

Registered Number 01282939

Directors' Report and Accounts 2012

**Pet Plan Limited**

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## Directors' report

**Directors:** M J Churchlow  
J Dye  
D A Torrance

**Secretary:** R C Jack-Kee

**Registered Office:** 57 Ladymead, Guildford, Surrey, GU1 1DB

**Registered No:** 1282939

The Directors present their Report and the audited financial statements for the year ended December 31, 2012

### Results and dividends

The results for the year are shown in the Income Statement on page 6

The Directors do not recommend the payment of a dividend for the year ended December 31, 2012 (2011 £nil)

### Principal activity and review of the business

The principal activity of the Company is introducing sales for pet and related insurance in the main underwritten by Allianz Insurance plc. The Company is an FSA authorised intermediary. The Company is paid a fixed fee for the business it introduces to Allianz Insurance plc.

The Directors of Allianz Holdings plc manage the Group's operations on a divisional basis. For this reason the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance, or position of the business of the Company. The performance of the Retail division, which includes the Company, is discussed in the Group's annual report, which does not form part of this Report.

### Principal risks and uncertainties

The Company is a wholly owned subsidiary of Allianz Holdings plc and consequently its management of risk is set at Group level rather than at subsidiary company level. For this reason the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Allianz Holdings plc Group, which include those of the Company, are discussed in the Group's annual report, which does not form part of this Report.

### Suppliers

It is the policy of the Company to make known to and agree terms of payment with its suppliers when entering into transactions with them and to keep to those terms. Payment practice is 16 days (2011: 5 days) calculated in accordance with the statutory regulations.

### Directors

The names of the current Directors are shown above. All served throughout this period.

## Directors' report

### Directors' responsibility to the auditors

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

### Auditors

The Auditors KPMG Audit Plc will be deemed to have been reappointed at the end of 28 days beginning with the day on which copies of these report and accounts are sent to Members.

By order of the Board



R C Jack-Kee  
Secretary

March 11, 2013

## **Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements**

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, 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 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.

## **Independent auditor's report to the members of Pet Plan Limited**

We have audited the financial statements of Pet Plan Limited for the year ended December 31, 2012 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

In addition we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 December 31, 2012, and of its loss for the year ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

## **Independent auditor's report to the members of Pet Plan Limited**

### **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



**Murray Raisbeck (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor**

*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

March 11, 2013

## Income statement for the year ended December 31, 2012

|                                                                                                   | Notes | 2012<br>£'000 | 2011<br>£'000 |
|---------------------------------------------------------------------------------------------------|-------|---------------|---------------|
| <b>Continuing operations</b>                                                                      |       |               |               |
| Revenue                                                                                           | 2     | 200           | 200           |
| Administrative expenses                                                                           |       | —             | —             |
| <b>Profit from continuing operations before taxation</b>                                          | 3     | 200           | 200           |
| Tax expense                                                                                       | 6     | (296)         | (296)         |
| <b>Loss for the year and total comprehensive income wholly attributable to the equity holders</b> |       | <u>(96)</u>   | <u>(96)</u>   |

There has been no other comprehensive income in the year ended December 31, 2012

## Statement of changes in equity for the year ended December 31, 2012

|                                                  | Share<br>capital<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>£'000 |
|--------------------------------------------------|---------------------------|-------------------------------|----------------|
| Balance as at January 1, 2011                    | 20                        | 97,207                        | 97,227         |
| Loss for the year and total comprehensive income | —                         | (96)                          | (96)           |
| Balance as at December 31, 2011                  | 20                        | 97,111                        | 97,131         |
| Loss for the year and total comprehensive income | —                         | (96)                          | (96)           |
| Balance as at December 31, 2012                  | <u>20</u>                 | <u>97,015</u>                 | <u>97,035</u>  |

The notes on pages 9 to 13 are an integral part of these financial statements

## Balance sheet as at December 31, 2012

|                                                                                 | Notes | 2012<br>£'000  | 2011<br>£'000  |
|---------------------------------------------------------------------------------|-------|----------------|----------------|
| <b>Current assets</b>                                                           |       |                |                |
| Debtors and other receivables                                                   | 7     | 101,690        | 100,277        |
| <b>Total assets</b>                                                             |       | <u>101,690</u> | <u>100,277</u> |
| <b>Current liabilities</b>                                                      |       |                |                |
| Accruals and other payables                                                     | 9     | 296            | 296            |
| Bank overdraft                                                                  | 8     | 4,359          | 2,850          |
| <b>Total liabilities</b>                                                        |       | <u>4,655</u>   | <u>3,146</u>   |
| <b>Net assets</b>                                                               |       | <u>97,035</u>  | <u>97,131</u>  |
| <b>Issued capital and reserves attributable to equity holders of the parent</b> |       |                |                |
| Equity share capital                                                            | 10    | 20             | 20             |
| Retained earnings                                                               |       | 97,015         | 97,111         |
| <b>Total equity</b>                                                             |       | <u>97,035</u>  | <u>97,131</u>  |

