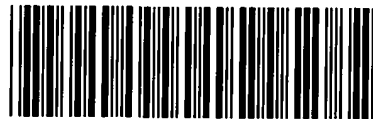


**GROVE PET FOODS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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# GROVE PET FOODS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J R Walgate A R Turner
<b>Company number</b>	00896298
<b>Registered office</b>	Lodge Farm Wigsley Road North Scarle Lincoln England LN6 9HD
<b>Auditor</b>	BHP, Chartered Accountants 2 Rutland Park Sheffield S10 2PD
<b>Bankers</b>	The Royal Bank of Scotland plc 5 Church Street Sheffield S1 1HF

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# GROVE PET FOODS LIMITED

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# GROVE PET FOODS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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The directors present the strategic report for the year ended 30 September 2016.

### **Fair review of the business**

The principal activities of the company are the manufacture and sale of animal and pet foods, under the Alpha, Vitalin and Richa brands, as well as under private label contract.

During the year the company completed the relocation of pet food manufacturing to the new factory at Lodge Farm and since June commenced the production of farmed animal foods at the Grove Road site. The new venture is trading as a separate division, Grove Animal Foods. Additional operating costs were incurred during the transitional period of operating two sites and transferring manufacturing.

Turnover was £8,857,626, in line with the previous year (2015: £9,253,354).

At the end of the financial year balance sheet net assets increased from £1,449,220 to £1,511,296.

The Directors consider the result for the year to be satisfactory and continue to develop the business in line with strategy.

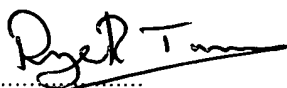
### **Principal risks and uncertainties**

The main risk facing the company is fluctuation in raw material costs. The company uses forward contracts to manage risk in purchasing.

### **Key performance indicators**

	2015/16	2014/15
Gross profit margin	28%	25%
Operating profit margin	2%	6%
Debtor days	42 days	36 days

On behalf of the board



A.R. Turner

Director

27.3.17

# GROVE PET FOODS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

The directors present their report and financial statements for the year ended 30 September 2016.

### Principal activities

The principal activity during the period continued to be the manufacture and supply of prepared pet food.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J R Walgate

A R Turner

### Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

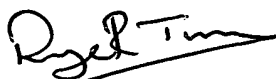
### Auditor

BHP, Chartered Accountants were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



A R Turner

Director

27.3.17

# **GROVE PET FOODS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2016***

---

The directors are responsible for preparing the annual 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **GROVE PET FOODS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GROVE PET FOODS LIMITED**

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We have audited the financial statements of Grove Pet Foods Limited for the year ended 30 September 2016 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

# GROVE PET FOODS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GROVE PET FOODS LIMITED

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### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lisa Leighton (Senior Statutory Auditor)  
for and on behalf of BHP, Chartered Accountants

27.3.17

Chartered Accountants  
Statutory Auditor

2 Rutland Park  
Sheffield  
S10 2PD



# GROVE PET FOODS LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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	Notes	2016 £	2015 £
Turnover	3	8,857,626	9,253,354
Cost of sales		(6,420,686)	(6,930,258)
<b>Gross profit</b>		<b>2,436,940</b>	<b>2,323,096</b>
Administrative expenses		(2,251,253)	(1,755,143)
<b>Operating profit</b>	4	<b>185,687</b>	<b>567,953</b>
Interest receivable and similar income	7	261	3,102
Interest payable and similar charges	8	(123,872)	(76,565)
<b>Profit before taxation</b>		<b>62,076</b>	<b>494,490</b>
Taxation	9	-	-
<b>Profit for the financial year</b>		<b>62,076</b>	<b>494,490</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

# GROVE PET FOODS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	2016 £	2015 £
Profit for the year	62,076	494,490
Other comprehensive income		
Revaluation of tangible fixed assets	(18,017)	(16,801)
Total comprehensive income for the year	<u>44,059</u>	<u>477,689</u>

