

Rossendale Pet Crematorium Limited
Annual report
for the year ended 30 June 2010

Registered number: 01409643

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Rossendale Pet Crematorium Limited

Annual report for the year ended 30 June 2010

Contents

Directors' report	1
Independent auditors' report	4
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10

Rossendale Pet Crematorium Limited

Directors' report for the year ended 30 June 2010

The Directors present their report and the audited financial statements of the Company for the year ended 30 June 2010

Review of business, principal activities and results for the year

The principal activity of the Company is the cremation of animals, the provision of burial grounds and clinical waste handling

Revenue for the Company at £698,000 (nine month period ended 30 June 2009 £441,000) shows an increase compared to the previous period due to a combination of the longer reporting period, improved presence and reputation within the market place and increased sales opportunities following the acquisition of the Company by CVS (UK) Limited in the prior period

The Company made a profit after taxation of £188,000 (nine month period ended 30 June 2009 £135,000)

The Directors do not recommend the payment of a dividend (nine month period ended 30 June 2009 £nil) and no dividends have been paid during the period (nine month period ended 30 June 2009 £nil)

The Directors consider the result for the period to be positive and the period end position to be satisfactory. The Company is an integral part of the operations of its ultimate parent undertaking CVS Group plc ("the Group") and as such the "Business and Financial Review" on pages 10 to 15 of the CVS Group plc 2010 Annual Report, which does not form part of this report, should be read for a full review of the Group's business and developments in the year

Outlook

In the absence of unforeseen circumstances, the Directors anticipate that continued profitability will be maintained in the future

Principal risks and uncertainties

The Directors consider that the principal risks (including financial risks) and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are discussed within the "Business and Financial Review" on pages 14 and 15 of the CVS Group plc 2010 Annual Report which does not form part of this report

Key performance indicators ('KPIs')

The Directors of the Group manage the Group's operations on a consolidated basis. For this reason, the Company's Directors believe that analysis using key performance indicators at the Company level (financial and non-financial) is not necessary or appropriate for an understanding of the development, performance or position of the business of Rossendale Pet Crematorium Limited. The development, performance and position of CVS Group plc, which includes the Company, is discussed within the "Business and Financial Review" on page 13 of the CVS Group plc 2010 Annual Report which does not form part of this report

Donations

No donations were made to any charitable or political organisation in the year (period ended 30 June 2009 £nil)

Rossendale Pet Crematorium Limited

Directors' report for the period ended 30 June 2010 (continued)

Directors

The following Directors held office during the year and up to the date of signing the financial statements

S Innes
P D Coxon
B H Pound

Employees

Consultation with employees takes place through a number of meetings throughout the year, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the general progress of their business units and of the Company as a whole

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Directors' Responsibilities Statement

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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors and disclosure of information to auditors

So far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

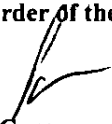
Rossendale Pet Crematorium Limited

Directors' report for the period ended 30 June 2010 (continued)

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the Annual General Meeting of CVS Group plc.

By order of the Board



P D Coxon
Secretary

24 December 2010

Rossendale Pet Crematorium Limited

Independent auditors' report to the members of Rossendale Pet Crematorium Limited

We have audited the financial statements of Rossendale Pet Crematorium Limited for the year ended 30 June 2010 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 30 June 2010 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Rossendale Pet Crematorium Limited

Independent auditors' report to the members of Rossendale Pet Crematorium Limited (continued)

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



Christopher Maw (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Norwich
21 December 2010

Rossendale Pet Crematorium Limited

Statement of comprehensive income for the year ended 30 June 2010

	Note	Year ended 30 June 2010 £'000	Period ended 30 June 2009 ¹ £'000
Revenue	2	698	441
Cost of sales		(292)	(168)
Gross profit		406	273
Administrative expenses		(187)	(99)
Operating profit and profit before income tax	4	219	174
Income tax expense	7	(31)	(39)
Profit and total comprehensive income for the year attributable to the owners of the Company		188	135