These financial statements were approved by the Board of Directors on March 11, 2013 and signed on its behalf by



M J Churchlow  
Director

The notes on pages 9 to 13 are an integral part of these financial statements

## Statement of cash flows

For the year ended December 31, 2012

|                                                                                                | Notes    | 2012<br>£'000  | 2011<br>£'000  |
|------------------------------------------------------------------------------------------------|----------|----------------|----------------|
| <b>Operating activities</b>                                                                    |          |                |                |
| Profit before tax                                                                              |          | 200            | 200            |
| <i>Adjustments to reconcile operating profit to net cash inflows from operating activities</i> |          |                |                |
| (Increase)/decrease in debtors                                                                 |          | (1,413)        | 2,903          |
| Increase/(decrease) in accruals and other payables                                             |          | –              | (5,691)        |
| Cash generated from operations                                                                 |          | (1,213)        | (2,588)        |
| Income taxes paid                                                                              | 6(c)     | (296)          | (296)          |
| <b>Net cash flow from operating activities</b>                                                 |          | <b>(1,509)</b> | <b>(2,884)</b> |
| <b>Decrease in cash and cash equivalents</b>                                                   |          | <b>(1,509)</b> | <b>(2,884)</b> |
| Cash and cash equivalents at the beginning of the year                                         | 8        | (2,850)        | 34             |
| <b>Cash and cash equivalents at the year end</b>                                               | <b>8</b> | <b>(4,359)</b> | <b>(2,850)</b> |

The notes on pages 9 to 13 are an integral part of these financial statements

## Notes to the financial statements

### For the year ended December 31, 2012

#### 1 Accounting policies

##### ***Company and its operations***

The financial statements of Pet Plan Limited (the 'Company') for the 12 months ended December 31, 2012 were authorised for issue by the Board of Directors on March 11, 2013 and the balance sheet was signed on the Board's behalf by M J Churchlow. Pet Plan Limited is a private limited company incorporated and domiciled in England & Wales.

##### ***Statement of compliance***

The financial statements of Pet Plan Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and have been consistently applied.

##### ***Basis of preparation***

The financial statements have been prepared on the historical cost basis and are compiled on a going concern basis.

##### ***Cash and cash equivalents***

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

##### ***Trade and other receivables***

Trade and other receivables are stated at their costs less impairment losses.

##### ***Trade and other payables***

Trade and other payables are stated at their costs.

##### ***Revenue***

Revenue represents commission income and fees receivable for services rendered during the year.

##### ***Pensions***

Pension contributions payable by the Company are borne by Allianz Management Services Limited, a fellow group undertaking. These contributions are invested separately from the Company's assets.

##### ***Income taxes***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

## Notes to the financial statements

### For the year ended December 31, 2012

#### 2. Revenue

Revenue disclosed in the income statement is analysed as follows

|                                       | 2012<br>£'000 | 2011<br>£'000 |
|---------------------------------------|---------------|---------------|
| Commission income and fees receivable | 200           | 200           |
|                                       | <u>200</u>    | <u>200</u>    |

#### 3 Auditors' Remuneration

The Company's audit fees are borne by its immediate parent company. The audit fee for 2012 was £1,000 (2011 £1,000) which was wholly attributable to the Company's auditors, KPMG Plc.

#### 4 Staff costs and Directors' emoluments

No staff are employed directly by the Company.

No Directors received emoluments from the Company during 2012 (2011 £nil).

#### 5. Pension costs

The Company operates a defined contribution scheme for certain employees who were transferred to Allianz Management Services Limited, a fellow group undertaking. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The contributions payable by the Company to the scheme amounting to £96,156 (2011 £102,311) were borne by Allianz Management Services Limited, a fellow group undertaking.