# GROVE PET FOODS LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Goodwill	10	129,665		139,928	
Tangible assets	11	4,243,250		4,289,117	
		<u>4,372,915</u>		<u>4,429,045</u>	
<b>Current assets</b>					
Stocks	13	711,693		741,697	
Debtors	14	1,396,418		901,395	
Cash at bank and in hand		39,334		142,421	
		<u>2,147,445</u>		<u>1,785,513</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(2,954,007)</u>		<u>(2,500,305)</u>	
<b>Net current liabilities</b>		<u>(806,562)</u>		<u>(714,792)</u>	
<b>Total assets less current liabilities</b>		<u>3,566,353</u>		<u>3,714,253</u>	
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(2,055,057)</u>		<u>(2,265,033)</u>	
<b>Net assets</b>		<u><u>1,511,296</u></u>		<u><u>1,449,220</u></u>	
<b>Capital and reserves</b>					
Called up share capital	20	2,000,000		2,000,000	
Revaluation reserve		205,534		223,551	
Profit and loss reserves		<u>(694,238)</u>		<u>(774,331)</u>	
<b>Total equity</b>		<u><u>1,511,296</u></u>		<u><u>1,449,220</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 27.3.17 and are signed on its behalf by:



A R Turner  
Director

Company Registration No. 00896298

# GROVE PET FOODS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2014</b>		2,000,000	240,352	(1,285,622)	954,730
<b>Year ended 30 September 2015:</b>					
Profit for the year		-	-	494,490	494,490
Other comprehensive income:					
Revaluation of tangible fixed assets		-	(16,801)	-	(16,801)
Total comprehensive income for the year		-	(16,801)	494,490	477,689
Transfers		-	-	16,801	16,801
<b>Balance at 30 September 2015</b>		2,000,000	223,551	(774,331)	1,449,220
<b>Year ended 30 September 2016:</b>					
Profit for the year		-	-	62,076	62,076
Other comprehensive income:					
Revaluation of tangible fixed assets		-	(18,017)	-	(18,017)
Total comprehensive income for the year		-	(18,017)	62,076	44,059
Transfers		-	-	18,017	18,017
<b>Balance at 30 September 2016</b>		2,000,000	205,534	(694,238)	1,511,296

# GROVE PET FOODS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	690,928		1,361,511	
Interest paid		(123,872)		(76,565)	
<b>Net cash inflow from operating activities</b>		<b>567,056</b>		<b>1,284,946</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(29,079)		(39,326)	
Purchase of tangible fixed assets		(522,507)		(1,348,570)	
Proceeds on disposal of tangible fixed assets		66,012		6,599	
Interest received		261		3,102	
<b>Net cash used in investing activities</b>		<b>(485,313)</b>		<b>(1,378,195)</b>	
<b>Financing activities</b>					
Repayment of bank loans		(114,991)		(316,648)	
Payment of finance leases obligations		(69,839)		(54,066)	
<b>Net cash used in financing activities</b>		<b>(184,830)</b>		<b>(370,714)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(103,087)</b>		<b>(463,963)</b>	
Cash and cash equivalents at beginning of year		142,421		606,384	
<b>Cash and cash equivalents at end of year</b>		<b>39,334</b>		<b>142,421</b>	

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

#### 1 Accounting policies

##### Company information

Grove Pet Foods Limited is a company limited by shares incorporated in England and Wales. The registered office is Lodge Farm, Wigsley Road, North Scarle, Lincoln, England, LN6 9HD.

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2016 are the first financial statements of Grove Pet Foods Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over 4 - 10 years.

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	over 4 - 10 years
Fixtures, fittings & equipment	over 4 - 10 years
Motor vehicles	over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

#### 1 Accounting policies

(Continued)

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

#### 1 Accounting policies

(Continued)

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

Basic financial assets, which include debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end 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 profit or loss.

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 profit or loss.

##### **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 are classified according to the substance of the contractual arrangements entered into.

