

PDSA PetAid Enterprises Limited
Report and Financial Statements
Year Ended 31 December 2003



Contents

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 9
Detailed Profit and loss account	10

Officers and professional advisers

Directors

M. Rydström
G. Ross (Resigned 16 June 2003)
J. McLoughlin

Secretary

R.L. Hall (Appointed 7 January 2004)
J.K. Berrington (Appointed 20 May 2003, Resigned 7 January 2004)
A.P. Wadsworth (Resigned 20 May 2003)

Registered Office

Whitechapel Way
Priorslee
Telford
Shropshire
TF2 9PQ

Bankers

Lloyds TSB Commercial
PO Box 6200
1 Cornwall Street
Birmingham
B3 2AE

Solicitors

Eversheds
Senator House
85 Queen Victoria Street
London
EC4V 4JL

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Directors' report

The directors present their second annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities and review of the business

The company's principal activities are the provision of facilities and equipment, management, training, advisory and marketing services to the commercial veterinary profession.

Results and dividends

The directors report a net profit for the financial year of £Nil (2002 - £Nil) after payment under Gift Aid scheme to PDSA of £31,236 (2002 - £Nil)

Future prospects

The directors are optimistic about the long-term prospects for continued growth in profits to support the parent charity.

Directors and their interests

The directors during the period, together with their interests in the issued ordinary share capital, were as follows:

	2003	2002
M. Rydström	-	-
G.Ross (Resigned 16 June 2003)	-	-
J. McLoughlin	-	-

Auditors

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



M. Rydström
Director

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit and loss of the company for that period. In preparing those financial statements the directors are required to :

- state whether applicable accounting standards have been followed
- select suitable accounting policies and apply them consistently
- make judgements and 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 proper accounting records which 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 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' report to the Members of PDSA PetAid Enterprises Limited

We have audited the financial statements of PDSA PetAid Enterprises Limited for the period ended 31 December 2003 which comprise the profit and loss account, balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

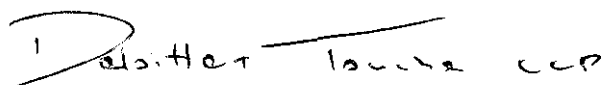
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

26 August 2004

Profit and loss account

For the year ended 31 December	Note	£	
		2003	2002
Turnover	2	60,278	-
Cost of sales		(6,629)	-
Gross Profit		53,649	-
Administrative expenses		(22,927)	-
Operating profit	3	30,722	-
Interest received	4	514	-
Profit on ordinary activities		31,236	-
Covenanted to charity under gift aid		(31,236)	-
Retained for the financial year		-	-
At 1 January		-	-
At 31 December		-	-

There are no recognised gains and losses other than the results for the financial years. Accordingly, no statement of total recognised gains and losses is given.

All amounts relate to continuing activities.

Balance sheet

			£
At 31 December	Note	2003	2002
Current Assets			
Debtors amounts falling due within one year	8	20,650	-
amounts falling due after more than one year	8	25,198	-
Cash at Bank		57,340	1
		103,188	1
Creditors : amounts falling due within one year	9	(103,187)	-
Net assets		1	1
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		-	-
Equity shareholders' funds	11	1	1

These financial statements were approved by the Board of Directors on 7 June 2004.

Signed on behalf of the Board of Directors


M. Rydström
Director

Notes to the financial statements

1. Accounting policies

The financial statements are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable for goods and services net of VAT.

Finance leases

The minimum lease payments receivable from finance leases, less appropriate future income arising from finance charges are included in net investment in finance leases. Income from finance leases is credited to the profit and loss using methods which produce an approximate constant rate of return on net cash investment.

Operating leases

Operating lease rentals receivable are credited to the profit and loss in the periods in which they become receivable.

Operating lease rentals payable are charged to the profit and loss in the periods in which they become due.

Taxation

The company is not subject to Corporation Tax as all its taxable profits are covenanted to the charitable parent entity under the Gift Aid Scheme.

	2003	2002
2. Turnover		
Sale of goods under finance lease	7,885	-
Finance lease interest	3,861	-
Operating lease rentals receivable	16,200	-
Other sales	32,332	-
	60,278	-

	2003	2002
3. Operating profit		
Operating profit is stated after charging		
Auditors' remuneration	500	-
Operating lease payments - other	6,629	-

	2003	2002
4. Interest receivable and similar income		
Bank Interest	514	-

Notes to the financial statements

5. Employees

There are no staff employed by PDSA PetAid Enterprises Limited. Any staff costs are recharged from the People's Dispensary for Sick Animals.

6. Directors

The directors of the company are employed by the People's Dispensary for Sick Animals. No directors received any remuneration from the company.

7. Assets subject to operating lease

Assets of gross amount £36,825 (2002 £Nil), accumulated depreciation £24,619 (2002 - £Nil) held by PDSA are subject to an operating lease to PetAid Enterprises Limited, aggregate rentals payable in the accounting period to PDSA £6,629 (2002 - £Nil.)

Aggregate rentals receivable by PDSA PetAid Enterprises Limited in the accounting period £16,200 (2002 - £Nil).

	2003	2002
8. Debtors		
Trade debtors	13,339	-
Net investment in finance lease: due within one year	7,311	-
	20,650	-
Net investment in finance lease: due after more than one year	25,198	-
	45,848	-

Net investment in finance leases £32,509 (2002 - £Nil), cost of assets acquired for letting under finance lease £38,815 (2002 - £Nil) and the aggregate rentals receivable in the year £7,885.

	2003	2002
9. Creditors		
Other creditors	500	-
Amounts due to Parent	56,687	-
Amount due to other subsidiary undertaking	46,000	-
	103,187	-

	2003	2002
10. Share capital		
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

	2003	2002
11. Reconciliation of movement in shareholders' funds		
Share capital subscribed	-	1
Profit attributable to members of the company	-	-
Opening shareholders' funds	1	-
Closing shareholders' funds	1	1

Notes to the financial statements

12. Parent undertaking

The directors regard the People's Dispensary for Sick Animals, which is a registered charity, as the company's immediate and ultimate parent undertaking. Group financial statements are available from the People's Dispensary for Sick Animals, Whitechapel Way, Priorslee, Telford, Shropshire, TF2 9PQ.

13. Cashflow Statement

The company has taken advantage of the exemption conferred by FRS1 not to prepare a cashflow statement on the grounds that a cashflow statement is included in the published financial statements of the parent undertaking.

	£	
14. Operating lease commitments		
	2003	2002
Operating lease charges	6,629	-
Annual commitments not provided for in these financial statements under non-cancellable operating leases for computer equipment are as follows:		
	2003	2002
Leases which expire:		
Within one year	-	-
Within two to five years	7,273	-
After five years	-	-
	7,273	-

15. Related party transactions

The company has taken advantage of the exemption conferred by FRS8 not to disclose related party transactions due to being a 100% owned subsidiary, and the parent's financial statements being published.
