were settled in full, by means of funds provided by Spectrum Brands (UK) Limited, after its purchase of 100% of the share capital of K9 Topco Limited (the group's previous ultimate parent company). The associated fixed and floating charges over the assets of the group were also satisfied in full.

At the balance sheet date, the company therefore has no financial commitments, guarantees or contingent liabilities outstanding.

### **17. Related party transactions**

The company has taken advantage of the exemption under FRS 102.33 'Related Party Transactions' not to disclose transactions between wholly owned members of the group.

The remuneration of key management personnel of the company, which includes the directors, as £1,546,000 (2020 - £1,060,000).

### **18. Controlling party**

At the balance sheet date, the directors consider the immediate parent undertaking to be K9 Midco Limited, a company incorporated in England and Wales.

The directors consider the ultimate parent company to be Spectrum Brands Holdings Inc (a company registered in the USA), following the purchase of 100% of the share capital of K9 Topco Limited (the previous ultimate parent company) by Spectrum Brands (UK) Limited on 26 October 2020.

Consolidated financial statements are prepared by the group headed by Spectrum Brands Holdings Inc, and can be obtained from its registered office, 3001 Deming Way, Middleton, WI 53562. The group headed by Spectrum Brands Holdings Inc is the largest group into which these financial statements are consolidated.