
PETS LOVE FRESH LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MAY 2021

PETS LOVE FRESH LIMITED
REGISTERED NUMBER: 09060769

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	66,019	58,463
Tangible assets	5	19,046	4,993
		<u>85,065</u>	<u>63,456</u>
Current assets			
Stocks		17,158	-
Debtors: amounts falling due within one year	6	8,485	-
Cash at bank and in hand		117,130	27,287
		<u>142,773</u>	<u>27,287</u>
Creditors: amounts falling due within one year	7	(39,791)	(1,548)
Net current assets		<u>102,982</u>	<u>25,739</u>
Total assets less current liabilities		<u>188,047</u>	<u>89,195</u>
Net assets		<u>188,047</u>	<u>89,195</u>
Capital and reserves			
Called up share capital		310	235
Share premium account		805,220	299,935
Share based payment reserve		49,311	-
Profit and loss account		(666,794)	(210,975)
		<u>188,047</u>	<u>89,195</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

M Farmiloe
Director

Date: 31 May 2022

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

1. General information

The principal activity of the Company is the manufacture and sale of pet food.

The Company is a private company limited by shares and is incorporated in England and Wales.

The Registered Office is 32-33 Cowcross Street, London, EC1M 6DF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will be able to meet its debts as they fall due.

The Company made a loss for the year, and had net current assets of £102,982 and net assets of £188,047 at the Statement of Financial Position date.

The directors confirm that the Company has sufficient access to working capital and investment to support the business for the foreseeable future, and as a result of this, they consider it appropriate to continue adopting the going concern basis of accounting.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.4 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.

2.5 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.6 Taxation

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.

2.7 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 ten years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)

2.8 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.

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:

Plant and machinery	-	10%
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.

2.9 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 first in, first out 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.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.11 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 to related parties and investments in ordinary shares.

(i) Financial assets

Basic financial assets, including trade and other debtors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2020 - 5).

PETS LOVE FRESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

4. Intangible assets

	Website development £
Cost	
At 1 June 2020	63,295
Additions	16,321
	<hr/>
At 31 May 2021	79,616
	<hr/>
Amortisation	
At 1 June 2020	4,832
Charge for the year on owned assets	8,765
	<hr/>
At 31 May 2021	13,597
	<hr/>
Net book value	
At 31 May 2021	<hr/> 66,019 <hr/>
<i>At 31 May 2020</i>	<hr/> 58,463 <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

5. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost or valuation			
At 1 June 2020	7,783	750	8,533
Additions	16,646	-	16,646
At 31 May 2021	24,429	750	25,179
Depreciation			
At 1 June 2020	3,243	297	3,540
Charge for the year on owned assets	2,443	150	2,593
At 31 May 2021	5,686	447	6,133
Net book value			
At 31 May 2021	18,743	303	19,046
<i>At 31 May 2020</i>	<i>4,540</i>	<i>453</i>	<i>4,993</i>

6. Debtors

	2021 £	2020 £
Trade debtors	4,335	-
Other debtors	4,150	-
	8,485	-

PETS LOVE FRESH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

7. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	7,803	-
Other taxation and social security	13,588	658
Other creditors	2,750	890
Accruals and deferred income	15,650	-
	<u>39,791</u>	<u>1,548</u>

8. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
30,968 (2020 - 23,510) Ordinary shares of £0.01 each	<u>310</u>	<u>235</u>

During the year, there were 7,458 shares issued and allotted, at a premium of £505,285.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

9. Share based payments

EMI options were issued in March 2021 to certain members of key personnel.

	Weighted average exercise price (£) 2021	Number 2021	Weighted average exercise price (£) 2020	Number 2020
Granted during the year	30	5,917		-
Outstanding at the end of the year	30	5,917		-

	March 2021 EMI options Black-Scholes
Option pricing model used	
Weighted average share price (£)	33.33
Exercise price (£)	30
Expected volatility	30%
Risk-free interest rate	1.64%
	2021 £
Share based payment charge	<u>49,311</u>
	2020 £
	<u>-</u>

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £295 (2020: £293) were payable to the fund at the Statement of Financial Position date and are included in creditors.

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.