

REGISTERED NUMBER: 02823576 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Period 1 December 2017 to 31 December 2018
for
Unipet International Limited**

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for the Period 1 December 2017 to 31 December 2018**

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Unipet International Limited
Company Information
for the Period 1 December 2017 to 31 December 2018

DIRECTORS:

A L Ball Esq
L Rouse Esq

REGISTERED OFFICE:

Unit L
Tribune Drive
Trinity Trading Estate
Sittingbourne
Kent
ME10 2PG

REGISTERED NUMBER:

02823576 (England and Wales)

AUDITORS:

McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Invicta Business Centre
Monument Way
Orbital Park
Ashford
Kent
TN24 0HB

**Strategic Report
for the Period 1 December 2017 to 31 December 2018**

The directors present their strategic report for the period 1 December 2017 to 31 December 2018.

REVIEW OF BUSINESS

The company's principal activities during the period continued to be the manufacture, distribution and selling of wild bird food products.

BUSINESS REVIEW AND KEY FINANCIAL PERFORMANCE INDICATORS

The company has seen revenues grow by some 33.05% in 2018 from £10.3m to £13.7m. This is in part due to an extended accounting period of 13 months having been adopted in 2018 and in part due to winning new contracts and new products lines being successfully launched. Net profit (before tax) has risen from 6.4% in 2017 to 8.0% in 2018. The directors are pleased with the increased turnover but will continue to monitor margins and will make strategic business decisions based on the ongoing business performance monitoring.

	2018(13 months)	2017	Change
Turnover	£13,710,487	£10,304,053	+33.05%
Gross profit %	28.27%	28.65%	-0.38%
Operating profit	£1,152,327	£697,611	+65.17%
ROCE	1.23	0.57	+0.66
Current ratio	0.91	0.97	-0.06

The company has sufficient funding in place at the period end to enable the continued investment in technology, key personnel and product development.

The directors and management are undertaking a product profile review in 2019 and remain confident that the changes proposed will strengthen the business' position for the coming year and years to come.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have not identified any specific risks facing the company although there are general business risks that the directors are aware of. These principal risks and uncertainties facing the company are broadly grouped as; competitive, financial and credit and interest risk.

Competitive Risks

In the UK the company competes against a relatively small number of key competitors. The company is required to compete for business across a number of key areas including, price, quality and service.

Financial Risks

The company has established a risk and financial management process whose primary objective is to protect the company from events that hinder the achievement of the company's performance objectives.

The company hedges exchange rate risk where deemed prudent. The company works closely with customers and suppliers to manage credit terms to ensure successful liquidity management. The company insures the vast majority of its debts so as to limit exposure to non recoveries.

Credit and Interest Risk

The company reduced its level of borrowing over the past few years to limit its exposure to credit and interest risk. Where possible finance agreements are entered into on fixed interest rate agreements to avoid any unnecessary exposure to market forces.

The post year end restructure has resulted in an additional borrowing commitment. Stringent financial due diligence processes were undertaken prior to the transaction taking place and the directors have no overdue concerns over the commitment to this debt.

**Strategic Report
for the Period 1 December 2017 to 31 December 2018**

Brexit

The company has considered the risks and uncertainties around Brexit and given the limited concise information available to date, the company feels its exposure to any subsequent changes in legislation and trading position can be suitably managed through the management of its supply chain, through its effective communication to third parties and through the leadership skills of its directors and senior management team.

ON BEHALF OF THE BOARD:

A L Ball Esq - Director

6 September 2019

**Report of the Directors
for the Period 1 December 2017 to 31 December 2018**

The directors present their report with the financial statements of the company for the period 1 December 2017 to 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the manufacture, distribution and selling of wild bird and pet food products.

DIVIDENDS

The total distribution of dividends for the period ended 31 December 2018 was £1,200,000.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2017 to the date of this report.

A L Ball Esq
L Rouse Esq

Other changes in directors holding office are as follows:

R O F Klapwijk Esq ceased to be a director after 31 December 2018 but prior to the date of this report.

REPORTING PERIOD

The financial statements are for a 13 month period, and therefore certain figures are not directly comparable. The accounting reference date was changed to enable the company to better facilitate year end procedures in view of the close down in production over the christmas period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 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.

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 company'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 company's auditors are aware of that information.

