

Aaron's Pets Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2017

R S Porter & Co Limited
Albion Dockside Building
Hanover Place
Bristol
BS1 6UT

Aaron's Pets Ltd

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Aaron's Pets Ltd

Company Information

Directors	Mr Martin John Young Mr Matthew John Stead
Registered office	121 Station Road Nailsea North Somerset BS48 1TA
Accountants	R S Porter & Co Limited Albion Dockside Building Hanover Place Bristol BS1 6UT

Aaron's Pets Ltd

Directors' Report for the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors of the company

The directors who held office during the year were as follows:

Mr Martin John Young

Mr Matthew John Stead

Principal activity

The principal activity of the company is Retail pet outlet

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 13 July 2017 and signed on its behalf by:

.....
Mr Martin John Young
Director

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Aaron's Pets Ltd
for the Year Ended 31 March 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Aaron's Pets Ltd for the year ended 31 March 2017 as set out on pages 4 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icacw.com/cn/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Aaron's Pets Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Aaron's Pets Ltd and state those matters that we have agreed to state to the Board of Directors of Aaron's Pets Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aaron's Pets Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Aaron's Pets Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Aaron's Pets Ltd. You consider that Aaron's Pets Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Aaron's Pets Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
R S Porter & Co Limited
Albion Dockside Building
Hanover Place
Bristol
BS1 6UT

13 July 2017

Aaron's Pets Ltd

(Registration number: 04618157) Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	<u>3</u>	27,000	30,500
Tangible assets	<u>4</u>	54,669	54,396
		<u>81,669</u>	<u>84,896</u>
Current assets			
Stocks	<u>5</u>	99,199	88,138
Debtors	<u>6</u>	5,726	5,915
Cash at bank and in hand		123,593	108,840
		228,518	202,893
Creditors: Amounts falling due within one year	<u>7</u>	(88,139)	(89,037)
Net current assets		<u>140,379</u>	<u>113,856</u>
Total assets less current liabilities		222,048	198,752
Provisions for liabilities		(12,228)	(12,228)
Net assets		<u>209,820</u>	<u>186,524</u>
Capital and reserves			
Called up share capital		99	99
Capital redemption reserve		1	1
Profit and loss account		209,720	186,424
Total equity		<u>209,820</u>	<u>186,524</u>

For the financial year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 7 to 11 form an integral part of these financial statements.

Aaron's Pets Ltd

(Registration number: 04618157)
Balance Sheet as at 31 March 2017

Approved and authorised by the Board on 13 July 2017 and signed on its behalf by:

.....

Mr Martin John Young

Director

The notes on pages 7 to 11 form an integral part of these financial statements.
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Aaron's Pets Ltd

Statement of Changes in Equity for the Year Ended 31 March 2017

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2016	99	1	186,424	186,524
Profit for the year	-	-	71,296	71,296
Total comprehensive income	-	-	71,296	71,296
Dividends	-	-	(48,000)	(48,000)
At 31 March 2017	99	1	209,720	209,820

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2015	99	1	173,145	173,245
Profit for the year	-	-	61,279	61,279
Total comprehensive income	-	-	61,279	61,279
Dividends	-	-	(48,000)	(48,000)
At 31 March 2016	99	1	186,424	186,524

The notes on pages 7 to 11 form an integral part of these financial statements.

Aaron's Pets Ltd

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

121 Station Road
Nailsea
North Somerset
BS48 1TA

These financial statements were authorised for issue by the Board on 13 July 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Aaron's Pets Ltd

Notes to the Financial Statements for the Year Ended 31 March 2017

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance
Commercial motor vehicles	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 20 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Aaron's Pets Ltd

Notes to the Financial Statements for the Year Ended 31 March 2017

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2016	70,000	70,000
At 31 March 2017	70,000	70,000
Amortisation		
At 1 April 2016	39,500	39,500
Amortisation charge	3,500	3,500
At 31 March 2017	43,000	43,000
Carrying amount		
At 31 March 2017	27,000	27,000
At 31 March 2016	30,500	30,500

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

Aaron's Pets Ltd

Notes to the Financial Statements for the Year Ended 31 March 2017

4 Tangible assets

	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 April 2016	15,795	99,435	115,230
Additions	19,573	1,603	21,176
Disposals	(15,795)	-	(15,795)
At 31 March 2017	19,573	101,038	120,611
Depreciation			
At 1 April 2016	10,797	50,037	60,834
Charge for the year	4,893	11,012	15,905
Eliminated on disposal	(10,797)	-	(10,797)
At 31 March 2017	4,893	61,049	65,942
Carrying amount			
At 31 March 2017	14,680	39,989	54,669
At 31 March 2016	4,998	49,398	54,396

