

**REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009
FOR
PET FOOD BRANDS LIMITED**

Ainsworths Limited
Chartered Accountants
and Registered Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

WEDNESDAY



A37 *A7ERTHEA* 85
10/02/2010
COMPANIES HOUSE

281
11.2 '10.

PET FOOD BRANDS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2009**

DIRECTORS

P E Bieler
J E Davies
A C F Nissen
A P G Raeburn

SECRETARY:

S W F Campbell

REGISTERED OFFICE:

Greenbank House
Gladstone Street
Blackburn
Lancashire
BB1 3ES

REGISTERED NUMBER:

6005766

AUDITORS:

Ainsworths Limited
Chartered Accountants
and Registered Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

PET FOOD BRANDS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH JUNE 2009

The directors present their report with the financial statements of the company and the group for the year ended 30th June 2009

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture and distribution of pet foods

REVIEW OF BUSINESS

The results for the year and financial position of the group are as shown in the annexed financial statements

This year turnover from trading activities has increased by 19.5% from 2008, to £16.9 million which represents an additional £2.7 million. The group has achieved this through additional trade generated from customers.

As a result of the increase in business activity, costs relating to goods sold have also risen to £14.6 million.

The resultant gross profit generated is 13.94% of turnover (2008: 17.45%). The reduction is attributable to the increase in raw material costs in the period.

The principal risks and uncertainties facing the company are raw material prices, currency fluctuations and competitive pressures.

DIVIDENDS

No dividends will be distributed for the year ended 30th June 2009.

FIXED ASSETS

In the opinion of the directors, the market value of the group's freehold property is not materially in excess of that shown in the financial statements in relation to its use in the group's trade.

FUTURE DEVELOPMENTS

No significant changes to the group's business are anticipated.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2008 to the date of this report.

P E Bieler
J E Davies
A C F Nissen
A P G Raeburn

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 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.

PET FOOD BRANDS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2009**

STATEMENT OF DIRECTORS' RESPONSIBILITIES- continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

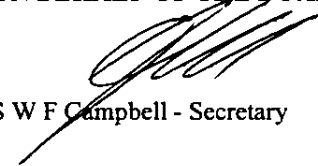
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Ainsworths Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



S W F Campbell - Secretary

1st February 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PET FOOD BRANDS LIMITED

We have audited the financial statements of Pet Food Brands Limited for the year ended 30th June 2009 on pages five to twenty one. 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).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

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 30th June 2009 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 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.

Paul Carney (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Registered Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

1st February 2010

PET FOOD BRANDS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2009**

	Notes	30 6 09 £'000	30 6 08 £'000
TURNOVER	2	16,891	14,144
Cost of sales		<u>14,467</u>	<u>11,621</u>
GROSS PROFIT		2,424	2,523
Distribution costs		1,067	947
Administrative expenses		<u>1,070</u>	<u>1,214</u>
		<u>2,137</u>	<u>2,161</u>
		287	362
Other operating income		<u>17</u>	<u>7</u>
OPERATING PROFIT	4	304	369
Interest receivable and similar income		<u>1</u>	<u>4</u>
		305	373
Interest payable and similar charges	5	<u>298</u>	<u>286</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7	87
Tax on profit on ordinary activities	6	<u>30</u>	<u>44</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(23)</u>	<u>43</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

PET FOOD BRANDS LIMITED

CONSOLIDATED BALANCE SHEET
30TH JUNE 2009

	Notes	30.6.09 £'000	£ 000	30 6 08 £ 000	£ 000
FIXED ASSETS					
Intangible assets	8		-		53
Tangible assets	9		6,267		5,887
Investments	10		-		-
			6,267		5,940
CURRENT ASSETS					
Stocks	11	1,444		1,204	
Debtors	12	3,709		3,103	
Cash at bank and in hand		26		80	
		5,179		4,387	
CREDITORS					
Amounts falling due within one year	13	6,017		4,602	
NET CURRENT LIABILITIES			(838)		(215)
TOTAL ASSETS LESS CURRENT LIABILITIES			5,429		5,725
CREDITORS					
Amounts falling due after more than one year	14		(2,931)		(3,220)
PROVISIONS FOR LIABILITIES	18		(515)		(487)
ACCRUALS AND DEFERRED INCOME	19		(105)		(117)
NET ASSETS			1,878		1,901
RESERVES					
Share premium	21		496		496
Negative goodwill	21		1,326		1,326
Profit and loss account	21		56		79
SHAREHOLDERS' FUNDS	24		1,878		1,901