The above results relate to continuing operations

¹For the purposes of these financial statements, the period ended 30 June 2009 represents the period from 7 October 2008 to 30 June 2009

Rossendale Pet Crematorium Limited

Balance sheet as at 30 June 2010

	Note	30 June 2010 £'000	30 June 2009 £'000
Non-current assets			
Property, plant and equipment	8	263	251
Deferred income tax assets	15	-	2
		263	253
Current assets			
Inventories	10	15	15
Trade and other receivables	11	588	362
Cash and cash equivalents	12	4	-
		607	377
Total assets		870	630
Current liabilities			
Trade and other payables	13	(111)	(54)
Current income tax liabilities	16	(64)	(68)
Borrowings	14	-	(5)
		(175)	(127)
Non-current liabilities			
Deferred income tax liabilities	15	(4)	-
		(4)	-
Total liabilities		(179)	(127)
Net assets		691	503
Shareholders' equity			
Share capital	17	-	-
Retained earnings	18	691	503
Total shareholders' equity		691	503

The financial statements on pages 6 to 27 were approved by the Board of Directors on 21 December 2010 and were signed on its behalf by


P D Coxon
Director

Rossendale Pet Crematorium Limited

Statement of changes in equity for the year ended 30 June 2010

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
At 7 October 2008	-	368	368
Profit for the period	-	135	135
At 30 June 2009	-	503	503
Profit for the year	-	188	188
At 30 June 2010	-	691	691

Rossendale Pet Crematorium Limited

Cash flow statement for the year ended 30 June 2010

	Note	Year ended 30 June 2010 £'000	Period ended 30 June 2009 £'000
Cash generated from/(used in) operations	20	79	(154)
Taxation paid		(29)	-
Net cash generated from/(used in) operating activities		50	(154)
Cash flows from investing activities			
Purchase of property, plant and equipment		(43)	(34)
Proceeds from sale of property, plant and equipment		2	7
Net cash used in investing activities		(41)	(27)
Net increase/(decrease) in cash and cash equivalents		9	(181)
Cash and cash equivalents at start of period	12	(5)	176
Cash and cash equivalents at end of period	12,19	4	(5)

Rossendale Pet Crematorium Limited

Notes to the financial statements for the period ended 30 June 2010

1. General information

The principal activity of the Company in the period under review was that of the cremation of animals, the provision of burial grounds and clinical waste disposal

Rossendale Pet Crematorium Limited is a private limited company incorporated and domiciled in England and Wales

The address of the registered office is Suunybank Farm, Crawshawbooth, Rossendale, Lancashire, BB4 8UE and the registered number of the Company is 01409643

2. Summary of significant accounting policies

Basis of preparation

These financial statements present the financial record for the period ended 30 June 2010 of Rossendale Pet Crematorium Limited. The financial statements of Rossendale Pet Crematorium Limited have been prepared in accordance with the EU-adopted International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations and in line with those provisions of the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis and, under the historical cost convention.

The ultimate parent company, CVS Group plc, has confirmed in writing its intention to continue to support the Company to enable it to meet its obligations as they fall due for a period of at least 12 months from the signing of these financial statements. Accordingly the financial statements have been prepared on a going concern basis.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes differ from those assumptions and estimates. The following judgements have the most significant effect on the amounts recognised in the financial statements.

Income tax

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Rossendale Pet Crematorium Limited

2. Summary of significant accounting policies (continued)

Changes in accounting policy and disclosure

The Company has adopted the following new and amended standards as of 1 July 2009

IAS 1 (revised) "Presentation of financial statements"

IAS 1 requires entities to choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income) The Company has elected to present one statement in these financial statements

IFRS 7 (amendment) "Financial instruments – Disclosures"

The amendment requires enhanced disclosures about fair value measurement and liquidity risk In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy The presentation requirement of IFRS 7 has been applied in these financial statements

IFRS 8 "Operating segments"

IFRS 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes Management have confirmed that the Company operates in one distinct trading segment Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker The chief operating decision-maker has been identified as the Board of Directors The Board reviews the Company's internal reporting in order to assess performance and allocate resources The Board has determined the operating segments based on these reports