## Notes to the financial statements

### For the year ended December 31, 2012

#### 6. Income tax expense

##### (a) Tax on profit on ordinary activities

|                                            | 2012<br>£'000 | 2011<br>£'000 |
|--------------------------------------------|---------------|---------------|
| Current income tax                         |               |               |
| UK corporation tax                         | 296           | 296           |
| Total current income tax                   | 296           | 296           |
| <b>Tax expense in the income statement</b> | <b>296</b>    | <b>296</b>    |

With effect from April 1, 2013 the standard rate of corporation tax will be reduced to 23% from 24%, the applicable corporation tax rate for the year 2013 will be 23.25%

##### (b) Reconciliation of the total tax charge

|                                                                                          | 2012<br>£'000 | 2011<br>£'000 |
|------------------------------------------------------------------------------------------|---------------|---------------|
| Profit before income tax                                                                 | 200           | 200           |
| Profit multiplied by the UK applicable rate of corporation tax of 24.5%<br>(2011: 26.5%) | 49            | 53            |
| Transfer pricing adjustment                                                              | 247           | 243           |
| <b>Total tax expense reported in the income statement</b>                                | <b>296</b>    | <b>296</b>    |

##### (c) Tax paid for cash flow purposes

|                                           | 2012<br>£'000 | 2011<br>£'000 |
|-------------------------------------------|---------------|---------------|
| <b>Current tax payable at January 1</b>   | <b>296</b>    | <b>5,987</b>  |
| Amounts charged to the income statement   | 296           | 296           |
| Tax relief during the year                | (296)         | (5,987)       |
| <b>Current tax payable at December 31</b> | <b>296</b>    | <b>296</b>    |

## Notes to the financial statements

### For the year ended December 31, 2012

#### 7. Debtors and other receivables

|                                    | 2012<br>£'000  | 2011<br>£'000  |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 101,690        | 100,277        |
|                                    | <u>101,690</u> | <u>100,277</u> |

Debtors and other receivables approximate to fair value. The maximum exposure is limited with reference to the Group counterparty exposure limits. All of the Company debtors and other receivables are due within 12 months of the balance sheet date. The Company's maximum exposure to credit risk is the value of debtors and other receivables and cash.

#### 8. Cash and cash equivalents

|                               | 2012<br>£'000  | 2011<br>£'000  |
|-------------------------------|----------------|----------------|
| Overdraft at bank and in hand | (4,359)        | (2,850)        |
|                               | <u>(4,359)</u> | <u>(2,850)</u> |

#### 9. Accruals and other payables

|                 | 2012<br>£'000 | 2011<br>£'000 |
|-----------------|---------------|---------------|
| Corporation tax | 296           | 296           |
|                 | <u>296</u>    | <u>296</u>    |

Accruals and other payables approximate to fair value. The Company manages its liquidity risk to ensure, as far as possible that it will always have sufficient liquidity to settle its liabilities as they fall due. All of the liabilities are payable within 12 months of the balance sheet date.

#### 10. Share capital

|                                                                                | 2012<br>£'000 | 2011<br>£'000 |
|--------------------------------------------------------------------------------|---------------|---------------|
| <i>Allotted, called up and fully paid</i><br>20,000 Ordinary shares of £1 each | 20            | 20            |
|                                                                                | <u>20</u>     | <u>20</u>     |

#### 11. Ultimate parent undertaking

The immediate parent undertaking is Allianz Insurance plc, a company registered in England and Wales.

The ultimate parent undertaking, Allianz Societas Europaea, is incorporated in Germany and is the parent of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member. Copies of the group accounts are available on request from Allianz Societas Europaea, Koniginstrasse 28, 80802 Munchen, Germany.

Allianz Holdings plc is the parent undertaking of the smallest group of undertakings of which the Company is a member and for which group accounts are drawn up. Allianz Holdings plc is incorporated in England and Wales and group accounts are available from the Company Secretary, 57 Ladymead, Guildford, Surrey GU1 1DB.

## Notes to the financial statements

### For the year ended December 31, 2012

#### 12. Other related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at December 31 with other related parties, are as follows

|                                                                    | 2012<br>£'000 | 2011<br>£'000 |
|--------------------------------------------------------------------|---------------|---------------|
| <i>Transactions entered into with related parties</i>              |               |               |
| Sales and administration services provided to parent company       | 200           | 200           |
| <i>Amounts owed by related parties – fellow subsidiary company</i> |               |               |
| As at January 1,                                                   | 100,277       | 103,180       |
| (Decrease)/Increase during the year                                | 1,413         | (2,903)       |
| As at December 31,                                                 | 101,690       | 100,277       |
| <i>Amounts owed to related parties – parent company</i>            |               |               |
| As at January 1,                                                   | –             | –             |
| Decrease during the year                                           | –             | –             |
| As at December 31,                                                 | –             | –             |