

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2023

PET MATE LIMITED

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# PET MATE LIMITED

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## COMPANY INFORMATION

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Directors	J E Carr (appointed 8 December 2023) P R Egan (appointed 15 November 2023)
Registered number	01971114
Registered office	Lyon Road Hersham Surrey KT12 3PU
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 1st Floor Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ

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# PET MATE LIMITED

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# PET MATE LIMITED

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## STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2023

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### Introduction

The directors present their strategic report for the year ended 31 January 2023.

### Principal Activities

The principal activity of the company is the design, manufacture and sale of smart pet products that help owners better care for their pets throughout the day.

### Business review

During the period, the Company continued to experience the impact of the COVID pandemic. The positive increase in market demand, driven by a boom in pet ownership, was somewhat counter balanced by an increase in competitive activity from cheaper overseas product at the lower end of the product range in particular. Equally, the sector continued to experience challenges within the supply chain in terms of shipping costs, lead times and component availability.

A number of steps were taken to maintain availability of products for customers and protect the company against both increasing freight costs and component shortages however this did result in higher than usual stock levels and the associated cost of this. Price increases were implemented in an attempt to mitigate margin erosion (due to increased costs) and to off-set an increase in products manufactured in the UK again at higher cost. The full impact of these actions will take some time to feed through to financial performance.

On a positive note, the company continues to develop new products and launch these successfully into new online marketplaces and sales channels to drive future revenue growth.

Total sales decreased slightly in the year to January 2023 by 5.6% to £11,602,630. The company generated a loss before tax of £132,787 for the year ended 31 January 2023 (2022 profit: £1,091,335).

The balance sheet shows net assets at 31 January 2023 £6,591,190 (2022: £6,694,947).

### Principal risks and uncertainties

The board has a policy of continuous identification and review of key business risks and oversees the development of processes to ensure that these risks are managed appropriately.

The company generally allows customers to pay in their own currencies. As a result, the company is exposed to currency risks associated with accounts receivables denominated in foreign currency. Production is predominantly denominated in US Dollars and whilst a significant percentage is subject to a natural hedge from our US Dollar denominated sales there is an underlying risk.

The company does not enter into any derivative instruments for hedging or other purposes.

The company is part of a group that operates within a leveraged debt scenario and therefore carries the risk of future debt repayment.

In late 2023, due to continued trading pressures and a significant increase in debt servicing costs (due to interest rate rises), the company concluded a successful refinancing process.

This process resulted in a significant debt write off, alongside a new investment of £1.3m. The debt restructure and working capital injection will allow the business to continue trading with sufficient cash head room for the foreseeable future

Finally the company is reliant on its people to drive the strategic business plan and future success of the business. It is a highly motivated team who are confident of delivering the plan.

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# PET MATE LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

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### Financial key performance indicators

The main KPIs are revenue and profit before tax which are included in the business review section.

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

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**P R Egan**  
Director

Date: 15 April 2024

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# PET MATE LIMITED

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## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2023

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The directors present their report and the financial statements for the year ended 31 January 2023.

### Directors

The directors who served during the year were:

G S Amico (resigned 15 November 2023)  
S A J Bannerman (resigned 1 February 2023)  
A J Lane (resigned 4 December 2023)

### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Results and dividends

The loss for the year, after taxation, amounted to £103,757 (2022 - profit £956,619).

### Research and development activities

The Company undertakes research and development activity focused on developing new and innovative pet products.

### Matters covered in the Strategic Report

The Company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out within the Company's Strategic Report, the Company's Strategic Report Information as required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of principal risks and uncertainties and future developments.

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# PET MATE LIMITED

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## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

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**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

.....  
**P R Egan**

Director

Date: 15 April 2024

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# PET MATE LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PET MATE LIMITED

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### Opinion

We have audited the financial statements of Pet Mate Limited (the 'Company') for the year ended 31 January 2023, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2023 and of its 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.

### 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

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

We have nothing to report in this regard.



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# PET MATE LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PET MATE LIMITED (CONTINUED)

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

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

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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# PET MATE LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PET MATE LIMITED (CONTINUED)

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### 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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation;
- UK health and safety legislation; and
- General Data Protection Regulations

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items including:

We understood how the company are complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of journals to the accounting software which are of a non-routine nature in terms of timing and amount;
- Management override of controls to manipulate results; and
- Timing of revenue recognition.