The financial statements were approved by the Board of Directors on 1st February 2010 and were signed on its behalf by



A P G Raeburn - Director

The notes form part of these financial statements

PET FOOD BRANDS LIMITED

COMPANY BALANCE SHEET
30TH JUNE 2009

	Notes	30.6 09 £'000	£'000	30 6 08 £'000	£'000
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		-		-
Investments	10		<u>995</u>		<u>995</u>
			995		995
CURRENT ASSETS					
Debtors	12	83		58	
Cash at bank		<u>8</u>		<u>72</u>	
		91		130	
CREDITORS					
Amounts falling due within one year	13	<u>16</u>		<u>17</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>75</u>		<u>113</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,070		1,108
CREDITORS					
Amounts falling due after more than one year	14		<u>724</u>		<u>691</u>
NET ASSETS			<u>346</u>		<u>417</u>
RESERVES					
Share premium	21		496		496
Profit and loss account	21		<u>(150)</u>		<u>(79)</u>
SHAREHOLDERS' FUNDS	24		<u>346</u>		<u>417</u>

The financial statements were approved by the Board of Directors on 25th January 2010 and were signed on its behalf by



A P G Raeburn - Director

The notes form part of these financial statements

PET FOOD BRANDS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	Notes	30.6 09 £'000	30 6 08 £'000
Net cash inflow from operating activities	1	518	1,584
Returns on investments and servicing of finance	2	(297)	(282)
Capital expenditure	2	<u>(695)</u>	<u>(1,345)</u>
		(474)	(43)
Financing	2	<u>271</u>	<u>51</u>
(Decrease)/Increase in cash in the period		<u>(203)</u>	<u>8</u>
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(203)	8
Cash inflow from increase in debt and lease financing		<u>(270)</u>	<u>(51)</u>
Change in net debt resulting from cash flows		(473)	(43)
New finance leases		<u>(248)</u>	<u>(612)</u>
Movement in net debt in the period		(721)	(655)
Net debt at 1st July		<u>(4,688)</u>	<u>(4,033)</u>
Net debt at 30th June		<u>(5,409)</u>	<u>(4,688)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.6.09	30 6 08
	£'000	£'000
Operating profit	304	369
Depreciation charges	636	472
(Profit)/Loss on disposal of fixed assets	(19)	347
Rounding adjustment	(4)	-
Government grants	(12)	-
Increase in stocks	(240)	(242)
Increase in debtors	(606)	(80)
Increase in creditors	459	718
Net cash inflow from operating activities	<u>518</u>	<u>1,584</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.6.09	30 6 08
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	1	4
Interest paid	(246)	(201)
Finance lease charges	(52)	(85)
Net cash outflow for returns on investments and servicing of finance	<u>(297)</u>	<u>(282)</u>
Capital expenditure		
Purchase of tangible fixed assets	(732)	(1,424)
Sale of tangible fixed assets	37	79
Net cash outflow for capital expenditure	<u>(695)</u>	<u>(1,345)</u>
Financing		
New loans in year	100	1,000
Loan repayments in year	(230)	(96)
Movement in invoice discounting facility	754	(609)
Capital repayments in year	(353)	(244)
Net cash inflow from financing	<u>271</u>	<u>51</u>

The notes form part of these financial statements

PET FOOD BRANDS LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.08 £'000	Cash flow £'000	Other non-cash changes £'000	At 30.6.09 £'000
Net cash				
Cash at bank and in hand	80	(54)		26
Bank overdraft	<u>(256)</u>	<u>(149)</u>		<u>(405)</u>
	<u>(176)</u>	<u>(203)</u>		<u>(379)</u>
Debt				
Hire purchase	(948)	353	(248)	(843)
Invoice discounting facility	(856)	(754)	-	(1,610)
Debts falling due within one year	(216)	(63)	-	(279)
Debts falling due after one year	<u>(2,492)</u>	<u>194</u>	<u>-</u>	<u>(2,298)</u>
	<u>(4,512)</u>	<u>(270)</u>	<u>(248)</u>	<u>(5,030)</u>
Total	<u>(4,688)</u>	<u>(473)</u>	<u>(248)</u>	<u>(5,409)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2009

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements include the company and its subsidiary undertaking. Inter group sales and profits are eliminated fully on consolidation.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2000, is being amortised evenly over its estimated useful life of ten years.

