pdsa
THE VET CHARITY FOR PETS IN NEED

Trustees' Annual Report and Accounts 2025

Year ended 31 December 2025

Pebbles being comforted by one of our dedicated veterinary team

Contents

In this report, we will outline the organisation's objectives, achievements, and performance. The Trustees consider that due regard has been paid to the Public Benefit Guidance published by the Charity Commission in relation to section 4 of the Charities Act 2011.

Who we are and how we help

PDSA is the UK's leading veterinary charity, helping millions of pets through our free and reduced-cost veterinary services since the charity was founded in 1917.

Like our founder, Maria Dickin, we feel passionately that no pet should go without veterinary care because of their owners' financial circumstances.

Pets are a lifeline for people in challenging times and a valuable source of companionship. According to our 2025 PDSA Animal Wellbeing (PAW) Report, **71%** of people say that owning a pet makes them physically healthier whilst **88%** of people agree that it's beneficial for their mental health.

This report highlights our work over the last 12 months to keep pets happy and healthy, and protect the special bond between pets and their owners.

We're looking ahead at how we can use our supporters' money wisely to stand up for those who need us most.

We believe that everyone has the right to experience the benefits of owning a pet. That's why, when owners experience financial hardship, we're here to help them and their beloved pet.

Chair's letter

A year of uncertainty – with a renewed focus on what matters most

Without doubt, 2025 has been a year of uncertainty – locally, nationally and internationally. For PDSA, that uncertainty has had very real consequences. The ongoing cost of living crisis continued and indeed continues to drive demand for our veterinary services, while a general decline on the High Street affected our retail income.

In response, we have taken the opportunity to undergo a detailed review of our organisation with the goal of ensuring that the focus of everyone involved is aligned to our core purpose, which is to support those who can least afford it, across the UK, with the veterinary care needed for their pets.

2025 has been a year of clarity, change and consistency. Clarity, in placing our core purpose at the heart of every decision we take. Change, in reshaping our support functions, removing duplication and strengthening the skills needed to meet the challenges of the future. Consistency, in determining improvements in how we deliver our frontline services, while enabling local teams to respond to the needs of their communities. Together, these key elements indicate the beginning of a significant period of development designed to set PDSA up for long-term success.

Change of this nature inevitably affects people. During the year, we have had to say goodbye to several colleagues. I recognise the contribution they have made to the organisation and thank them sincerely for the role they have played in our work.

Despite the challenges, our income has remained strong. This is reflected in the growth of preventive treatments within our Pet Hospitals and, vitally important, the continued generosity of our supporters. On behalf of my colleague Trustees, I would like to extend heartfelt thanks to our direct donors, the players of the Postcode Lottery, those individuals who have pledged gifts in their Wills, and those who make major specific contributions – including a remarkable £1.8m legacy gift this year from our long-standing supporter, Colonel Jukes.

In line with our on-going change programme we have introduced clear financial guardrails to manage costs in line with income, while continuing our commitment to pay the Real Living Wage. At the same time, our reserves are being carefully invested, with the clear objective of tangibly supporting the expansion of our services across all four nations of the UK.

In the final quarter of the year, we brought together a clear and ambitious plan to reach more people in financial need; delivering services in ways that are both effective and efficient while making the very best use of every pound entrusted to us. This plan is designed to unite our organisation behind a single strategic direction. I am also pleased that, during this planning process, we welcomed two new Trustees, thus strengthening the experience and expertise of Council.

Finally, my sincere thanks go to everyone who makes our work possible – our dedicated teams across PDSA, our leaders and managers, my fellow Council members, and all those who support us. Your commitment enables us to continue providing quality veterinary care for pets and thus to support the people who love them.

John Miller
Chair

Director General's letter

2025 was a defining year for PDSA

We made some fundamental changes – both in structures and ways of working – that impacted most parts of the organisation. Those changes have brought a more integrated way of operating, with organisational alignment on our goals and ambition. They have given PDSA the strong foundations necessary upon which to grow, helping more people in financial hardship by providing their much-loved pets with the veterinary care they need.