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

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Judgements 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.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
<b>Turnover</b>		
Pet food	8,784,527	9,253,354
Animal food	73,099	-
	<u>8,857,626</u>	<u>9,253,354</u>
 <b>Other significant revenue</b>		
Interest income	<u>261</u>	<u>3,102</u>

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 3 Turnover and other revenue (Continued)

#### Turnover analysed by geographical market

	2016 £	2015 £
UK	8,604,931	9,135,607
Europe	118,475	90,495
Other	134,220	27,252
	<u>8,857,626</u>	<u>9,253,354</u>

### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	9,400	9,500
Depreciation of owned tangible fixed assets	499,228	208,034
Loss/(profit) on disposal of tangible fixed assets	3,133	(2,715)
Amortisation of intangible assets	39,341	40,829
Operating lease charges	180,202	137,788
	<u></u>	<u></u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Production	31	36
Administration	16	12
Management	6	6
	<u>53</u>	<u>54</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,410,811	1,136,699
Pension costs	5,167	1,531
	<u>1,415,978</u>	<u>1,138,230</u>

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	177,047	104,131

### 7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Other interest income	261	3,102

### 8 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	87,872	40,565
Other finance costs:		
Other interest	36,000	36,000
	123,872	76,565

### 9 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	62,076	494,490
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	12,415	98,898
Tax effect of expenses that are not deductible in determining taxable profit	(5,085)	(18,066)
Tax effect of utilisation of tax losses not previously recognised	-	78,377
Change in unrecognised deferred tax assets	(14,953)	-
Permanent capital allowances in excess of depreciation	-	(159,209)
Other permanent differences	7,623	-
Taxation for the year	-	-

The company has estimated losses of £2,678,000 (2015: £2,584,000) available for carry forward against future trading profits.

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

#### 10 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 October 2015	2,700,480
Additions - separately acquired	29,079
At 30 September 2016	<u>2,729,559</u>
<b>Amortisation and impairment</b>	
At 1 October 2015	2,560,553
Amortisation charged for the year	39,341
At 30 September 2016	<u>2,599,894</u>
<b>Carrying amount</b>	
At 30 September 2016	<u>129,665</u>
At 30 September 2015	<u>139,928</u>

#### 11 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 October 2015	4,313,938	338,445	78,398	4,730,781
Additions	405,335	24,527	92,645	522,507
Disposals	(34,042)	-	(55,950)	(89,992)
At 30 September 2016	<u>4,685,231</u>	<u>362,972</u>	<u>115,093</u>	<u>5,163,296</u>
<b>Depreciation and impairment</b>				
At 1 October 2015	249,749	161,181	30,735	441,665
Depreciation charged in the year	445,967	34,251	19,010	499,228
Eliminated in respect of disposals	(1,334)	-	(19,513)	(20,847)
At 30 September 2016	<u>694,382</u>	<u>195,432</u>	<u>30,232</u>	<u>920,046</u>
<b>Carrying amount</b>				
At 30 September 2016	<u>3,990,849</u>	<u>167,540</u>	<u>84,861</u>	<u>4,243,250</u>
At 30 September 2015	<u>4,064,190</u>	<u>177,264</u>	<u>47,663</u>	<u>4,289,117</u>

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 11 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	277,500	300,000
Depreciation charge for the year in respect of leased assets	-	-

The plant and machinery were valued as at 17 July 2014 on a market value basis by Tallon & Associates Limited, a firm of Independent Chartered Surveyors. This valuation has been adopted in these financial statements, plus any additions made subsequent to this valuation. The directors consider this valuation to be appropriate as they are not aware of any material change in value.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2016 £	2015 £
Cost	803,004	803,004
Accumulated depreciation	742,425	719,569
Carrying value	60,579	83,435

### 12 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,183,388	818,385
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,805,212	4,546,588

### 13 Stocks

	2016 £	2015 £
Raw materials and consumables	493,976	503,784
Finished goods and goods for resale	217,717	237,913
	711,693	741,697

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 14 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,111,835	726,316
Other debtors	118,048	114,602
Prepayments and accrued income	166,535	60,477
	<u>1,396,418</u>	<u>901,395</u>

### 15 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	17	453,514	394,861
Obligations under finance leases	18	101,897	95,406
Trade creditors		1,426,564	1,312,993
Other taxation and social security		28,684	21,822
Other creditors		768,180	478,295
Accruals and deferred income		175,168	196,928
		<u>2,954,007</u>	<u>2,500,305</u>

Included within other creditors are advances against invoices of £758,474 (2015: £452,710). The advances against invoices are secured by first charge over trade debtors.