**Report of the Directors
for the Period 1 December 2017 to 31 December 2018**

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A L Ball Esq - Director

6 September 2019

Report of the Independent Auditors to the Members of Unipet International Limited

Opinion

We have audited the financial statements of Unipet International Limited (the 'company') for the period ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt
- about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Unipet International Limited

Matters on which we are required to report by exception

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 Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' 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 a Report of the Auditors 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.

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

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 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.

Barrie Wright FCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Invicta Business Centre
Monument Way
Orbital Park
Ashford
Kent
TN24 0HB

9 September 2019

Income Statement
for the Period 1 December 2017 to 31 December 2018

	Notes	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
TURNOVER	3	13,710,487	10,304,053
Cost of sales		<u>9,833,644</u>	<u>7,351,489</u>
GROSS PROFIT		3,876,843	2,952,564
Administrative expenses		<u>2,724,516</u>	<u>2,254,953</u>
OPERATING PROFIT	5	1,152,327	697,611
Interest receivable and similar income		<u>40</u>	<u>115</u>
		1,152,367	697,726
Interest payable and similar expenses	6	<u>54,348</u>	<u>35,544</u>
PROFIT BEFORE TAXATION		1,098,019	662,182
Tax on profit	7	<u>183,441</u>	<u>71,991</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>914,578</u>	<u>590,191</u>

The notes form part of these financial statements

Unipet International Limited (Registered number: 02823576)

**Other Comprehensive Income
for the Period 1 December 2017 to 31 December 2018**

	Notes	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
PROFIT FOR THE PERIOD		914,578	590,191
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>914,578</u>	<u>590,191</u>

The notes form part of these financial statements

Balance Sheet
31 December 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	9		1,219,960		1,288,161
CURRENT ASSETS					
Stocks	10	936,607		961,499	
Debtors	11	2,110,870		1,574,002	
Cash at bank and in hand		<u>3,773</u>		<u>4,569</u>	
		3,051,250		2,540,070	
CREDITORS					
Amounts falling due within one year	12	<u>3,338,785</u>		<u>2,603,473</u>	
NET CURRENT LIABILITIES			<u>(287,535)</u>		<u>(63,403)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			932,425		1,224,758
CREDITORS					
Amounts falling due after more than one year	13		(77,776)		(72,687)
PROVISIONS FOR LIABILITIES	17		<u>(141,000)</u>		<u>(153,000)</u>
NET ASSETS			<u><u>713,649</u></u>		<u><u>999,071</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		2,000		2,000
Share premium	19		99,000		99,000
Retained earnings	19		<u>612,649</u>		<u>898,071</u>
SHAREHOLDERS' FUNDS			<u><u>713,649</u></u>		<u><u>999,071</u></u>

The financial statements were approved by the Board of Directors on 6 September 2019 and were signed on its behalf by:

A L Ball Esq - Director

L Rouse Esq - Director

**Statement of Changes in Equity
for the Period 1 December 2017 to 31 December 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 December 2016	2,000	857,880	99,000	958,880
Changes in equity				
Dividends	-	(550,000)	-	(550,000)
Total comprehensive income	-	590,191	-	590,191
Balance at 30 November 2017	<u>2,000</u>	<u>898,071</u>	<u>99,000</u>	<u>999,071</u>
Changes in equity				
Dividends	-	(1,200,000)	-	(1,200,000)
Total comprehensive income	-	914,578	-	914,578
Balance at 31 December 2018	<u>2,000</u>	<u>612,649</u>	<u>99,000</u>	<u>713,649</u>

