

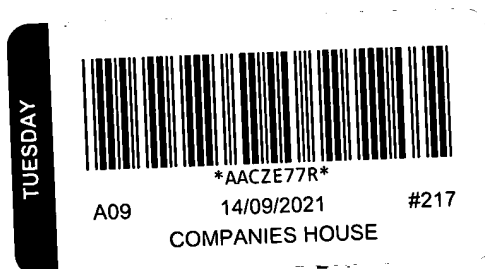
PDSA PetAid Enterprises Limited

Year Ended 31 December 2020

**PDSA PetAid Enterprises Limited**

**Report and Financial Statements**

**Year Ended 31 December 2020**



Company Registration No 04374375

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**Officers and professional advisers**

**Directors**

J. McLoughlin  
R. Hooker  
S. Howard  
A. Willetts

**Secretary**

R. Eaton

**Registered Office**

Whitechapel Way  
Priorslee  
Telford  
Shropshire  
TF2 9PQ

**Bankers**

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN

**Auditor**

BDO LLP  
Two Snowhill  
Birmingham  
B4 6GA

**Directors' report**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2020.

**Principal activities**

The Company's principal activity is the provision of commercial veterinary services (including a dispensary service in 2019).

**Results**

The Directors report a net profit for the financial year of £10,632 (2019: £104,997) and a payment under a charitable deed of covenant, under the Gift Aid scheme, to The People's Dispensary for Sick Animals (PDSA) of £10,632 (2019: £104,997).

**Going Concern**

Working with its parent charity, PDSA, the Directors have undertaken a detailed assessment of cashflow and profitability for the period to December 2022, taking into account the ongoing impact of the coronavirus pandemic on its operations.

The Company's primary commercial activity is the provision of veterinary services at PDSA Hospitals for other charitable organisations. The UK Government's social distancing measures restricted some of this activity in 2020. However, the Company still made a profit of c£11k in 2020. The commercial relationships are proving successful and there are plans to expand these relationships as conditions return nearer to normal, and Government restrictions are lifted.

The Company has a very small fixed cost base, and the Directors believe that, as hospital activity begins to increase, the Company will return a profit of c£19k in 2021, growing to c£24k in 2022.

The Company will manage Gift Aid payments to PDSA in order to maximise funds available to the Group, whilst maintaining positive cash balances for its own purposes, and will not require an overdraft for the period to December 2022.

The Directors recognise that there remains a degree of uncertainty but not material uncertainty that would cast doubt on the Company's ability to continue as a going concern as a result of the pandemic. After considering the forecasts, the diversity of income streams, and expected easing of Government restrictions going forward, the Directors believe that the Company will continue to trade for at least twelve months from the date of signing the accounts. The Directors therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis.

## **Directors' report (cont'd)**

### **Directors and their interests**

The Directors during the year were as follows:

J. McLoughlin  
R. Hooker  
S. Howard  
A. Willetts

### **Disclosure of information to auditors**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In preparing the Directors' report advantage has been taken of the small companies' exemptions.

### **Auditors**

BDO LLP have expressed their willingness to continue in office, as auditors. Appointment of auditors is made by the Council of the parent charity, PDSA.

This report was approved by the Board and signed on its behalf on 7 June 2021.



A. Willetts  
Director

**Directors' responsibilities statement**

The Directors are responsible for preparing the Directors' 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 surplus or deficit 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 judgements and accounting estimates that are reasonable and prudent; and
- 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.

**Independent Auditor's Report To The Members Of PDSA PetAid Enterprises Limited****Opinion on the 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 2020 and of its profit 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.

We have audited the financial statements of PDSA PetAid Enterprises Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Independent Auditor's Report To The Members Of PDSA PetAid Enterprises Limited (continued)****Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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. ;or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.



**Independent Auditor's Report To The Members Of PDSA PetAid Enterprises Limited (continued)****Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We made enquiries of management, the Audit and Risk Committee and the Directors. This included the following:

- how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with, Companies Act 2006, UK GAAP and tax legislation.

**Independent Auditor's Report To The Members Of PDSA PetAid Enterprises Limited (continued)**

In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.

We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

*Audit response to risks identified*

- We reviewed the financial statement disclosures and sample tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of management, internal audit and the Directors;
- We reviewed the Fraud log and Serious incident log submitted to the Audit and Risk Committee which includes instances of fraud and non-compliance with laws and regulations and we read minutes of meetings of those charged with governance;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the bad debt provision.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Independent Auditor's Report To The Members Of PDSA PetAid Enterprises Limited (continued)**

**Use of our report**

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 auditor's 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.

DocuSigned by:  
*Kyla Bellingall*  
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Kyla Bellingall (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Birmingham  
United Kingdom

08 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of Comprehensive Income**

For the year ended 31 December

	Note	<b>2020</b> £	2019 £
Turnover	2	<b>260,773</b>	571,064
Cost of sales		<b>(246,041)</b>	(465,435)
Gross Profit		<b>14,732</b>	105,629
Administrative expenses		<b>(4,346)</b>	(3,430)
Operating Profit	3	<b>10,386</b>	102,199
Interest and similar income	4	<b>246</b>	2,798
Profit the year		<b>10,632</b>	104,997

There are no recognised gains and losses other than the results for the financial years.

The results stated above are derived from continuing activities.

