

PDSA PetAid Enterprises Limited

Report and Financial Statements

Year Ended 31 December 2008



Company Registration No 4374375

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Officers and professional advisers

Directors

J. McLoughlin
R. Hooker (Appointed 26 September 2008)
A. Holl (Appointed 16 February 2009)
G. Pick (Appointed 22 June 2009)

Secretary

R. Eaton

Registered Office

Whitechapel Way
Priorslee
Telford
Shropshire
TF2 9PQ

Bankers

Lloyds TSB Corporate Markets
Public and Community Sector
2nd Floor
125 Colmore Row
Birmingham
B3 3SF

Auditors

Deloitte LLP
Chartered Accountants & Registered Auditors
London

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activity and review of the business

The company's principal activities are undertaking the building of PetAid hospitals on behalf of The People's Dispensary for Sick Animals and the provision of preventive veterinary services.

During the year the company completed the building of a PetAid hospital at Kirkdale, Liverpool. The value of the work done in the year is reflected in turnover as revenue on long term contracts.

Results and dividends

The directors report a net profit for the financial year of £Nil (2007 - £Nil) after payment under a charitable deed of covenant, under the Gift Aid scheme, to PDSA of £618,694 (2007 - £882,975).

Future prospects

The directors review the performance and prospects of the business and in particular individual products on a regular basis. The unprecedented economic uncertainty has made this activity an increasingly important one.

Financial forecasts for the current and next financial year form part of PDSA's ongoing financial control processes across the group. The most recent update to this (July 2009) suggests that PDSA PetAid Enterprises Limited has a strong demand for its major activity of preventive services and is expected to return an overall surplus, ahead of budget, for 2009. The expectation for 2010 is that the surplus generated will continue to grow.

Banking facilities are arranged via PDSA, and while there is no current anticipated need of an overdraft, PDSA is seeking to ensure facilities will be in place for use, if needed.

No matters have come to the attention of the directors which might suggest that the company will not be able to maintain its current activities and they therefore consider that it is appropriate for the financial statements to be prepared on a going concern basis.

Directors and their interests

The directors during the year were as follows:

M. Rydström	(Resigned 4 July 2008)
J. McLoughlin	
K.L.M. Clemmey	(Resigned 20 February 2009)
R. Hooker	(Appointed 26 September 2008)
A. Holl	(Appointed 16 February 2009)
D. Parsons	(Appointed 21 April 2009, Resigned 25 June 2009)
G. Pick	(Appointed 22 June 2009)

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office, as auditors.

Approved by the Board of Directors and signed on behalf of the Board on 30th September 2009



G. Pick
Director

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgments 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 that 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 1985. 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.

Independent Auditors' Report To The Members Of PDSA PetAid Enterprises Limited

We have audited the financial statements of PDSA PetAid Enterprises Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Independent Auditors' Report To The Members Of PDSA PetAid Enterprises Limited (cont'd)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors
London

30th September 2009

Profit and loss account
For the year ended 31 December

	Note	2008 £	2007 £
Turnover	2	4,951,963	3,423,432
Cost of sales		(4,116,346)	(2,539,747)
Gross Profit		835,617	883,685
Administrative expenses		(277,559)	(98,110)
Operating profit	3	558,058	785,575
Interest receivable and similar income	4	60,636	97,400
Profit on ordinary activities before gift aid		618,694	882,975
Covenanted to charity under gift aid		(618,694)	(882,975)
Result for the financial year		-	-

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.

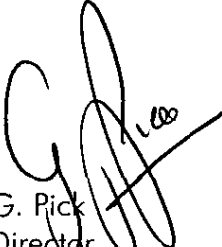
All amounts relate to continuing activities.

Balance sheet
At 31 December

	Note	2008 £	2007 £
Current Assets			
Stocks	8	156,903	138,783
Debtors: amounts falling due within one year	9	198,243	605,088
Cash at Bank		1,484,173	723,528
		1,839,319	1,467,399
Creditors – amounts falling due within one year	10	(1,839,318)	(1,467,398)
Net current assets		1	1
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		-	-
Shareholders' funds	12	1	1

These financial statements were approved by the Board of Directors on 30th September 2009

Signed on behalf of the Board of Directors


G. Pick
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.

The directors review the performance and prospects of the business and in particular individual products on a regular basis. The unprecedented economic uncertainty has made this activity an increasingly important one.