Negative goodwill arising on consolidation is credited to reserves in the period in which it arises.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Assets under construction	- Nil
Plant and machinery	- 15% on reducing balance, 10% on cost and 5% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Office equipment	- 25% on cost and 12.5% on cost

Stocks

Stocks have been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost for this purpose consists of materials, direct labour and an appropriate proportion of production overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Hire purchase

Assets purchased under hire purchase agreements and finance leases have been recorded in the balance sheet as tangible fixed assets, with future instalments under such agreements, net of finance charges, being included in creditors. Operating leases have been charged to the profit and loss account on a straight line basis over the life of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009

1 ACCOUNTING POLICIES - continued

Government grants

Capital grants are credited to the profit and loss account in accordance with the depreciation policy of the asset to which they relate Revenue grants are credited to the profit and loss in the period to which they relate

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group

An analysis of turnover by geographical market is given below

	30.6.09	30 6 08
	£'000	£'000
United Kingdom	16,230	13,523
Europe	<u>661</u>	<u>621</u>
	<u>16,891</u>	<u>14,144</u>

3 STAFF COSTS

	30.6.09	30 6 08
	£'000	£'000
Wages and salaries	2,495	2,281
Social security costs	206	190
Other pension costs	<u>50</u>	<u>50</u>
	<u>2,751</u>	<u>2,521</u>

The average monthly number of employees during the year was as follows

	30.6.09	30 6 08
Administrative and selling	22	22
Production and distribution	<u>120</u>	<u>115</u>
	<u>142</u>	<u>137</u>

PET FOOD BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009**

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	30.6.09	30.6.08
	£'000	£'000
Depreciation - owned assets	582	422
(Profit)/Loss on disposal of fixed assets	(19)	347
Goodwill amortisation	53	50
Auditors' remuneration	11	11
Other services relating to taxation	1	-
Foreign exchange differences	(130)	(37)
Lease charges - land and buildings	254	202
	<u> </u>	<u> </u>

	30.6.09	30.6.08
	£	£
Directors' remuneration	<u>133,727</u>	<u>63,357</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	30.6.09	30.6.08
	£'000	£'000
Bank interest	80	50
Loan note interest	97	97
Invoice discounting	52	85
Hire purchase interest	<u>69</u>	<u>54</u>
	<u>298</u>	<u>286</u>

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	30.6.09	30.6.08
	£'000	£'000
Deferred tax	<u>30</u>	<u>44</u>
Tax on profit on ordinary activities	<u>30</u>	<u>44</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009

6 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	30.6.09 £'000	30.6.08 £'000
Profit on ordinary activities before tax	<u>7</u>	<u>87</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 21%)	1	18
Effects of Expenses not deductible for tax purposes	20	18
Capital allowances (in excess of)/less than depreciation and other timing differences	(52)	(101)
(Utilisation)/increase of tax losses	31	60
Chargeable gain	<u>-</u>	<u>5</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Trading losses of approximately £437,000 are available to utilise against future trading profits

7 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(71,208) (2008 - £(68,026))

8 INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000
COST	
At 1st July 2008 and 30th June 2009	<u>500</u>
AMORTISATION	
At 1st July 2008	447
Amortisation for year	<u>53</u>
At 30th June 2009	<u>500</u>
NET BOOK VALUE	
At 30th June 2009	<u>-</u>
At 30th June 2008	<u>53</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009

9 TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Assets under construction £'000	Plant and machinery £'000
COST			
At 1st July 2008	796	208	7,446
Additions	-	-	974
Disposals	-	-	(22)
Reclassification/transfer	-	(208)	208
At 30th June 2009	<u>796</u>	<u>-</u>	<u>8,606</u>
DEPRECIATION			
At 1st July 2008	168	-	2,488
Charge for year	16	-	533
Eliminated on disposal	-	-	(4)
At 30th June 2009	<u>184</u>	<u>-</u>	<u>3,017</u>
NET BOOK VALUE			
At 30th June 2009	<u>612</u>	<u>-</u>	<u>5,589</u>
At 30th June 2008	<u>628</u>	<u>208</u>	<u>4,958</u>