The notes on pages 13 to 17 form part of the financial statements.

**Statement of Changes in Equity**

For the year ended 31 December 2019	Share Capital	Profit and loss account
	£	£
1 January 2019	1	-
<b>Comprehensive Income:</b>		
Profit for the year	-	104,997
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>104,997</b>
<b>Distributions to Parent Charity:</b>		
Transfer of taxable profits under gift aid	-	(104,997)
<b>31 December 2019</b>	<b>1</b>	<b>-</b>

For the year ended 31 December 2020	Share Capital	Profit and loss account
	£	£
1 January 2020	1	-
<b>Comprehensive Income:</b>		
Profit for the year	-	10,632
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>10,632</b>
<b>Distributions to Parent Charity:</b>		
Transfer of taxable profits under gift aid	-	(10,632)
<b>31 December 2020</b>	<b>1</b>	<b>-</b>

**Balance sheet**

At 31 December

	Note	2020 £	2019 £
<b>Current Assets</b>			
Debtors: amounts falling due within one year	7	3,441	15,417
Cash at Bank		64,926	260,801
		68,367	276,218
<b>Creditors</b>	8	(68,366)	(276,217)
<b>Net current assets</b>		1	1
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account		-	-
<b>Shareholders' funds</b>		1	1

The notes on pages 13 to 17 form part of the financial statements.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements of PDSA PetAid Enterprises Limited (registered number 04374375) were approved by the Board of Directors on 7 June 2021.

Signed on behalf of the Board of Directors



A. Willetts  
Director

## **1. Accounting policies**

### **Basis of preparation of financial statements**

PDSA PetAid Enterprises Limited is incorporated in the United Kingdom and the address of the registered office is Whitechapel Way, Priorslee, Telford, Shropshire, TF2 9PQ.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

### **Going Concern**

Working with its parent charity, PDSA, the Directors have undertaken a detailed assessment of cashflow forecast and profitability for the period to December 2022, taking into account the ongoing impact of the coronavirus pandemic on its operations.

The Company has a very small fixed cost base, and the Directors believe that, as hospital activity begins to increase, the Company will return a profit of approximately £19k in 2021, growing to approximately £24k in 2022 and the cash balance at 31 May 2022 is forecast as £31k.

The Company will manage Gift Aid payments to PDSA in order to maximise funds available to the Group, whilst maintaining positive cash balances for its own purposes, and will not require an overdraft for the period to December 2022.

The Directors recognise that there remains a degree of uncertainty but not material uncertainty that would cast doubt on the Company's ability to continue as a going concern as a result of the pandemic. After considering the forecasts, the diversity of income streams, and expected easing of Government restrictions going forward, the Directors believe that the Company will continue to trade for at least twelve months from the date of signing the accounts. The Directors therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis.

## **1. Accounting policies (cont'd)**

### **Estimation and judgement**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The most significant areas of judgement are as follows:

- Debtors – debtor balances are reviewed to determine recoverability. In assessing the need to impair debtor balances, management consider the aging of the debt, historical collection experience and the relationship with individual customers.
- Stocks – stocks are valued at the lower of cost and net realisable value. Management review the aging and sales profile of stock lines held at year end and make provision against obsolete stock as appropriate.
- Long term contracts – when assessing the amount of profit (or any future losses) to be recognised in the accounts, management make reference to the contractual agreement, schedule of works to completion and quantity surveyor assessment of work completed to date.

The following principal accounting policies have been applied:

### **Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic financial instruments; and
- the requirements of Section 33 Related party transactions.

This information is included in the consolidated financial statements of The People's Dispensary for Sick Animals as at 31 December 2020 and these financial statements may be obtained from The People's Dispensary for Sick Animals, Whitechapel Way, Priorslee, Telford, Shropshire, TF2 9PQ.



## **1. Accounting policies (cont'd)**

### **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 relate to the building of Pet Hospitals on behalf of the parent charity and 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. Expected losses on long term contracts are recognised immediately. Any amounts recoverable from the parent charity are included within either amounts due to, or from the parent, as appropriate, and are due within the year unless otherwise stated.

### **Other sales**

Other sales include all other commercial activity carried out by the Company. Sales are recognised when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

### **Stocks**

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

### **Taxation**

The Company makes a qualifying donation of all taxable profits to The People's Dispensary for Sick Animals. No corporation tax liability arises in the accounts.

## 2. Turnover

	2020 £	2019 £
Dispensary services	-	255,030
Veterinary services	260,773	316,034
	<b>260,773</b>	<b>571,064</b>

## 3. Operating Profit

Profit is stated after charging:

	2020 £	2019 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	2,306	2,000
Fees payable to the Company's auditors for other services to the Company:		
Tax services	1,985	1,405

## 4. Interest receivable and similar income

	2020 £	2019 £
Bank interest	246	2,798

## 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.

**Notes to the financial statements (continued)****7. Debtors: amounts due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>3,441</b>	15,417
	<b>3,441</b>	15,417

**8. Creditors: amounts due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>50,377</b>	51,001
Amounts due to parent	<b>17,989</b>	225,216
	<b>68,366</b>	276,217

**9. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 Ordinary shares of £1 each	<b>1</b>	1

**10. Parent undertaking and controlling party**

The Directors regard The People's Dispensary for Sick Animals, which is a registered charity (nos. 208217 and SC037585), 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.