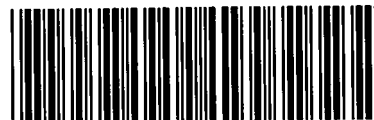


# **Cats Protection Enterprises Limited**

## **Annual Report and Financial Statements Year ended 31 December 2017**

**Company No: 02953832**

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**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

<b>Contents</b>	<b>Page</b>
<b>Director's Report</b>	<b>3 – 4</b>
<b>Statement of Director's Responsibilities</b>	<b>5</b>
<b>Independent auditor's report to the members of Cats Protection Enterprises Limited</b>	<b>6-7</b>
<b>Profit and Loss Account</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Accounts</b>	<b>11-14</b>

# **Cats Protection Enterprises Limited Annual Report and Financial Statements**

## **Year ended 31 December 2017**

### **Director's report**

The Director submits her report and financial statements for the year ended 31 December 2017.

### **Principal activity**

Cats Protection Enterprises Limited (the Company) is a wholly owned subsidiary of Cats Protection, a registered Charity (charity number 206344 (England and Wales) and SC037711 (Scotland)).

Cats Protection Enterprises Limited undertakes the following trading activity:

- Sale of new goods to the general public through shops, fundraising events and on-line;
- Receiving commission on pet insurance purchased for cats adopted from the Charity;
- Sales relating to licensing the use of the Cats Protection brand to other commercial entities; and
- Café, retail and meeting room hire at the National Cat Centre.

In 2016, a Deed of Covenant was signed which stated that all future annual profits of the Company will be paid to the parent Charity. The Gift Aid distribution in respect of the year ending 31 December 2017 is £1,312k (2016: £862k). The payment will be made within nine months of the year end.

### **Review of the business**

The results for the year and the financial position of the Company are as shown in the financial statements. The profit on ordinary activities before taxation for the year ended 31 December 2017 amounted to £1,312k (2016: £862k). Turnover in 2017, at £2,402k, represents an increase of £451k (23%) compared to the previous year (2016: £1,951k). Cost of sales in 2017 was 33% of turnover (2016: 41%). Administrative expenditure was £290k for 2017 which is consistent with last year (2016: £297k).

The profit has increased due to the cumulative effect of cat adopters utilising PetPlan® pet insurance. The Company receives commission every time a new policy is purchased or an existing policy is renewed. Two enhanced commission payments were also received in 2017 due to the total number of policies purchased/renewed. In addition, Purina® donated funds to supply a million meals for cats in the care of our parent charity, Cats Protection and the Company also benefitted from other new sponsorship agreements arranged in the year.

The Director recommends that there should be no payment of a dividend for 2017 (2016: £nil).

**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

**Future developments**

The Director has reviewed the results and has determined that Cats Protection Enterprises Limited will continue to provide similar trading activity for the Charity. Profits are expected to increase gradually in future years as we expand our offering of new goods and grow our retail chain of charity shops. The Company will also continue to benefit from the cumulative effect of the commission on PetPlan® insurance renewals.

**Director**

Ms W Bosler

The Director has no beneficial interest in the share capital of the Company.

**Secretary**

Mr D. Sullivan

**Registered office**

National Cat Centre  
Chelwood Gate  
Haywards Heath  
RH17 7TT

**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS**

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law she has elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The director is 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

This Report was approved by the Board and signed on its behalf on 12 April 2018.



Ms W. Bosler  
Director

Date: 12 April 2018

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CATS PROTECTION ENTERPRISES LIMITED**

## **Opinion**

We have audited the financial statements of Cats Protection Enterprises Limited ("the company") for the year ended 31 December 2017 which comprise the Balance Sheet, Profit and Loss, Statement of Cash Flow and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Director's report**

The director is responsible for the director's report. Our opinion on the financial statements does not cover this report and we do not express an audit opinion thereon.

Our responsibility is to read the director's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the director's report;
- in our opinion the information given in this report for the financial year is consistent with the financial statements; and
- in our opinion this report has been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CATS PROTECTION  
ENTERPRISES LIMITED (Continued)**

**Director's responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Ian Pennington (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