	Fixtures and fittings £'000	Motor vehicles £'000	Office equipment £'000	Totals £'000
COST				
At 1st July 2008	60	32	157	8,699
Additions	2	-	4	980
Disposals	-	-	-	(22)
At 30th June 2009	<u>62</u>	<u>32</u>	<u>161</u>	<u>9,657</u>
DEPRECIATION				
At 1st July 2008	38	28	90	2,812
Charge for year	10	1	22	582
Eliminated on disposal	-	-	-	(4)
At 30th June 2009	<u>48</u>	<u>29</u>	<u>112</u>	<u>3,390</u>
NET BOOK VALUE				
At 30th June 2009	<u>14</u>	<u>3</u>	<u>49</u>	<u>6,267</u>
At 30th June 2008	<u>22</u>	<u>4</u>	<u>67</u>	<u>5,887</u>

Included within plant and machinery are assets held under hire purchase and finance leases, with a net book value of £1,627,000 (2008 £1,594,000) Depreciation charged on these assets during the period amounted to £117,000 (2008 £64,000)

PET FOOD BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009**

10 FIXED ASSET INVESTMENTS

Company

**Shares in
group
undertakings
£'000**

COST

At 1st July 2008
and 30th June 2009

995

NET BOOK VALUE

At 30th June 2009

995

At 30th June 2008

995

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

Pets Choice Limited

Nature of business Manufacture and distribution of pet foods

	% holding
Class of shares	
Ordinary and Founder shares	100 00
Preference shares	100 00

11 STOCKS

	Group	
	30.6.09	30 6 08
	£'000	£'000
Raw materials	671	652
Finished goods	<u>773</u>	<u>552</u>
	<u>1,444</u>	<u>1,204</u>

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.09	30 6 08	30.6.09	30 6 08
	£'000	£'000	£'000	£'000
Trade debtors	3,400	2,822	-	-
Amounts owed by group undertakings	-	-	83	58
Prepayments	<u>309</u>	<u>281</u>	<u>-</u>	<u>-</u>
	<u>3,709</u>	<u>3,103</u>	<u>83</u>	<u>58</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.09	30 6 08	30 6.09	30 6 08
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 15)	651	472	-	-
Other loans (see note 15)	33	-	-	-
Hire purchase contracts (see note 16)	284	262	-	-
Trade creditors	2,747	2,330	1	2
Social security and other taxes	464	382	-	-
Other creditors	58	99	-	-
Advanced by invoice discounters	1,610	856	-	-
Accrued expenses	170	201	15	15
	<u>6,017</u>	<u>4,602</u>	<u>16</u>	<u>17</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30.6.09	30 6 08	30.6.09	30 6 08
	£'000	£'000	£'000	£'000
Bank loans (see note 15)	792	1,044	-	-
Other loans (see note 15)	58	-	-	-
Hire purchase contracts (see note 16)	559	686	-	-
Loan notes/loan stock due within five years	1,448	1,249	650	650
Unsecured loan stock due after more than five years	-	200	-	-
Accrued expenses	74	41	74	41
	<u>2,931</u>	<u>3,220</u>	<u>724</u>	<u>691</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009

15 LOANS

An analysis of the maturity of loans is given below

	Group	
	30.6.09	30 6 08
	£'000	£'000
Amounts falling due within one year or on demand		
Bank overdrafts	405	256
Bank loans	246	216
Other loans	33	-
	<u>684</u>	<u>472</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	670	229
Other loans - 1-2 years	33	-
	<u>703</u>	<u>229</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	122	798
Other loans - 2-5 years	25	-
	<u>147</u>	<u>798</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	-	17

The bank loans are repayable as follows by instalments over 120 months at an interest rate of 2% per annum above the Bank's base rate, over 84 months at an interest rate of 1.85% per annum above the Bank's base rate, over 36 months at an interest rate of 1.7% above the Bank's base rate and in full after 36 months with the interest being paid at an interest rate of 1.7% above the Bank's base rate over the 36 months

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	30.6.09	30 6 08
	£'000	£'000
Net obligations repayable		
Within one year	284	262
Between one and five years	559	686
	<u>843</u>	<u>948</u>