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

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

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# PET MATE LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PET MATE LIMITED (CONTINUED)

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### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Tom Woods FCA (Senior Statutory Auditor)

for and on behalf of

**Menzies LLP**

Chartered Accountants

Statutory Auditor

1st Floor

Midas House

62 Goldsworth Road

Woking

Surrey

GU21 6LQ

15 April 2024

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# PET MATE LIMITED

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## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 JANUARY 2023

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		2023 £	2022 £
Turnover	4	11,602,630	12,291,529
Cost of sales		(6,624,637)	(7,366,834)
<b>Gross profit</b>		<b>4,977,993</b>	<b>4,924,695</b>
Administrative expenses		(5,267,345)	(3,910,254)
Other operating income	5	155,759	75,770
<b>Operating (loss)/profit</b>	6	<b>(133,593)</b>	<b>1,090,211</b>
Interest receivable and similar income	10	806	1,124
<b>(Loss)/profit before tax</b>		<b>(132,787)</b>	<b>1,091,335</b>
Tax on (loss)/profit	11	29,030	(134,716)
<b>(Loss)/profit after tax</b>		<b>(103,757)</b>	<b>956,619</b>
Retained earnings at the beginning of the year		6,592,378	5,635,759
		6,592,378	5,635,759
(Loss)/profit for the year		(103,757)	956,619
<b>Retained earnings at the end of the year</b>		<b>6,488,621</b>	<b>6,592,378</b>

The notes on pages 13 to 25 form part of these financial statements.

**PET MATE LIMITED**  
**REGISTERED NUMBER:01971114**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	12	773,869	498,207
Tangible assets	13	419,057	422,180
		<u>1,192,926</u>	<u>920,387</u>
<b>Current assets</b>			
Stocks	14	3,097,578	3,736,540
Debtors: amounts falling due within one year	15	3,604,461	3,851,117
Cash at bank and in hand		649,313	756,638
		<u>7,351,352</u>	<u>8,344,295</u>
Creditors: amounts falling due within one year	16	(1,810,824)	(2,398,441)
<b>Net current assets</b>		<u>5,540,528</u>	<u>5,945,854</u>
<b>Total assets less current liabilities</b>		<u>6,733,454</u>	<u>6,866,241</u>
<b>Provisions for liabilities</b>			
Deferred tax	17	(142,264)	(171,294)
		<u>(142,264)</u>	<u>(171,294)</u>
<b>Net assets</b>		<u><u>6,591,190</u></u>	<u><u>6,694,947</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	70,050	70,050
Share premium account	19	32,519	32,519
Profit and loss account	19	6,488,621	6,592,378
		<u><u>6,591,190</u></u>	<u><u>6,694,947</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 April 2024.

.....  
**P R Egan**  
 Director

The notes on pages 13 to 25 form part of these financial statements.

# PET MATE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(103,757)	956,619
<b>Adjustments for:</b>		
Amortisation of intangible assets	129,054	1,134
Depreciation of tangible assets	173,875	150,346
Decrease/(increase) in stocks	638,962	(633,605)
Decrease/(increase) in debtors	424,981	(75,926)
(Increase) in amounts owed by groups	(178,325)	(621,387)
(Decrease)/increase in creditors	(587,429)	939,941
(Decrease)/increase in provisions	(29,030)	134,716
<b>Net cash generated from operating activities</b>	<b>468,331</b>	<b>851,838</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(404,716)	(220,476)
Sale of intangible assets	-	(83,650)
Purchase of tangible fixed assets	(170,752)	(397,620)
Sale of tangible fixed assets	-	51,113
<b>Net cash from investing activities</b>	<b>(575,468)</b>	<b>(650,633)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(107,137)</b>	<b>201,205</b>
Cash and cash equivalents at beginning of year	756,450	555,245
<b>Cash and cash equivalents at the end of year</b>	<b>649,313</b>	<b>756,450</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	649,313	756,638
Bank overdrafts	-	(188)
	<b>649,313</b>	<b>756,450</b>

The notes on pages 13 to 25 form part of these financial statements.

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# PET MATE LIMITED

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## ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 JANUARY 2023

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	At 1 February 2022 £	Cash flows £	At 31 January 2023 £
Cash at bank and in hand	756,638	(107,325)	649,313
Bank overdrafts	(188)	188	-
Debt due within one year	-	-	-
	<u>756,450</u>	<u>(107,137)</u>	<u>649,313</u>

The notes on pages 13 to 25 form part of these financial statements.