Financial forecasts for the current and next financial year form part of PDSA's ongoing financial control processes across the group. The most recent update to this (July 2009) suggests that PDSA PetAid Enterprises Limited has a strong demand for its major activity of preventive services and is expected to return an overall surplus, ahead of budget, for 2009. The expectation for 2010 is that the surplus generated will continue to grow.

Banking facilities are arranged via PDSA, and while there is no current anticipated need of an overdraft, PDSA is seeking to ensure facilities will be in place for use, if needed.

No matters have come to the attention of the directors which might suggest that the company will not be able to maintain its current activities and they therefore consider that it is appropriate for the financial statements to be prepared on a going concern basis.

Turnover

Turnover represents amounts receivable for goods and services net of VAT. Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

Long term contracts

Amounts recoverable on long term contracts which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Stocks

Stock and work in progress are stated at the lower of cost and net realisable value. Cost represents direct materials and labour.

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 account 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 account as earned and operating lease rentals payable are charged to the profit and loss on a straight line basis over the life of the lease.

Taxation

The company is potentially exempt from corporation tax as all of its taxable profits are covenanted under the Gift Aid Scheme to the charitable parent entity.

2. Turnover

	2008	2007
	£	£
Revenue on long term contracts	1,066,886	455,274
Preventive Service Sales	3,759,763	2,880,956
Sale of goods under finance lease	-	3,179
Finance lease interest	-	(81)
Operating lease rentals receivable	6,882	6,882
Other sales	118,432	77,222
	<u>4,951,963</u>	<u>3,423,432</u>

3. Operating profit

Operating profit is stated after charging:

	2008	2007
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	4,416	3,681
Fees payable to the company's auditors for other services to the company:		
Tax services	1,250	2,550
Operating lease payments	<u>706</u>	<u>3,358</u>

4. Interest receivable and similar income

	2008	2007
	£	£
Bank interest	60,636	97,400

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 for their services as directors of PDSA PetAid Enterprises Ltd. Any costs incurred by the parent which are shared with the subsidiary undertakings within the PDSA group are allocated to the individual companies based upon activity. Any shared directors' costs are included in this allocation.

7. Assets subject to operating lease

Assets of gross amount £19,617 (2007 - £17,270), accumulated depreciation £19,487 (2007 - £17,270) held by The People's Dispensary for Sick Animals are subject to an operating lease to PDSA PetAid Enterprises Limited, aggregate rentals payable in the accounting period to The People's Dispensary for Sick Animals are £706 (2007 - £3,358).

Aggregate rentals receivable by PDSA PetAid Enterprises Limited in the accounting period are £6,882(2007- £6,882).

8. Stocks

	2008	2007
	£	£
Work in Progress	7,972	7,972
Finished goods	148,931	130,811
	156,903	138,783

There is no material difference between the balance sheet value of stock and its replacement value

9. Debtors: amounts due within one year

	2008	2007
	£	£
Amounts recoverable on long term contracts	74,000	455,274
Trade debtors	124,243	149,814
	<u>198,243</u>	<u>605,088</u>

10. Creditors: amounts due within one year

	2008	2007
	£	£
Trade creditors	406,679	317,162
Amounts due to parent	1,378,437	1,096,034
Amount due to other subsidiary undertakings	54,202	54,202
	<u>1,839,318</u>	<u>1,467,398</u>

11. Share capital

	2008	2007
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

12. Reconciliation of movement in shareholders' funds

	2008	2007
	£	£
Profit attributable to shareholders	-	-
Opening shareholders' funds	1	1
Closing shareholders' funds	<u>1</u>	<u>1</u>

Opening and closing retained profits for the years 2007 and 2008 were nil.

13. Parent undertaking and controlling party

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

14. Cash flow Statement

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

15. Operating lease commitments

Annual commitments not provided for in these financial statements under non-cancellable other operating leases are as follows:

	2008 £	2007 £
Leases which expire:		
Within two to five years	706	3,358
	<hr/> 706	<hr/> 3,358

16. Related party transactions

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