5 Stocks

	2017 £	2016 £
Other inventories	99,199	88,138

6 Debtors

	2017 £	2016 £
Other debtors	5,726	5,915
Total current trade and other debtors	5,726	5,915

7 Creditors

	Note	2017 £	2016 £
Due within one year			
Trade creditors		52,539	56,607
Taxation and social security		10,466	12,228

Other creditors

<u>25,134</u>	<u>20,202</u>
<u>88,139</u>	<u>89,037</u>

Aaron's Pets Ltd

Notes to the Financial Statements for the Year Ended 31 March 2017

8 Dividends

	2017	2016
	£	£
Final dividend of £485.00 (2016 - £485.00) per ordinary share	48,000	48,000

Aaron's Pets Ltd

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	2016 £
Turnover (analysed below)	925,802	868,498
Cost of sales (analysed below)	<u>(519,625)</u>	<u>(485,322)</u>
Gross profit	<u>406,177</u>	<u>383,176</u>
Gross profit (%)	43.87%	44.12%
Administrative expenses		
Employment costs (analysed below)	(177,060)	(168,416)
Establishment costs (analysed below)	(88,022)	(67,265)
General administrative expenses (analysed below)	(28,570)	(36,416)
Finance charges (analysed below)	(8,060)	(7,999)
Depreciation costs (analysed below)	(19,405)	(19,241)
Other expenses (analysed below)	<u>4,602</u>	<u>-</u>
	<u>(316,515)</u>	<u>(299,337)</u>
Operating profit	89,662	83,839
Other interest receivable and similar income (analysed below)	<u>-</u>	<u>48</u>
Profit before tax	<u><u>89,662</u></u>	<u><u>83,887</u></u>

This page does not form part of the statutory financial statements.
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Aaron's Pets Ltd

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	2016 £
Turnover		
Sale of goods, UK	925,643	867,503
Commissions receivable	159	995
	<u>925,802</u>	<u>868,498</u>
Cost of sales		
Opening raw materials	88,138	47,557
Purchases	528,978	524,995
Discounts receivable	-	(35)
Direct costs	1,708	943
Closing raw materials	(99,199)	(88,138)
	<u>519,625</u>	<u>485,322</u>
Employment costs		
Wages and salaries	(126,195)	(115,808)
Staff NIC (Employers)	(5,951)	(7,810)
Directors remuneration	(35,730)	(35,730)
Staff pensions (Defined contribution)	(532)	-
Directors pensions (Defined contribution)	(4,366)	(5,189)
Staff welfare	(4,286)	(3,879)
	<u>(177,060)</u>	<u>(168,416)</u>
Establishment costs		
Rent	(46,400)	(38,083)
Rates	(20,048)	(14,257)
Light, heat and power	(4,907)	(4,174)
Insurance	(1,670)	(1,737)
Repairs and maintenance	(14,997)	(9,014)
	<u>(88,022)</u>	<u>(67,265)</u>
General administrative expenses		
Telephone and fax	(2,746)	(2,600)
Office expenses	-	(447)
Computer software and maintenance costs	(449)	(543)
Printing, postage and stationery	(170)	(1,591)
Trade subscriptions	(2,631)	(2,561)
Motor expenses		

	(6,246)	(6,241)
Car hire and leasing expenses (Operating leases)	(2,897)	(3,908)
Advertising	(6,569)	(6,446)
Accountancy fees	(4,114)	(3,594)
Legal and professional fees	(2,748)	(8,485)
	<u>(28,570)</u>	<u>(36,416)</u>

This page does not form part of the statutory financial statements.

Aaron's Pets Ltd

Detailed Profit and Loss Account for the Year Ended 31 March 2017

Finance charges

Bank charges	(8,060)	(7,999)
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Depreciation costs

Amortisation of goodwill	(3,500)	(3,500)
Depreciation of plant and machinery (owned)	(11,012)	(14,075)
Depreciation of motor vehicles (owned)	(4,893)	(1,666)
	(19,405)	(19,241)

Other expenses

(Profit)/loss on disposal of tangible fixed assets	4,602	-
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This page does not form part of the statutory financial statements.

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