

PDSA PetAid Enterprises Limited

Report and Financial Statements

Year Ended 31 December 2004



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Officers and professional advisers

Directors

M. Rydström
J. McLoughlin
K. Young (Appointed 28 April 2004)
J. Coats (Appointed 15 April 2005)

Secretary

J.K. Berrington (Resigned 7 January 2004)
R.L. Whiting (Appointed 7 January 2004, resigned 15 April 2005)
J. Coats (Appointed 15 April 2005)

Registered Office

Whitechapel Way
Priorslee
Telford
Shropshire
TF2 9PQ

Bankers

Lloyds TSB Corporate
PO Box 908
125 Colmore Row
Birmingham
B3 2DS

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activity 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, together with building contracting on behalf of The People's Dispensary for Sick Animals.

During the year the company commenced the building of a PetAid Hospital at Middlesbrough. This site should be transferred to The People's Dispensary for Sick Animals in 2005. 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 (2003 - £Nil) after payment under a charitable deed of covenant, under the Gift Aid scheme, to PDSA of £56,604 (2003 - £31,236).

Future prospects

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

Directors and their interests

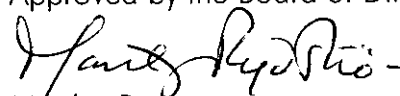
The directors during the year, together with their interests in the issued ordinary share capital, were as follows:

	2004	2003
M. Rydström	-	-
J. McLoughlin	-	-
K. Young (Appointed 28 April 2004)	-	-

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office, as auditors, and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board *21 October 2005*


Marilyn Rydström
Director

Statement of directors' responsibilities

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

- state whether suitable 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 year ended 31 December 2004 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

As described in the statement of directors' responsibilities, the 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 of, 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.

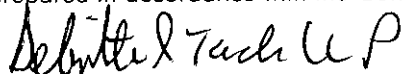
Basis of audit opinion

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 2004 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

24 October 2005

Profit and loss account

For the year ended 31 December

	Note	2004 £	2003 £
Turnover	2	466,448	60,278
Cost of sales		(373,136)	(6,629)
Gross Profit		93,312	53,649
Administrative expenses		(38,230)	(22,927)
Operating profit	3	55,082	30,722
Interest receivable and similar income	4	1,522	514
Profit on ordinary activities		56,604	31,236
Covenanted to charity under gift aid		(56,604)	(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	2004 £	2003 £
Current Assets			
Debtors: amounts falling due within one year	8	455,119	20,650
amounts falling due after more than one year	8	17,495	25,198
Cash at Bank		18,789	57,340
		491,403	103,188
Creditors – amounts falling due within one year	9	(491,402)	(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 *21 October 2005*.

Signed on behalf of the Board of Directors


Marilyn 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. 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.

Stock and work in progress

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 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 of its taxable profits are covenanted under the Gift Aid Scheme to the charitable parent entity.

2. Turnover

	2004	2003
	£	£
Revenue on long term contracts	384,628	-
Sale of goods under finance lease	9,634	7,885
Finance lease interest	3,581	3,861
Operating lease rentals receivable	17,979	16,200
Other sales	50,626	32,332
	<u>466,448</u>	<u>60,278</u>

3. Operating profit

Operating profit is stated after charging:

	2004	2003
	£	£
Auditors' remuneration – audit fees	2,000	500
Operating lease payments – other	7,273	6,629

4. Interest receivable and similar income

	2004	2003
	£	£
Bank interest	<u>1,522</u>	<u>514</u>

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 the company.

7. Assets subject to operating lease

Assets of gross amount £52,192 (2003 £52,192), accumulated depreciation £37,951 (2003 £26,462) 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 £7,273 (2003 £6,629)

Aggregate rentals receivable by PDSA PetAid Enterprises Limited in the accounting period £17,979 (2003 £16,200).

8. Debtors

	2004 £	2003 £
Amounts recoverable on long term contracts	384,628	-
Trade debtors	62,787	13,339
Net investment in finance lease: due within one year	7,704	7,311
	455,119	20,650
Net investment in finance lease: due after more than one year	17,495	25,198
	472,614	45,848

Net investment in finance leases £25,199 (2003 £32,509), cost of assets acquired for letting under finance lease £38,815 (2003 £38,815) and the aggregate rentals receivable in the year £9,634 (2003 £7,885).

9. Creditors

	2004 £	2003 £
Other creditors	2,000	500
Amounts due to parent	439,143	56,687
Amount due to other subsidiary undertaking	50,259	46,000
	491,402	103,187

10. Share capital

	2004 £	2003 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

11. Reconciliation of movement in shareholders' funds

	2004	2003
	£	£
Profit attributable to the members of the company	-	-
Opening shareholders' funds	1	1
Closing shareholders' funds	1	1

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

	2004	2003
	£	£
Operating lease charges	7,273	6,629

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

	2004	2003
	£	£
Leases which expire:		
Within one year	-	-
Within two to five years	7,273	7,273
After five years	-	-
	7,273	7,273

16. 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.

Additional information

The additional information on page 11 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

Detailed profit and loss account

Year ended 31 December

	2004 £	2003 £
Sales	466,448	60,278
Cost of sales		
Purchases	(373,136)	(6,629)
Gross profit	93,312	53,649
Overheads		
General expenses	(50)	(290)
Audit and accountancy fee	(2,000)	(500)
Management recharges	(36,180)	(22,137)
Operating profit	55,082	30,722
Bank interest	1,522	514
Net profit	56,604	31,236

This statement does not form part of the audited financial statements and is for the use of the directors only.