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 1. General information

Pet Mate Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006, registered in England and Wales. The address of the registered office and principal place of business is disclosed on the company information page. The principal activity is the sale of pet accessories.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Going concern

The Company made a loss of £103,757 but had net assets of £6,591,190 at 31 January 2023, meaning that it was in a strong financial position at that point. It is however part of a group which was heavily indebted and required significant funds to service the debt, which impacted the ability of the Company to continue to trade as a going concern. In light of this, a refinancing package was agreed in late 2023, which significantly reduced the interest commitment from the group, with nothing due until January 2025. This has led the Directors to conclude that there are sufficient funds within the entity and wider group to ensure that the Company can continue to trade as a going concern. The financial statements have therefore been prepared on that basis.

#### 2.3 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.



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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 2. Accounting policies (continued)

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

#### 2.7 Pensions

##### **Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 2. Accounting policies (continued)

#### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

#### 2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

#### 2.10 Development costs

The development costs capitalised in the year relate to a project to develop the software for a new product. It's currently still in the beta testing phase and therefore is not yet being amortised. The costs in relation to this project have been capitalised as it is in the beta testing phase and so is technically feasible and all other criteria for capitalisation has been met.

#### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 2. Accounting policies (continued)

#### 2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Straight line basis over the lease term
Plant and machinery	- 20%
Fixtures and fittings	- 20%
Office equipment	- 20%
Computer equipment	- 20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount 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.

The directors have determined that a stock provision is required. The provision has been calculated through reviewing stock values and quantities at 31 January 2024 compared to unit sales in the year to 31 January 2024. For any items which are slow moving management have used their judgement to determine whether a provision is required at 50%, 75% or 100% of the stock value at 31 January 2024. They have then determined that only 50% of the provision calculated should be recognised at 31 January 2023, which resulted in a provision of £338,569 being recognised. The Directors have determined that it was reasonable to determine that a provision of such scale would have been required if being assessed at 31 January 2023, and that the results in the year to 31 January 2024 merely proved this to be the case.

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Pet Accessories	11,602,630	12,291,529
	<u>11,602,630</u>	<u>12,291,529</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	3,666,971	4,424,850
Rest of Europe	4,384,102	4,376,354
Rest of the World	3,551,557	3,490,325
	<u>11,602,630</u>	<u>12,291,529</u>

### 5. Other operating income

	2023 £	2022 £
Other operating income	155,759	75,770
	<u>155,759</u>	<u>75,770</u>

### 6. Operating (loss)/profit

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

	2023 £	2022 £
Depreciation	173,875	150,346
Amortisation	129,054	1,134
Operating lease rental	197,853	207,165
Research and development	100,007	170,162
Foreign exchange loss (gain)	<u>56,587</u>	<u>63,285</u>

### 7. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2022 - ).

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 8. Employees

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

	2023 £	2022 £
Wages and salaries	1,912,510	1,663,253
Social security costs	195,898	162,740
Cost of defined contribution scheme	28,264	23,928
	<u>2,136,672</u>	<u>1,849,921</u>

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

	2023 No.	2022 No.
Admin staff	6	7
Production staff	35	26
	<u>41</u>	<u>33</u>

### 9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	132,023	169,578
Company contributions to defined contribution pension schemes	1,316	1,316
Amounts paid to third parties in respect of directors' services	45,000	45,000
	<u>178,339</u>	<u>215,894</u>

During the year retirement benefits were accruing to no directors (2022 - 1) in respect of defined contribution pension schemes.

### 10. Interest receivable

	2023 £	2022 £
Other interest receivable	806	1,124
	<u>806</u>	<u>1,124</u>

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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11. Taxation

	2023 £	2022 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(29,030)	134,716
Total deferred tax	(29,030)	134,716
Taxation on (loss)/profit on ordinary activities	(29,030)	134,716

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 11. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *lower than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	<u>(132,787)</u>	<u>1,091,335</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(25,230)	207,354
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	131	10,631
Fixed asset differences	(6,669)	(22,450)
Remeasurement of deferred tax for changes in tax rates	(10,023)	41,111
Movement in deferred tax not recognised	12,761	23,458
Group relief	-	(125,388)
<b>Total tax charge for the year</b>	<u><b>(29,030)</b></u>	<u><b>134,716</b></u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 12. Intangible assets

