

PDSA PetAid Enterprises Limited
Report and Financial Statements
Year Ended 31 December 2009



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Officers and professional advisers

Directors

J McLoughlin

R Hooker

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

Education, Community & Government

Midlands Regional Office

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 2009

This directors' report has been prepared in accordance with the special provisions relating to small companies under Section 417(1) of the Companies Act 2006

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

Results and dividends

The directors report a net profit for the financial year of £Nil (2008 : £Nil) after payment under a charitable deed of covenant, under the Gift Aid scheme, to PDSA of £808,325 (2008 £618,694)

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 (April 2010) suggests that PDSA PetAid Enterprises Limited has a strong demand for its major activity of preventive services and the expectation for 2010 is that the overall surplus generated will continue to grow, and should include the completion of a PetAid hospital in Sunderland.

Banking facilities are arranged via PDSA, and while there is no current anticipated need of an overdraft, PDSA has facilities 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

J McLoughlin
K L M Clemmey
R Hooker
A Holl
D Parsons
G Pick

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 s418 of the Companies Act 2006

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 7th July 2010.



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). 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Mary Reilly (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London

9th July 2010

Profit and loss account

For the year ended 31 December

	Note	2009 £	2008 £
Turnover	2	4,405,331	4,951,963
Cost of sales		(3,321,389)	(4,116,346)
Gross Profit		1,083,942	835,617
Administrative expenses		(281,266)	(277,559)
Operating profit	3	802,676	558,058
Interest receivable and similar income	4	5,649	60,636
Profit on ordinary activities before gift aid		808,325	618,694
Covenanted to charity under gift aid		(808,325)	(618,694)
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	2009 £	2008 £
Current Assets			
Stocks	8	221,015	156,903
Debtors – amounts falling due within one year	9	333,730	198,243
Cash at Bank		602,609	1,484,173
		1,157,354	1,839,319
Creditors – amounts falling due within one year	10	(1,157,353)	(1,839,318)
Net current assets		1	1
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		-	-
Shareholders' funds	12	1	1

The financial statements of PDSA PetAid Enterprises Limited (registered number 4374375) were approved by the Board of Directors on *7th July 2010*.

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 (April 2010) suggests that PDSA PetAid Enterprises Limited has a strong demand for its major activity of preventive services and the expectation for 2010 is that the surplus generated will continue to grow, and should include the completion of a PetAid hospital in Sunderland.

Banking facilities are arranged via PDSA, and while there is no current anticipated need of an overdraft, PDSA has facilities 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

	2009	2008
	£	£
Revenue on long term contracts	(13,610)	1,066,886
Preventive Service Sales	4,253,691	3,759,763
Operating lease rentals receivable	6,882	6,882
Other sales	148,368	118,432
Donations	10,000	-
	4,405,331	4,951,963

3. Operating profit

Operating profit is stated after charging

	2009	2008
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	3,704	4,416
Fees payable to the company's auditors for other services to the company		
Tax services	1,250	1,250
Operating lease payments	706	706

4. Interest receivable and similar income

	2009	2008
	£	£
Bank interest	5,649	60,636

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 (2008 - £19,617), accumulated depreciation £19,617 (2008 - £19,487) 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 (2008 - £706).

Aggregate rentals receivable by PDSA PetAid Enterprises Limited in the accounting period are £6,882 (2008 - £6,882).

8. Stocks

	2009	2008
	£	£
Work in Progress	64,957	7,972
Finished goods	156,058	148,931
	221,015	156,903

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

9. Debtors: amounts due within one year

	2009	2008
	£	£
Amounts recoverable on long term contracts	60,390	74,000
Trade debtors	273,340	124,243
	<u>333,730</u>	<u>198,243</u>

10 Creditors: amounts due within one year

	2009	2008
	£	£
Trade creditors	335,250	406,679
Amounts due to parent	767,901	1,378,437
Amount due to other subsidiary undertakings	54,202	54,202
	<u>1,157,353</u>	<u>1,839,318</u>

11. Share capital

	2009	2008
	£	£
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

	2009	2008
	£	£
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 2008 and 2009 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

	2009 £	2008 £
Leases which expire		
Within two to five years	706	706
	<hr/> 706	<hr/> 706

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