Other recent accounting developments

Standards, amendments and interpretations effective in the year ended 30 June 2010 but not relevant for the Company's operations

- IAS 39 (amendment) "Financial Instruments Recognition and measurement "
- IFRS 3 (revised) "Business combinations "
- IFRS 2 (amendment) "Share-based payment "
- IAS 23 (revised) "Borrowing costs "
- IAS 32 "Financial instruments Presentation "
- IFRS 1 (Amendment), "First time adoption of IFRS and IAS 27, Consolidated and Separate Financial Statements "
- IAS 27 (Revised), "Consolidated and Separate Financial Statements "
- IFRIC 15 "Agreements for Construction of Real Estates "
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation "
- IFRIC 17 "Distributions of non-cash assets to owners "
- IFRIC 18 "Transfers of assets from customers "
- Annual improvements to IFRSs (2008)

Standards and interpretations to existing standards that have been adopted by the EU but which are not yet effective and under review as to their impact on the Company

The following standards and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 July 2010 or later periods but which the Company has not early adopted

Rossendale Pet Crematorium Limited

2. Summary of significant accounting policies (continued)

Amendments to IFRS 2 'Share-based payment' – Group Cash-Settled Transactions, effective for annual periods beginning on or after 1 January 2010. In addition to incorporating IFRIC 8 "Scope of IFRS 2", and IFRIC 11 "IFRS 2 – Group and treasury share transactions", the amendments expand on the guidance of IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. The new guidance is not expected to have a material impact on the Company's financial statements.

IFRS 9 "Financial Instruments", effective for annual periods beginning on or after 1 January 2013. This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss. The new standard is not expected to have a material impact on the Company's financial statements.

Amendment to IAS 24 "Related Party Disclosures", effective for annual periods beginning on or after 1 January 2011.

Annual improvements to IFRSs (2009), effective for annual periods beginning on or after 1 January 2010.

Interpretations to existing standards that have been adopted by the EU but which are not yet effective and not relevant for the Company's operations

The following interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 July 2010 or later periods but are not relevant for the Company's operations:

- Amendment to IAS 32, "Financial instruments - Presentation - Classification of rights issues", effective for annual periods beginning on or after 1 February 2010.
- Amendment to IFRS 1, "First-time adoption of International Financial Reporting Standards - Limited exemption from comparative IFRS 7 disclosures for first-time adopters", effective for annual periods beginning on or after 1 July 2010.
- Amendment to IFRIC 14, "IAS 19 — The limit on a defined benefit assets, minimum funding requirements and their interaction", effective for annual periods beginning on or after 1 January 2011.
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", effective for annual periods beginning on or after 1 July 2010.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and rewards which are different from those of segments operating in other economic environments. Direct costs are allocated to business segments based upon costs incurred in generating revenue in each business segment.

Based on risks and returns, the directors consider that the primary reporting format is by business segment. The directors consider that there is only one business segment being the cremation of animals (including the disposal of clinical waste) and provision of burial grounds. Therefore the disclosures for the primary segment have already been given in the financial statements. The secondary reporting format is by geographical analysis by origin and destination. The Company operates solely in the United Kingdom.

Rossendale Pet Crematorium Limited

2. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The assets' residual values and useful lives are reviewed annually, and adjusted as appropriate.

Depreciation is provided so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets at the following principal rates:

Freehold buildings	2% straight line
Fixtures, fittings and equipment	25% reducing balance
Motor vehicles	25% reducing balance

Freehold land is not depreciated on the basis that it has an unlimited life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the assets' carrying amount exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories comprise of goods held for resale, and are stated at the lower of cost and net realisable value on a first in first out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal. Where necessary, provision is made for obsolete, slow moving or defective stocks.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Trade receivables

Trade receivables are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of any loss is recognised in the income statement within administrative expenses. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Rossendale Pet Crematorium Limited

2. Summary of significant accounting policies (continued)

(b) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the Company after deducting all of its liabilities.