	Development expenditure £	Trademarks £	Computer software £	Total £
<b>Cost</b>				
At 1 February 2022	170,760	47,102	308,209	526,071
Additions	348,018	51,133	5,565	404,716
At 31 January 2023	518,778	98,235	313,774	930,787
<b>Amortisation</b>				
At 1 February 2022	-	7,181	20,683	27,864
Charge for the year on owned assets	53,842	13,207	62,005	129,054
At 31 January 2023	53,842	20,388	82,688	156,918
<b>Net book value</b>				
At 31 January 2023	464,936	77,847	231,086	773,869
<b>At 31 January 2022</b>	170,760	39,921	287,526	498,207



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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 13. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Fixtures and fittings	Office equipment	Computer equipment	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 February 2022	19,314	2,371,631	29,481	144,969	57,170	2,622,565
Additions	2,217	148,910	-	12,425	7,200	170,752
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2023	21,531	2,520,541	29,481	157,394	64,370	2,793,317
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At 1 February 2022	8,236	2,056,394	3,754	106,522	25,479	2,200,385
Charge for the year on owned assets	3,916	140,836	5,351	15,147	8,625	173,875
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2023	12,152	2,197,230	9,105	121,669	34,104	2,374,260
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>						
At 31 January 2023	<u>9,379</u>	<u>323,311</u>	<u>20,376</u>	<u>35,725</u>	<u>30,266</u>	<u>419,057</u>
At 31 January 2022	<u>11,078</u>	<u>315,237</u>	<u>25,727</u>	<u>38,447</u>	<u>31,691</u>	<u>422,180</u>
At 31 January 2022						

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2023 £	2022 £
Long leasehold	9,379	11,078
	<u>9,379</u>	<u>11,078</u>

### 14. Stocks

	2023 £	2022 £
Finished goods and goods for resale	3,097,578	3,736,540
	<u>3,097,578</u>	<u>3,736,540</u>

### 15. Debtors

	2023 £	2022 £
Trade debtors	975,932	1,201,893
Amounts owed by group undertakings	2,218,023	2,039,698
Other debtors	87,446	366,499
Prepayments and accrued income	323,060	243,027
	<u>3,604,461</u>	<u>3,851,117</u>

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

	2023 £	2022 £
Bank overdrafts	-	188
Trade creditors	1,439,540	1,793,594
Other taxation and social security	67,962	40,587
Other creditors	23,872	80,317
Accruals and deferred income	279,450	483,755
	<u>1,810,824</u>	<u>2,398,441</u>

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 17. Deferred taxation

	2023 £	2022 £
At beginning of year	(171,294)	(36,578)
Charged to profit or loss	29,030	(134,716)
<b>At end of year</b>	<b>(142,264)</b>	<b>(171,294)</b>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(166,227)	(171,294)
Tax losses carried forward	23,323	-
Other differences	640	-
	<b>(142,264)</b>	<b>(171,294)</b>

### 18. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
13,312 (2022 - 13,312) Ordinary A shares of £1.00 each	13,312	13,312
14,188 (2022 - 14,188) Ordinary B shares of £1.00 each	14,188	14,188
42,550 (2022 - 42,550) Ordinary C shares of £1.00 each	42,550	42,550
	<b>70,050</b>	<b>70,050</b>

Ordinary A is entitled to one vote per every one share, Ordinary B is entitled to one vote per every two shares and Ordinary C is entitled to one vote per every five shares.

### 19. Reserves

#### Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

#### Profit and loss account

Includes all current and prior periods profit and losses.

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# PET MATE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

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### 20. Commitments under operating leases

At 31 January 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	164,837	164,837
Later than 1 year and not later than 5 years	95,389	252,089
Later than 5 years	678	8,815
	<u>260,904</u>	<u>425,741</u>

### 21. Related party transactions

In accordance with FRS 102 paragraph 33.1A the entity has not disclosed transactions entered into between two or more members of a group.

During the year £150,474 (2022: £129,996) was paid to Key Management Personnel.

During the year £50,882 (2022: £50,680) was paid to Non-Executive Directors.

During the year there were rental payments of £153,645 (2022: £152,238) made to Dentons SIPP C. P. Kirk and Dentons SIPP B. M. Kirk, the pension scheme of the directors.

### 22. Controlling party

The Company's immediate parent company is Pet Mate Finance Limited.

The ultimate parent company is Pet Mate Holdco Limited, a company incorporated in the United Kingdom, which is controlled by Mnl Nominees Limited. The directors consider there to be no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.