PET FOOD BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009**

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES- continued

The following operating lease payments are committed to be paid within one year

Group	Land and buildings		Other operating leases	
	30.6.09 £'000	30 6 08 £'000	30.6.09 £'000	30 6 08 £'000
Expiring In more than five years	<u>197</u>	<u>-</u>	<u>197</u>	<u>-</u>

17 SECURED DEBTS

The following secured debts are included within creditors

	Group	
	30.6.09 £'000	30 6 08 £'000
Bank overdraft	405	256
Bank loans	1,038	1,260
Other loans	91	-
Hire purchase contracts	843	948
Amounts advanced from factor	<u>1,610</u>	<u>856</u>
	<u>3,987</u>	<u>3,320</u>

The bank loans and overdrafts are secured by way of fixed and floating charges over certain assets of the company

The Other Loan bears no interest, is repayable by instalments over 36 months and is secured on the asset to which it relates

Amounts due under hire purchase contracts are secured on the assets to which they relate

The amounts advanced from the factor are secured on the trade debtors to which they relate

18 PROVISIONS FOR LIABILITIES

	Group	
	30.6.09 £'000	30 6 08 £'000
Deferred tax		
Accelerated capital allowances	597	546
Losses carried forward	(80)	(58)
Other timing differences	<u>(2)</u>	<u>(1)</u>
	<u>515</u>	<u>487</u>

PET FOOD BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009**

18 PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £'000
Balance at 1st July 2008	487
Movement in the year	<u>28</u>
Balance at 30th June 2009	<u>515</u>

19 ACCRUALS AND DEFERRED INCOME

	30.6.09 £'000	Group 30.6.08 £'000
Deferred government grants	<u>105</u>	<u>117</u>

20 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value 1p	30.6.09 £'000	30.6.08 £'000
9,033	Ordinary		<u>-</u>	<u>-</u>

21 RESERVES

Group

	Profit and loss account £'000	Share premium £'000	Negative goodwill £'000	Totals £'000
At 1st July 2008	79	496	1,326	1,901
Deficit for the year	<u>(23)</u>	<u>-</u>	<u>-</u>	<u>(23)</u>
At 30th June 2009	<u>56</u>	<u>496</u>	<u>1,326</u>	<u>1,878</u>

Company

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1st July 2008	(79)	496	417
Deficit for the year	<u>(71)</u>	<u>-</u>	<u>(71)</u>
At 30th June 2009	<u>(150)</u>	<u>496</u>	<u>346</u>

PET FOOD BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- continued
FOR THE YEAR ENDED 30TH JUNE 2009**

22 CONTINGENT LIABILITIES

Pet Food Brands Limited and Pets Choice Limited have guaranteed each others liabilities to the bank The aggregate of bank loans and overdrafts outstanding at 30th June 2009 was £1,443,000 (2008 £1,433,000)

23 RELATED PARTY DISCLOSURES

Transactions with related parties subsisted during the year within the subsidiary, Pets Choice Limited as noted below

Mr J E Davies, a director of both companies in the group and a shareholder in the Parent company, has an interest in J E Davies Settlement Mr A P G Raeburn, a director of both companies in the group and a shareholder in the Parent company, has an interest in May & Raeburn Limited All transactions were undertaken on an arms length basis

Rent was charged to Pets Choice Limited by J E Davies Settlement of £22,000 (2008 £89,000) No balances were outstanding at the year end

During the year royalties received by Pets Choice Limited from May & Raeburn Limited amounted to £13,000 (2008 £nil) and purchases from May & Raeburn Limited amounted to £415,000 (2008 £236,000) As at the year end an amount of £310,000 (2008 £101,000) was owed to May & Raeburn Limited

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	30.6.09	30.6.08
	£'000	£'000
(Loss)/Profit for the financial year	<u>(23)</u>	<u>43</u>
Net (reduction)/addition to shareholders' funds	(23)	43
Opening shareholders' funds	<u>1,901</u>	<u>1,858</u>
Closing shareholders' funds	<u>1,878</u>	<u>1,901</u>

Company

	30.6.09	30.6.08
	£'000	£'000
Loss for the financial year	(71)	(68)
Share issue	—	—
Net reduction of shareholders' funds	(71)	(68)
Opening shareholders' funds	<u>417</u>	<u>485</u>
Closing shareholders' funds	<u>346</u>	<u>417</u>