The notes form part of these financial statements

Cash Flow Statement
for the Period 1 December 2017 to 31 December 2018

	Notes	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Cash flows from operating activities			
Cash generated from operations	1	1,515,868	868,670
Interest paid		(46,904)	(28,243)
Interest element of hire purchase payments paid		(7,444)	(7,301)
Tax paid		(70,541)	(64,396)
Net cash from operating activities		<u>1,390,979</u>	<u>768,730</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(346,629)	(283,282)
Sale of tangible fixed assets		-	29,000
Interest received		40	115
Net cash from investing activities		<u>(346,589)</u>	<u>(254,167)</u>
Cash flows from financing activities			
Bank loan repayments in year		(69,646)	(62,023)
Capital repayments in year		(56,554)	(8,584)
Amount introduced by directors		150,000	-
New hire purchase advances in year		92,540	-
Equity dividends paid		(1,200,000)	(550,000)
Net cash from financing activities		<u>(1,083,660)</u>	<u>(620,607)</u>
Decrease in cash and cash equivalents		<u>(39,270)</u>	<u>(106,044)</u>
Cash and cash equivalents at beginning of period	2	(156,216)	(50,172)
Cash and cash equivalents at end of period	2	<u>(195,486)</u>	<u>(156,216)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Period 1 December 2017 to 31 December 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Profit before taxation	1,098,019	662,182
Depreciation charges	356,017	321,176
Loss/(profit) on disposal of fixed assets	16,335	(8,662)
Finance costs	54,348	35,544
Finance income	(40)	(115)
	<u>1,524,679</u>	<u>1,010,125</u>
Decrease/(increase) in stocks	24,892	(194,052)
Increase in trade and other debtors	(536,865)	(425,931)
Increase in trade and other creditors	<u>503,162</u>	<u>478,528</u>
Cash generated from operations	<u><u>1,515,868</u></u>	<u><u>868,670</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 December 2018

	31.12.18 £	1.12.17 £
Cash and cash equivalents	3,773	4,569
Bank overdrafts	<u>(199,259)</u>	<u>(160,785)</u>
	<u><u>(195,486)</u></u>	<u><u>(156,216)</u></u>

Year ended 30 November 2017

	30.11.17 £	1.12.16 £
Cash and cash equivalents	4,569	5,614
Bank overdrafts	<u>(160,785)</u>	<u>(55,786)</u>
	<u><u>(156,216)</u></u>	<u><u>(50,172)</u></u>

**Notes to the Financial Statements
for the Period 1 December 2017 to 31 December 2018**

1. STATUTORY INFORMATION

Unipet International Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Depreciation and residual values:

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

Stock valuation:

The directors believe it is appropriate to include a proportion of overhead costs in the stock valuation.

Going concern

The financial statements have been prepared on a going concern basis. This basis is considered to be appropriate, despite the fact that at the balance sheet date current liabilities exceeded current assets. The company has substantial funding available to meet this shortfall.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- written off over the life of the lease
Plant and machinery	- 20% on a reducing balance basis
Fixtures and fittings	- 33.3% on a straight line basis and 15% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable production overheads.

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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 outstanding.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred. Research and development tax credits are accounted for upon receipt.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

Factoring of debts

A separate presentation is adopted in respect of trade debtor balances subject to a debt finance arrangement. These balances are included within trade debtors with amounts advanced against those balances included within creditors due within one year.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at the reporting date,.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
United Kingdom	12,805,594	9,675,506
Europe	836,340	463,682
Rest of World	68,553	164,865
	<u>13,710,487</u>	<u>10,304,053</u>

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

4. EMPLOYEES AND DIRECTORS

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Wages and salaries	1,966,744	1,679,771
Social security costs	196,759	159,653
Other pension costs	64,632	65,240
	<u>2,228,135</u>	<u>1,904,664</u>

The average number of employees during the period was as follows:

	Period 1.12.17 to 31.12.18	Year Ended 30.11.17
Management and administration	22	21
Production	<u>48</u>	<u>48</u>
	<u>70</u>	<u>69</u>

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Directors' remuneration	412,017	306,567
Directors' pension contributions to money purchase schemes	<u>19,243</u>	<u>30,968</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Emoluments etc	338,241	245,973
Pension contributions to money purchase schemes	<u>10,000</u>	<u>23,333</u>

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

5. OPERATING PROFIT

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

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Hire of plant and machinery	43,924	41,965
Other operating leases	21,508	35,302
Depreciation - owned assets	310,761	286,200
Depreciation - assets on hire purchase contracts	45,259	34,975
Loss/(profit) on disposal of fixed assets	16,335	(8,662)
Auditors' remuneration	12,760	11,800
Exchange rate (gains)/losses	<u>(2,082)</u>	<u>16,152</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Bank interest	5,742	1,738
Factoring interest	39,070	22,173
Other bank loan interest	2,017	4,332
Other interest	75	-
Hire purchase	<u>7,444</u>	<u>7,301</u>
	<u>54,348</u>	<u>35,544</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Current tax:		
UK corporation tax	238,876	136,975
Adjustment to previous years' provision (see below)	<u>(43,435)</u>	<u>(51,984)</u>
Total current tax	195,441	84,991
Deferred tax	<u>(12,000)</u>	<u>(13,000)</u>
Tax on profit	<u>183,441</u>	<u>71,991</u>