(c) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded as the proceeds received, net of associated transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(d) Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

(e) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Revenue

Revenue represents amounts recoverable from customers for cremation of animals and the provision of burial grounds, together with clinical waste handling provided during the period. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding value added tax.

Net financing costs

Net financing costs comprise interest payable on borrowings, interest receivable on cash and cash equivalents, and debt finance costs that are recognised in the income statement.

Interest income and expense is recognised in the income statement as it accrues, using the effective interest method.

Rossendale Pet Crematorium Limited

3. Financial risk management

Financial risk factors

The Company's operations expose it to a variety of financial risks that include market risk, credit risk and liquidity risk

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are implemented by the Group's finance department

a) Market risk

i) Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash inflows are substantially independent of changes in market interest rates

Interest rate risk profile of financial assets and liabilities

	30 June 2010 £'000	30 June 2009 £'000
Floating rate (cash flow interest rate risk)		
Cash and cash equivalents	4	-
Bank overdraft	-	(5)
	4	(5)

b) Credit risk

The Company has no significant concentrations of credit risk. The Company's principal financial assets are bank balances, cash and trade and other receivables

Concentrations of credit risk with respect to trade receivables are limited due to the Company's diverse customer base. The Company also has in place procedures that require appropriate credit checks on potential customers before sales, other than on a cash basis, are made. Customer accounts are also monitored on an ongoing basis and appropriate action is taken where necessary to minimise any credit risk. The Directors therefore believe there is no further credit risk provision required in excess of normal provision for impaired receivables

Company management monitor the ageing of receivables which are more than one month overdue and debtor days on a regular basis. At 30 June 2010, gross trade receivables amounted to 11.7% of revenue. Of these gross trade receivables 32% (period ended 30 June 2009 16%) were more than one month overdue

The maximum exposure to credit risk at 30 June 2010 is the fair value of each class of receivable as disclosed in note 11 to the financial statements

Rossendale Pet Crematorium Limited

3 Financial risk management (continued)

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities and availability of parent company funding. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

The table below summarises the remaining contractual maturity for the Company's financial liabilities. The amounts shown are the contractual undiscounted cash flows which include interest, analysed by contractual maturity.

Year ended 30 June 2010

	In less than one year £'000
Non-derivative financial liabilities:	
Trade and other payables	106
Total	106

Period ended 30 June 2009

	In less than one year £'000
Non-derivative financial liabilities:	
Borrowings	5
Trade and other payables	23
Total	28

Capital risk management

Capital risk management is managed on a Group basis. The Group's (CVS Group plc and its subsidiaries) policy is to maintain a strong capital base, defined as facilities plus total shareholders' equity, so as to maintain investor, creditor and market confidence and to sustain future development of the business. Within this overall policy, the Group seeks to maintain an optimum capital structure by a mixture of debt and retained earnings. The bank facilities include both financial and non-financial covenants. There have been no breaches of the terms of the respective loan agreements, breach of covenant or any defaults during the current or comparative periods. Funding needs are reviewed periodically and also each time a significant acquisition is made. A number of factors are considered which include the net debt/EBITDA ratio, future funding needs (usually potential acquisitions) and Group banking arrangements. There were no changes to the Group's approach to capital management during the year. The primary source of funding of the Group is internally generated cash, given that the Group's debt facilities are fully drawn down with the exception of a £2m working capital facility of which £0.3m was drawn down at 30 June 2010.

Fair values of financial instruments

See note 9 for disclosure of the differences between the carrying amount and the fair value of borrowings. The fair value of other financial assets and liabilities is not materially different to their book value due to the short term maturity of the instruments.