12 April 2018

**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

**Profit and Loss Account**  
**for the year ended 31<sup>st</sup> December 2017**

	Note	2017 £'000	2016 £'000 Restated
<b>Turnover</b>	2	<b>2,402</b>	1,951
Cost of sales		(800)	(792)
<b>Gross profit</b>		<b>1,602</b>	1,159
Administrative expenditure		(290)	(297)
<b>Operating profit</b>	3	<b>1,312</b>	862
Other interest receivable and similar income		-	-
<b>Profit on ordinary activities before taxation</b>		<b>1,312</b>	862
Taxation	4	-	-
<b>Profit on ordinary activities after taxation</b>		<b>1,312</b>	862
<b><u>Changes in equity</u></b>			
<b>Equity brought forward</b>		-	769
Profit for the year		1,312	862
Distribution to parent Charity under Gift Aid		(1,312)	(1,631)
<b>Equity carried forward</b>		-	-

All the profits are paid to the Parent Charity via a Gift Aid distribution, therefore no Corporation Tax is due, as set out under Amendments to FRS102, issued December 2017

The 2016 Profit and Loss has been restated to reflect the treatment of Corporation Tax on Gift Aid distributions as set out under Amendments to FRS102, issued December 2017.

All income and expenditure derives from continuing activities.

The notes on pages 11 to 14 form part of these financial statements.



**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

**Balance Sheet**  
**as at 31<sup>st</sup> December 2017**

	Note	2017 £'000	2016 £'000
Current assets:			
Stock	7	63	11
Debtors	8	742	837
Cash at bank and in hand		842	403
		<u>1,647</u>	<u>1,251</u>
Creditors: amounts falling due within one year	9	<u>(1,437)</u>	<u>(1,041)</u>
<b>Net current assets</b>		<b>210</b>	<b>210</b>
Creditors: amounts falling due after one year	10	(210)	(210)
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Retained Earnings		-	-
<b>Shareholders' Funds</b>		<u>-</u>	<u>-</u>

The notes on pages 11 to 14 form part of these financial statements.

Approved by the Board and signed on its behalf by:



Ms W Bosler  
Director

Date: 12 April 2018

**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

**Cash Flow statement**  
**Year ended 31 December 2017**

	Note	2017 £'000	2016 £'000 Restated
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	a	<u>1,300</u>	<u>564</u>
<b>Cash flows from financing activities:</b>			
Gift Aid distribution to Parent Charity		<u>(861)</u>	<u>(769)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>(861)</u>	<u>(769)</u>
<b>Change in cash and cash equivalents in the reporting period</b>	b	<b>439</b>	<b>(205)</b>
Cash and cash equivalents at 1 January		<u>403</u>	<u>608</u>
<b>Cash and cash equivalents at 31 December</b>		<u><b>842</b></u>	<u><b>403</b></u>

**a) Reconciliation of net income to net cash flow from operating activities**

<b>Net income for the period (as per Profit and Loss Account)</b>	<b>1,312</b>	<b>862</b>
<i>Adjustments for:</i>		
(Increase)/decrease in stocks	<b>(52)</b>	<b>(6)</b>
(Increase)/decrease in debtors	<b>95</b>	<b>(351)</b>
Increase/(decrease) in creditors excluding Gift Aid distribution	<b>(55)</b>	<b>59</b>
<b>Net cash provided by/(used in) operating activities</b>	<u><b>1,300</b></u>	<u><b>564</b></u>

**b) Analysis of cash and cash equivalents**

Cash in hand	<u><b>842</b></u>	<u><b>403</b></u>
<b>Total cash and cash equivalents</b>	<u><b>842</b></u>	<u><b>403</b></u>

The 2016 Cash Flow Statement has been restated to reflect the treatment of Corporation Tax on Gift Aid distributions as clarified under Amendments to FRS102, issued December 2017.

The notes on pages 11 to 14 form part of these accounts.

# Cats Protection Enterprises Limited Annual Report and Financial Statements

## Year ended 31 December 2017

### NOTES TO THE ACCOUNTS

#### 1. Accounting policies

Cats Protection Enterprises Limited is a company limited by shares and incorporated and domiciled in the UK. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### (a) Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014 and amended in July 2015 and December 2017. The Profit and Loss Account and Cash Flow Statement for 2016 have been restated on the basis of the FRS102 amendment issued in December 2017. The restatement reflects the fact that there is no Corporation Tax liability or off-setting tax credit arising on the profits for the year as all profits are paid to the parent charity as a Gift Aid distribution. As there is a Deed of Covenant in place requiring the Company to pay all profits for the year to the parent Charity, this liability had crystallised at the year end.

All amounts in the financial statements have been rounded to the nearest £1,000. The financial statements are prepared on the historical cost basis.

As at the date of these financial statements, the Director has considered the ability of the Company to continue to meet liabilities as they fall due for the next 12 months. The financial statements have been prepared on the going concern basis, which the Director believes is appropriate due to the current and forecast liquidity position and forecast operating profits.