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

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

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Profit before tax	<u>1,098,019</u>	<u>662,182</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.332%)	208,624	128,013
Effects of:		
Expenses not deductible for tax purposes	20,580	3,332
Depreciation in excess of capital allowances	9,672	5,630
Overprovision in previous year	(447)	-
Research & Development tax credits	(42,988)	(51,984)
Deferred tax (credit) / charge	<u>(12,000)</u>	<u>(13,000)</u>
Total tax charge	<u>183,441</u>	<u>71,991</u>

8. **DIVIDENDS**

	Period 1.12.17 to 31.12.18 £	Year Ended 30.11.17 £
Ordinary shares of £1 each		
Interim	<u>1,200,000</u>	<u>550,000</u>

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

9. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 December 2017	105,138	3,546,673	63,102	81,165	3,796,078
Additions	-	199,322	2,007	102,825	304,154
Disposals	-	(154,537)	(9,951)	-	(164,488)
At 31 December 2018	<u>105,138</u>	<u>3,591,458</u>	<u>55,158</u>	<u>183,990</u>	<u>3,935,744</u>
DEPRECIATION					
At 1 December 2017	61,461	2,381,922	45,982	18,552	2,507,917
Charge for period	43,677	268,520	11,869	31,954	356,020
Eliminated on disposal	-	(139,122)	(9,031)	-	(148,153)
At 31 December 2018	<u>105,138</u>	<u>2,511,320</u>	<u>48,820</u>	<u>50,506</u>	<u>2,715,784</u>
NET BOOK VALUE					
At 31 December 2018	<u>-</u>	<u>1,080,138</u>	<u>6,338</u>	<u>133,484</u>	<u>1,219,960</u>
At 30 November 2017	<u>43,677</u>	<u>1,164,751</u>	<u>17,120</u>	<u>62,613</u>	<u>1,288,161</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 December 2017	110,000	61,120	171,120
Additions	-	102,825	102,825
At 31 December 2018	<u>110,000</u>	<u>163,945</u>	<u>273,945</u>
DEPRECIATION			
At 1 December 2017	41,945	3,820	45,765
Charge for period	14,745	30,514	45,259
At 31 December 2018	<u>56,690</u>	<u>34,334</u>	<u>91,024</u>
NET BOOK VALUE			
At 31 December 2018	<u>53,310</u>	<u>129,611</u>	<u>182,921</u>
At 30 November 2017	<u>68,055</u>	<u>57,300</u>	<u>125,355</u>

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

10. STOCKS

Closing stock consists of:

	2018	2017
	£	£
Finished goods	277,660	204,422
Bulk product materials	263,131	251,853
Packaging materials	395,816	505,224
	<u>936,607</u>	<u>961,499</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors (incl. financed debtors)	1,731,724	1,429,602
Other debtors	335,837	110,865
Prepayments	43,309	33,535
	<u>2,110,870</u>	<u>1,574,002</u>

Of the trade debtor balances, £1,584,656 (2017 - £1,201,730) represent balances which are under a debt finance arrangement. The amount advanced against these balances at 31 December 2018 was £1,374,247 (2017 - £883,194). This amount is disclosed under creditors falling due within one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 14)	208,373	220,254
Hire purchase contracts (see note 15)	54,227	42,621
Trade creditors	865,464	959,764
Tax	238,876	113,976
Social security and other taxes	214,132	145,942
Other creditors	1,528,835	1,042,213
Directors' current accounts	150,000	-
Accruals and deferred income	78,878	78,703
	<u>3,338,785</u>	<u>2,603,473</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Bank loans (see note 14)	-	19,291
Hire purchase contracts (see note 15)	77,776	53,396
	<u>77,776</u>	<u>72,687</u>

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

14. **LOANS**

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank overdrafts	199,259	160,785
Bank loans	<u>9,114</u>	<u>59,469</u>
	<u>208,373</u>	<u>220,254</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>19,291</u>

15. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018 £	2017 £
Net obligations repayable:		
Within one year	54,227	42,621
Between one and five years	<u>77,776</u>	<u>53,396</u>
	<u>132,003</u>	<u>96,017</u>
	Non-cancellable operating leases	
	2018 £	2017 £
Within one year	270,412	219,082
Between one and five years	<u>851,068</u>	<u>82,908</u>
	<u>1,121,480</u>	<u>301,990</u>

**Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018**

16. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	199,259	160,785
Bank loans	9,114	78,760
Hire purchase contracts	132,003	96,017
Other creditors: factoring	<u>1,374,247</u>	<u>883,194</u>
	<u><u>1,714,623</u></u>	<u><u>1,218,756</u></u>

The bank loans and overdraft are secured by:

Debenture comprising fixed and floating charges over all the assets and undertaking of Unipet International Limited including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future;

General Pledge over documents and goods given by Unipet International Limited;

Charge over contract monies given by Unipet International Limited.

Included in other creditors is £1,374,247 (2017 - £883,194) owing under a debt factoring arrangement. This amount is secured against certain book debts of the company.

Net obligations under hire purchase contracts are secured on the particular assets concerned.

17. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	<u>141,000</u>	<u>153,000</u>
		Deferred tax
		£
Balance at 1 December 2017		153,000
Accelerated capital allowances		<u>(12,000)</u>
Balance at 31 December 2018		<u><u>141,000</u></u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
2,000	Ordinary	£1	<u>2,000</u>	<u>2,000</u>

Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 December 2017	898,071	99,000	997,071
Profit for the period	914,578		914,578
Dividends	(1,200,000)		(1,200,000)
At 31 December 2018	<u>612,649</u>	<u>99,000</u>	<u>711,649</u>

**Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018**

20. RELATED PARTY DISCLOSURES

During the year the company entered into transactions with a number of related parties being:

- KFM Import/Export, a company based in the Netherlands in which ROF Klapwijk has a beneficial interest
- Spirit Finance Limited, a company in which ROF Klapwijk is a director and has a beneficial interest
- INCS Holdings BV, a company based in the Netherlands in which ROF Klapwijk is a director and has a beneficial interest
- Unipet USA LLC, a company based in the United States in which both ROF Klapwijk and AL Ball have an interest.
- Unipet Asia Hong Kong Trading Limited, a company based in Hong Kong in which AL Ball is a director and has a beneficial interest
- Natures Grub Ltd, a company in which AL Ball is a director and has a beneficial interest

Goods and services sold to the company's related parties during the year, and balances owed by related parties at the year end are as follows:

Related Party			(2018)	Debtors (2018)	(2017)	Debtors (2017)
£	£	£	£			
KFM Import/Export			134,615	71,216	114,805	44,245
Unipet USA LLC			16,679	85,246	81,102	69,361
Natures Grub Ltd			15,641	9,234	17,977	-

Goods and services provided to the company by its related parties during the year, and balances owed to related parties at the year end are as follows:

Related Party			(2018)	Creditors (2018)	(2017)	Creditors (2017)
£	£	£	£			
KFM Import/Export			182	-	523	-
Spirit Finance Ltd			16,000	7,200	5,500	-
INCS Holding BV			102,510	-	82,260	-
Unipet Asia HK Ltd			79,820	28,477	35,635	17,234
Natures Grub Ltd			31,654	454	56,485	-

Loans were made to the following related party with the outstanding balance at the year end being included under other debtors in the balance sheet.

Related Party		Year of advance	Advance	Balance (2018)	Balance (2017)
£	£				
Unipet USA LLC		2010/2015	\$150,000	117,472	110,865
Unipet USA LLC		2018	\$200,000	156,629	-
Unipet USA LLC		2018	\$75,000	58,736	-

Dividends totalling £1,200,000 (2017 - £550,000) were paid during the year to the shareholders A L Ball and Spirit Finance Limited.

Other creditors at the balance sheet date includes a balance of £150,000 owed to the director A L Ball. This has since been repaid.

21. POST BALANCE SHEET EVENTS

A restructuring of the company has taken place since the balance sheet date. The issued share capital is now owned by Unipet Holdings Limited, a newly formed company, who is the ultimate parent company.

**Notes to the Financial Statements - continued
for the Period 1 December 2017 to 31 December 2018**

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is A L Ball Esq.

23. PENSION COMMITMENTS

The company operates defined contributions schemes on behalf of its directors and certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. The cost for the period was £64,633 (2017 - £65,240).

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