Rossendale Pet Crematorium Limited

4. Operating profit

Operating profit is stated after charging	Year ended 30 June 2010 £'000	Period ended 30 June 2009 £'000
Depreciation of property, plant and equipment - owned	25	16
Employee benefit expense (note 5)	196	125
Cost of inventories recognised as an expense (included in cost of sales)	96	46
Repairs and maintenance expenditure on property, plant and equipment	26	9
Trade receivables impairment charge	1	-
Operating lease rentals payable – plant	1	1

Services provided by the Company's auditor and its associates

During the period the Company obtained the following services from the Company's auditor at costs as detailed below

	Year ended 30 June 2010 £'000	Period ended 30 June 2009 £'000
Audit services.		
Fees payable to the Company's auditors for the audit of the Company's financial statements	5	5
Non-audit services:		
Tax services	-	1
	5	6

5. Employee benefit expense and numbers

Employee benefit expense for the Company

	Year ended 30 June 2010 £'000	Period ended 30 June 2009 £'000
Wages and salaries	181	115
Social security costs	15	10
	196	125

Rossendale Pet Crematorium Limited

5. Employee benefit expense and numbers (continued)

The average number of persons employed by the Company during the period, analysed by category, was as follows

	Year ended 30 June 2010 Number	Period ended 30 June 2009 Number
Crematorium staff	10	10

Employee benefit expense included within cost of sales is £196,000 (period ended 30 June 2009 £125,000)

6. Directors' emoluments and key management compensation

The emoluments of the Directors and key management are borne by the immediate parent company, CVS (UK) Limited and recharged to the Company as part of a management charge. This management charge, which in the year ended 30 June 2010 amounted to £43,000 (period ended 30 June 2009 £15,000), also includes a recharge of administrative costs borne by CVS (UK) Limited on behalf of the Company and it is not possible to identify separately the amount pertaining to Directors' emoluments or key management compensation.

The number of directors for whom the Company made contributions to the defined contribution pension scheme was nil (period ended 30 June 2009 nil).

Rossendale Pet Crematorium Limited

7. Income tax expense

(a) Analysis of income tax expense recognised in the income statement

	Year ended 30 June 2010 £'000	Period ended 30 June 2009 £'000
Current tax expense		
Corporation tax on profit for the period	65	48
Adjustments in respect of previous periods	(40)	-
Total current tax expense	25	48
Deferred tax expense		
Origination and reversal of temporary differences	(1)	2
Adjustments in respect of prior periods	7	(14)
Effect of tax rate change on opening deferred tax balance	-	3
Total deferred tax (credit)/charge (note 15)	6	(9)
Total income tax expense	31	39

UK corporation tax is calculated at 28% (period ended 30 June 2009 28%) of the estimated assessable profit for the period

(b) Reconciliation of effective income tax charge

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits as follows

	Year ended 30 June 2010 £'000	Period ended 30 June 2009 £'000
Profit before tax	219	174
Effective tax charge at 28% (period ended 30 June 2009 28%)	61	49
Effects of:		
Expenses not deductible for tax purposes	3	1
Adjustments to current tax charge in respect of previous periods	(40)	3
Adjustments to deferred tax charge in respect of previous periods	7	(14)
Total income tax expense	31	39

(c) Factors affecting the future tax charge

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements. The changes are not anticipated to have a material impact on the Company's financial statements in future periods.

Rossendale Pet Crematorium Limited

8. Property, plant and equipment

	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 7 October 2008	42	75	79	196
Additions	2	12	20	34
Additions acquired from group companies	147	-	-	147
Disposals	-	-	(31)	(31)
At 30 June 2009	191	87	68	346
Additions	6	22	15	43
Disposals	-	-	(10)	(10)
At 30 June 2010	197	109	73	379
Accumulated depreciation				
At 7 October 2008	7	49	40	96
Charge for the period	4	6	6	16
Disposals	-	-	(17)	(17)
At 30 June 2009	11	55	29	95
Charge for the period	4	9	12	25
Disposals	-	-	(4)	(4)
At 30 June 2010	15	64	37	116
Net book amount				
At 30 June 2010	182	45	36	263
At 30 June 2009	180	32	39	251

Freehold land amounting to £118,000 at 30 June 2010 (2009 £118,000) has not been depreciated. The Directors believe that the market value of the freehold land is not materially different from its book value.

Depreciation expense has been charged to administrative expenses.