##### (b) Turnover

The Company's turnover represents the value, excluding Value Added Tax (VAT), of goods and services supplied to customers during the year and commissions and sponsorships received from commercial partners of the parent Charity in the year.

##### (c) Net Operating Expenses

Costs are incurred by Cats Protection (the Charity) on behalf of Cats Protection Enterprises Limited; all such costs are recharged at an arm's length value.

Cats Protection Enterprises Limited uses the administration and infrastructure of the Charity to undertake its business.

Interest income and interest payable are recognised in the Profit or Loss Account as they accrue.

##### (d) Deferred Tax

Deferred tax is not recognised as the company has a policy of eliminating taxable profits by making Gift Aid distributions to Cats Protection. Therefore, no asset or liability is likely to arise.

##### (e) Stock

Stock is held at the lower of cost or net realisable value.

**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

**(f) Trade and other debtors/creditors**

Trade and other debtors are recognised at transaction price less attributable transaction costs. Trade and other creditors are recognised at transaction price plus attributable transaction costs.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

<b>2. Turnover</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
PetPlan commission on insurance sales	1,065	670
Sales	993	1,086
Other commission and licensing arrangements	279	141
Other income	65	54
<b>Total</b>	<b>2,402</b>	<b>1,951</b>

Cats Protection Enterprises Limited is an agent for PetPlan and receives commission on insurance policies sold when cats are rehomed in the UK.

<b>3. Operating profit</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after charging:		
Auditor's Remuneration: audit of the financial statements	6	6

**4. Taxation**

The Company will make a Gift Aid payment of the 2017 profits of £1,312k to Cats Protection (2016: £862k). This will be made within nine months of the year end. As this is a distribution to a Charity, no Corporation tax is payable.

**5. Director remuneration**

The Director received no remuneration during the year (2016: £nil).

**6. Staff numbers and costs**

The Company employed no staff in the year. Staff are provided by Cats Protection for which the costs are reimbursed by the Company.

<b>7. Stock</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Finished goods and goods for resale	63	11

**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

<b>8. Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade Debtors	216	16
Amounts owed from Parent Charity due on demand	424	735
Prepayments & Accrued Income	92	86
Other Taxes	10	-
<b>Total</b>	<b>742</b>	<b>837</b>

<b>9. Creditors: Amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Gift Aid distribution to Parent Charity	1,312	862
Trade Creditors	94	87
Other Taxes	25	87
Other Creditors and accruals	6	5
<b>Total</b>	<b>1,437</b>	<b>1,041</b>

Under a Deed of Covenant, all future profits of the Company will be paid to the Parent Charity via a Gift Aid distribution. The liability to pay the Parent Charity the profit for the year of £1,312k was therefore an obligation at year end.

<b>10. Creditors: Amounts falling due after one year</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to parent undertaking	210	210

This represents a loan from Cats Protection to provide working capital for the Company. It is secured by a debenture covering both a fixed and floating charge over all property and assets of the Company. The parent undertaking is not expected to call the loan within the next financial year and there is no specified maturity date for the loan. Interest is payable on the loan at a rate of 1% over Barclays Bank PLC base lending rate.

<b>11. Share capital</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Authorised: 100 ordinary shares of £1 each	100	100
Allotted called up and fully paid: 2 ordinary shares of £1 each	2	2

In the event of the Company being wound up, the liability in respect of the shares is limited to £1 per member of the Company.

**Cats Protection Enterprises Limited Annual Report and Financial Statements**  
**Year ended 31 December 2017**

**12. Related parties**

As at the Balance Sheet date, a total of £210k (2016: £210k) was owing from Cats Protection Enterprises Limited to Cats Protection for the loan from the parent undertaking. As at the Balance Sheet date, a total of £424k (2016: £735k) was owing to Cats Protection Enterprises Limited from Cats Protection for income collected through the Charity on behalf of Cats Protection Enterprises Limited.

Other than the transactions disclosed in this Note and Note 9, there were no transactions with related parties during 2017 (2016: none).

**13. Ultimate parent**

The Company is a wholly owned subsidiary undertaking of Cats Protection, an unincorporated Charity registered in England (charity number 203644 (England and Wales) and SC037711 (Scotland)). Its administrative address is: Cats Protection, National Cat Centre, Chelwood Gate, Haywards Heath, West Sussex, RH17 7TT.

The results of the Company are consolidated with Cats Protection accounts. The consolidated accounts of the Group are available to the public at [www.cats.org.uk](http://www.cats.org.uk)