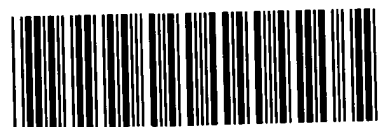


Pet City Holdings Limited

Directors' Report and financial statements

**Registered number 2342109
52 week period ended 28 March 2019**

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Company information

Directors of the Company

L Stonier
M Iddon
P Pritchard

Registered Office

Epsom Avenue
Stanley Green Trading Estate
Handforth
Cheshire
SK9 3RN

Company Secretary

L Stonier

Banker

Barclays Bank plc
Barclays Business Centre
Manchester City Centre Office
51 Mosley Street
Manchester
M60 2AU

Solicitor

Simpson Thacher & Bartlett LLP
CityPoint
One Ropemaker Street
London
EC2Y 9HU

Auditor

KPMG LLP
One St Peter's Square
Manchester
M2 3AE

Registered Number
2342109

Directors' Report

The Directors' present their annual report and the audited financial statements for the 52 week period ended 28 March 2019.

Principal activity

The principal activity of the Company is that of an investment holding company.

Business review

As the Company did not trade during the current or preceding period, the financial position of the Company has remained stable, and the Company has recognised neither a profit nor a loss. The Directors' do not recommend the payment of a dividend (2018: £nil).

Going concern

The Directors' have taken the decision that trading has ceased and no alternative trade will be found. Accordingly, the Directors' have not prepared the financial statements on a going concern basis. This has had no impact upon the profit and loss account, balance sheet, statement of changes in equity and related notes.

Directors

The Directors who held office during the period were as follows:

L Stonier

M Iddon

P Pritchard (appointed 27 April 2018)

I Kellett (resigned 27 April 2018)

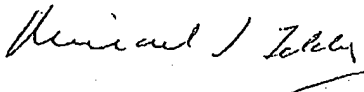
Disclosure of Information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



M Iddon

Director

10 December 2019

Epsom Avenue
Stanley Green Trading Estate
Handforth
Cheshire
SK9 3RN

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

One St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Pet City Holdings Limited

Opinion

We have audited the financial statements of Pet City Holdings Limited ("the company") for the year ended 28 March 2019 which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of the company's affairs as at 28 March 2019;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;

- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Burdass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

13/12/2019

Profit and loss account

for the 52 week period ended 28 March 2019 and for the 52 week period ended 29 March 2018

During the financial period and the preceding financial period the Company did not trade and received no income and incurred no expenditure. Consequently, during those periods the Company made neither a profit nor a loss.

Statement of comprehensive income

for the 52 week period ended 28 March 2019 and for the 52 week period ended 29 March 2018

There were no recognised gains or losses in the current or preceding period therefore no separate statement of comprehensive income has been prepared.

The notes on pages 11 to 14 form part of these financial statements.

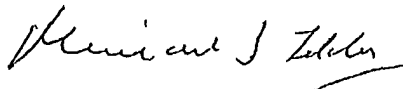
Balance sheet

at 28 March 2019 and at 29 March 2018

| | Note | 2019 £000 | 2018 £000 |
|--|------|--------------|--------------|
| Fixed assets | | | |
| Investments | 4 | 4,947 | 4,947 |
| Current assets | | | |
| Debtors | 5 | 22,087 | 22,087 |
| Net current assets | | 22,087 | 22,087 |
| Total assets less current liabilities | | 27,034 | 27,034 |
| Net assets | | 27,034 | 27,034 |
| Capital and reserves | | | |
| Called up share capital | 6 | 50 | 50 |
| Share premium account | 7 | 25,050 | 25,050 |
| Capital redemption reserve | 7 | 1,214 | 1,214 |
| Capital contributions | 7 | 41,000 | 41,000 |
| Retained earnings | 7 | (40,280) | (40,280) |
| Shareholder's funds | | 27,034 | 27,034 |

The notes on pages 11 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 10 December 2019 and were signed on its behalf by:



M Iddon
 Director

Registered company number: 2342109

Statement of changes in equity
for the 52 week period ended 28 March 2019 and for the 52 week period ended 29 March 2018

| | 2019 £000 | 2018 £000 |
|-------------------------------------|--------------|--------------|
| Result for the financial period | - | - |
| Net addition to shareholder's funds | - | - |
| Opening shareholder's funds | 27,034 | 27,034 |
| Closing shareholder's funds | 27,034 | 27,034 |

The notes on pages 11 to 14 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The results presented cover the financial period ended 28 March 2019.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes; and
- the effects of new but not yet effective IFRSs.

The Company's ultimate parent undertaking, Pets at Home Group Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Pets at Home Group Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 8.

The accounting policies set out have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

As the Company is a wholly owned subsidiary of Pets at Home Group Plc, the Company has taken advantage of the exemption contained in IAS 24 and has therefore not disclosed transactions or balances with entities which form part of the group.

The Directors have taken the decision that trading has ceased and no alternative trade will be found. Accordingly, the Directors have not prepared the financial statements on a going concern basis. This has had no impact upon the profit and loss account, balance sheet, statement of changes in equity and related notes.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

Investment in subsidiary

The investment in the subsidiary is stated at cost less provisions for impairment in value.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2 Directors and colleagues

The Company has no colleagues.

Directors were paid £2,412,000 (2018: £1,389,000) in total remuneration in the year. This was borne by the ultimate parent company Pets at Home Group Plc, and cannot be reasonably apportioned between other subsidiary entities.

3 Auditor's remuneration

Amounts receivable by the Company's auditor in respect of these financial statements are £1,000 (2018: £1,000). This cost is borne by Pets at Home Limited.

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate UK parent, Pets at Home Group Plc.

Notes (continued)

4 Fixed asset investments

| | |
|------------------------------------|-------|
| Shares in group undertakings: | £000 |
| <i>Cost and net book value</i> | |
| At 28 March 2019 and 29 March 2018 | 4,947 |

The investments comprise two subsidiary undertakings, registered in England and Wales as detailed below.

| Undertaking | % ordinary shareholding | Country of incorporation | Principal activity |
|----------------------------|-------------------------|--------------------------|--------------------|
| Direct holdings | | | |
| Pet City Limited | 100 | United Kingdom | Non trading |
| Indirect holdings | | | |
| Pet City Resources Limited | 100 | United Kingdom | Non trading |

The registered office of Pet City Resources Limited and Pet City Limited is Epsom Avenue, Stanley Green Trading Estate, Handforth, Cheshire, SK9 3RN

5 Debtors

| | 2019 £000 | 2018 £000 |
|-------------------------------------|--------------|--------------|
| Amounts due from group undertakings | 22,087 | 22,087 |

All debtors are shown as due within one year as they are repayable on demand.

Notes (continued)

6 Share capital

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| <i>Allotted, called up and fully paid</i> | | |
| 1,000,001 ordinary shares of 5p | 50 | 50 |

7 Reserves

| | Share premium account £000 | Capital redemption reserve £000 | Capital contributions £000 | Retained earnings £000 |
|------------------------------------|----------------------------------|--|----------------------------------|---------------------------|
| At 28 March 2019 and 29 March 2018 | 25,050 | 1,214 | 41,000 | (40,280) |

8 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Pets at Home Holdings Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by Pets at Home Group Plc, incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff.

In the opinion of the Directors, there is no ultimate controlling party.