Rossendale Pet Crematorium Limited

9. Financial instruments

The Company's financial assets and liabilities can be categorised as follows

	Loans and receivables	
	30 June 2010 £'000	30 June 2009 £'000
Assets as per balance sheet		
Trade and other receivables (excluding prepayments and accrued income)	574	354

	Other financial liabilities	
	30 June 2010 £'000	30 June 2009 £'000
Liabilities as per balance sheet		
Borrowings	-	(5)
Trade and other payables excluding statutory liabilities	(106)	(23)
	(106)	(28)

Fair values of financial assets and liabilities

Fair values of financial assets and liabilities are disclosed below

	30 June 2010		30 June 2009	
	Carrying value £'000	Fair value £'000	Carrying value £'000	Fair value £'000
Primary financial instruments held or issued to finance the Company's operations				
Cash and cash equivalents	4	4	(5)	(5)

The above table excludes other receivables/payables, which have fair values equal to their carrying values

10. Inventories

	30 June 2010 £'000	30 June 2009 £'000
Goods held for resale	15	15

The Directors do not consider the difference between purchase price of stocks and their replacement cost to be material

Rossendale Pet Crematorium Limited

11. Trade and other receivables

	30 June 2010 £'000	30 June 2009 £'000
Trade receivables	82	51
Less Provision for impairment of receivables	(1)	-
Trade receivables - net	81	51
Amounts due from related companies (note 24)	493	303
Prepayments and accrued income	14	8
	588	362

The carrying amount of trade and other receivables is deemed to be a reasonable approximation to fair value. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above. Concentrations of credit risk with respect to trade receivables are limited due to the Company's customer base being large and unrelated. Due to this, management believes there is no further credit risk provision required in excess of normal provision for doubtful recoverables. The Company does not hold any collateral as security.

The Company's trade and other receivables are denominated in Sterling. As of 30 June 2010, trade receivables of £56,000 (2009 £43,000) were within their due period. As at 30 June 2010, £26,000 of the gross trade receivables were past due and partially impaired (2009 £8,000, not impaired). As at 30 June 2010, the amount of gross trade receivables past due that were not impaired amounted to £25,000 (2009 £8,000). These relate to a number of independent customers for whom there is no recent history of default and the Directors consider that these amounts are fully recoverable. The ageing of these trade receivables is as follows:

	30 June 2010 £'000	30 June 2009 £'000
One to six months overdue	25	8

A provision for impairment is established based on historical experience. The amount of the provision was £1,000 (2009 £nil). The individually impaired receivables relate mainly to individual customers who are in unexpectedly difficult economic situations. These amounts continue to be legally pursued for collection notwithstanding they are fully provided. Movements on the Company's provision for impairment of trade receivables are as follows:

	2010 £'000	2009 £'000
At beginning of the year	-	-
Charged to the income statement within administrative expenses	1	-
At end of the year	1	-

Other receivables do not contain impaired assets.

Rossendale Pet Crematorium Limited

12. Cash and cash equivalents

	30 June 2010 £'000	30 June 2009 £'000
Cash at bank and in hand	4	-

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement

	30 June 2010 £'000	30 June 2009 £'000
Cash at bank and in hand	4	-
Bank overdrafts (note 14)	-	(5)
	4	(5)

13. Trade and other payables

	30 June 2010 £'000	30 June 2009 £'000
Current		
Trade payables	31	16
Amounts due to group undertakings (note 24)	43	-
Social security and other taxes	5	31
Accruals and deferred income	32	7
	111	54

14. Borrowings

	30 June 2010 £'000	30 June 2009 £'000
Current		
Overdraft	-	5

Rossendale Pet Crematorium Limited

15. Deferred income tax

Carrying values for deferred income tax are shown below

	30 June 2010		30 June 2009	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Deferred income tax	-	(4)	2	-

Deferred income tax assets

Deferred income tax assets are comprised as follows

	30 June 2010 £'000	30 June 2009 £'000
Tax effect of timing differences		
Excess of tax allowances over qualifying depreciation and amortisation	-	2

The Company's deferred tax assets have been recognised in accordance with IAS 12 as, based on historical performance and future budgets, the Directors believe that it is probable that there will be sufficient taxable profits against which the asset will reverse