### 16 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	17	980,861	1,154,505
Obligations under finance leases	18	134,196	210,528
Other creditors		940,000	900,000
		<u>2,055,057</u>	<u>2,265,033</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	40,476
Payable other than by instalments	940,000	900,000
	<u>940,000</u>	<u>940,476</u>

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 17 Loans and overdrafts

	2016 £	2015 £
Bank loans	1,434,375	1,549,366
Payable within one year	453,514	394,861
Payable after one year	980,861	1,154,505

Included in bank loans is a loan from Lombard North Central Plc of £850,000 which is secured against the assets to which it relates. At the year end £542,426 remains outstanding.

Also included in bank loans is another loan from Lombard North Central Plc of £51,217 which is secured against the assets to which it relates. At the year end £47,755 remains outstanding.

Also included in bank loans is another loan from Lombard North Central Plc of £125,000 which is secured against the assets to which it relates. At the year end £119,673 remains outstanding.

Also included in bank loans is another loan from Lombard North Central Plc of £56,000 which is secured against the assets to which it relates. At the year end £52,892 remains outstanding.

Also included in bank loans is a loan from Aldermore Bank Plc of which £145,438 remains outstanding at the year end. A personal guarantee has been provided by A R Turner which is limited to £50,000.

In addition RBS have provided a bank loan, of which £526,191 remains outstanding at the year end. The bank loan is secured by way of a fixed and floating charge over the assets of the company, a personal guarantee provided by A R Turner of up to £500,000 and a guarantee of £850,000 provided by Holdco Alpha Limited.

### 18 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	101,897	95,406
In two to five years	134,196	210,528
	236,093	305,934

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 19 Retirement benefit schemes

	2016	2015
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	5,167	1,531

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 20 Share capital

	2016	2015
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000

### 21 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016	2015
	£	£
Aggregate compensation	177,047	104,131

#### Yorkshire Crisp Company Limited

During the year the company purchased goods totalling £3,812 (2015: £17,040) from Yorkshire Crisp Company Limited (a company connected by common ownership). At the year end nil (2015: £560) was due to Yorkshire Crisp Company.

#### H Turner & Son Limited

At the year end £934,736 (2015: £914,269) was due to H Turner & Son Limited, of which £900,000 (2015: £900,000) is included in creditors due over one year, and £34,736 is shown in creditors due within one year. Interest of £36,000 (2015: £36,000) was paid on the loan during the year. Other wages recharges of £85,133 were also made during the year.

#### Darlington Hall Estates Ltd

During the year Darlington Hall Estates Ltd charged the company rent of £149,337 (2015: £138,000) and made recharges of £163,068 for maintenance and materials. During the year a loan of £48,572 was also made from the company. At the year end a balance of £44,378 (2015: £60,768) was due from Darlington Hall Estates Ltd (a company in which A R Turner is a director). This is shown within other debtors.

A R Turner has provided a personal guarantee as disclosed in note 17 of the accounts.



# GROVE PET FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

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### 22 Controlling party

The ultimate holding company is Holdco Alpha Limited, a company registered in England and Wales. The ultimate controlling party is A R Turner, a director of the company.

### 23 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	62,076	494,490
<b>Adjustments for:</b>		
Finance costs	123,872	76,565
Investment income	(261)	(3,102)
Loss/(gain) on disposal of tangible fixed assets	3,133	(2,715)
Amortisation and impairment of intangible assets	39,341	40,829
Depreciation and impairment of tangible fixed assets	499,228	208,034
<b>Movements in working capital:</b>		
Decrease in stocks	30,004	8,306
(Increase)/decrease in debtors	(495,023)	5,086
Increase in creditors	428,558	534,018
<b>Cash generated from operations</b>	<u>690,928</u>	<u>1,361,511</u>