Deferred income tax liabilities

Deferred income tax (liabilities) are comprised as follows

	30 June 2010 £'000	30 June 2009 £'000
Tax effect of timing differences		
Excess of tax allowances over qualifying depreciation and amortisation	(4)	-

The movement in the net deferred income tax (liabilities)/assets is explained as follows

	30 June 2010 £'000	30 June 2009 £'000
Deferred tax assets/(liabilities) brought forward	2	(7)
(Charged)/credited to the income statement (note 7(a))	(6)	9
Deferred tax (liabilities)/assets carried forward	(4)	2

The Company has no unprovided deferred tax assets or liabilities

Rossendale Pet Crematorium Limited

16. Current tax liabilities

	30 June 2010 £'000	30 June 2009 £'000
Current tax liabilities	64	68

17. Share capital

	30 June 2010 £	30 June 2009 £
Authorised		
100 Ordinary A shares of £1 each	100	100

	30 June 2010 £	30 June 2009 £
Allotted, called up and fully paid		
52 Ordinary A shares of £1 each	52	52

18. Retained earnings

	£'000
At 7 October 2008	368
Profit for the period	135
At 30 June 2009	503
Profit for the year	188
At 30 June 2010	691

Rossendale Pet Crematorium Limited

19. Analysis of movement in net funds

	At 1 July 2009 £'000	Cash flow £'000	At 30 June 2010 £'000
Cash and cash equivalents	(5)	9	4

20. Cash flow generated from operations

	Year ended 30 June 2010 £'000	Period ended 30 June 2009 £'000
Profit for the period	188	135
Taxation	31	39
Depreciation of tangible fixed assets	25	16
Loss on disposal of property, plant and equipment	4	7
(Increase) in inventories	-	(13)
(Increase) in trade and other receivables	(226)	(211)
Increase/(decrease) in trade and other payables	57	(127)
Total net cash flow generated from/(used in) operations	79	(154)

21. Guarantees and other financial commitments

Bank guarantees

The Company is a member of the CVS Group plc banking arrangement under which it is party to unlimited cross guarantees in respect of the banking facilities of other CVS Group plc undertakings, amounting to £42,352,000 at 30 June 2010. The Directors do not expect any material loss to the Company to arise in respect of the guarantees.

22. Capital commitments

The Company had no capital commitments as at 30 June 2010 (30 June 2009: £nil).

Rossendale Pet Crematorium Limited

23. Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows

Plant and machinery	30 June 2010 £'000	30 June 2009 £'000
No later than one year	1	1
Later than one year and no later than five years	-	1
	1	2

24. Related party transactions

Directors' and key management compensation is disclosed in note 6 to the financial statements

During the period the Company had the following transactions with its immediate parent undertaking CVS (UK) Limited

	Year ended 30 June 2010 £'000	Period ended 30 June 2009 £'000
Sales of crematorium services	182	68
Recharge of expenses incurred by CVS (UK) Limited on behalf of Rossendale Pet Crematorium Limited	(362)	(384)
Purchase of land and buildings	-	(147)
Management charge	(43)	(15)

As at 30 June 2010, the following balances were owed by/due to related companies

	30 June 2010		30 June 2009	
	Receivable £'000	Payable £'000	Receivable £'000	Payable £'000
CVS (UK) Limited	493	(43)	303	-

Amounts receivable from CVS (UK) Limited are unsecured, interest free and have no fixed date of repayment

25. Ultimate controlling party

The company's immediate parent company is CVS (UK) Limited, a company registered in England

CVS Group plc, a company registered in England, is the immediate parent company of CVS (UK) Limited and is the parent undertaking of the smallest and largest group of which the Company is a member and for which group accounts are prepared. Copies of the group accounts of CVS Group plc can be obtained from CVS Group, CVS House, Vincennes Road, Diss, Norfolk, IP22 4AY

The shares of CVS Group plc are traded on the Alternative Investment Market and as such, the Directors consider that there is no ultimate controlling party

Rossendale Pet Crematorium Limited

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