But meeting that need requires more than intent – it requires action.

To reach the communities that depend on us most, we must be present in areas of greatest deprivation, making the most of our incredible resources. But increasing our capacity, to be able to see more pets, has meant we've had to make some tough choices.

We have sold non-operational and, in some cases, clinical sites that were no longer sustainable or necessary. These were not easy decisions, but they were the right ones – enabling us to invest where demand is greatest and where our impact can be felt most profoundly.

As an organisation driven to do so much more, we're not afraid to try something new, and our latest addition to our Pet Hospital estate has been in Thamesmead, where we have opened a very different type of clinical operation, providing a much greater return on our investment. Alongside this, we are transforming how we operate across all our hospitals, improving efficiency so that every moment, every resource, and every pound works harder for the people and pets we serve.

We are also finding our voice. No longer a quiet presence, we are speaking up on matters that affect our ability to operate effectively. Our point of view was heard loud and clear when the Competition and Markets Authority (CMA) concluded its review recently, where it declared that charitable organisations providing small animal veterinary services did not need to comply with their remedies; remedies that would have added unnecessary costs and thereby reduced the funds available to helping save pets' lives.

We have also contributed to the consultation on reforms to the Veterinary Surgeons Act – as one of the largest employers of veterinary surgeons and nurses, it is only right that we have a voice in a sector we are proud to be part of.

None of this would be possible without the unwavering support of our donors and partners. Your generosity powers everything we do – and as we look ahead, I ask for your continued support as we take the next steps in our journey.

Our plans are ambitious. Next, we will begin work to replace our outdated facility in Hull, ensuring we can continue to meet growing demand with modern, fit-for-purpose veterinary care. This is just one part of a broader programme of change that will enable us to deliver even greater impact in the years ahead.

Change is constant. But so too is the dedication of our people. As Director General I have seen, time and again, the resilience, compassion, and ingenuity of our colleagues. Their ability to adapt, to solve problems, and to find better ways forward is what makes our ambition possible, and our organisation so unique.

Because at the heart of everything we do is a simple belief: no pet owner should ever be denied essential veterinary care because of financial hardship.

And together, we will continue to make that belief a reality.

Jan McLoughlin
Director General

Helping people and their pets

Our year in numbers

We treated over **422,000** pets

We treated **11** pets every minute across our Pet Hospitals
That's **one pet** every **5** seconds

We provided around **2.2 million** treatments

In 2025, we supported over **339,000** clients

42% of the pet owners we support live with a disability or serious health condition

75% of our clients have a physical and/or mental health condition or an illness lasting 12+ months

43% of our clients live alone with their pet

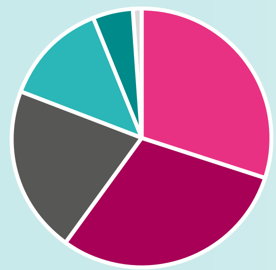
We have around **2,200** members of staff and **1,700** active volunteers

We are supported by over **1,600** veterinary staff

480+ vets

450+ vet nurses

720+ veterinary support staff



Ages of our clients

- **30%** are 65 or over
- **30%** are 55 - 64
- **21%** are 45 - 54
- **13%** are 35 - 44
- **5%** are 25 - 34
- 1% are under 25

We cared for around **4,900** individual pets every working day

We reached more than **1.5 million** children through the Pet Education Partnership and **470,000** children through education activity

PEP

We have **96** charity shops

We spent almost **£97m** on public benefit in the areas of **prevention, education and treatment**

We receive no government funding.
100% of our income comes from donations and trading activity in our shops and Pet Hospitals

To treat Gus's injuries it cost

£2,482

Main picture: Gus with his owner Julie.
Inset: Gus with his owner Julie and PDSA Vet Jess.

Gus's story

Eight-year-old Gus faced a life-threatening crisis after collapsing from painful bladder stones.

When the miniature dachshund was rushed to a local vet, his owner, Julie, was told his surgery would cost thousands. "We were heartbroken," Julie said. "We didn't have insurance or the money to afford it."

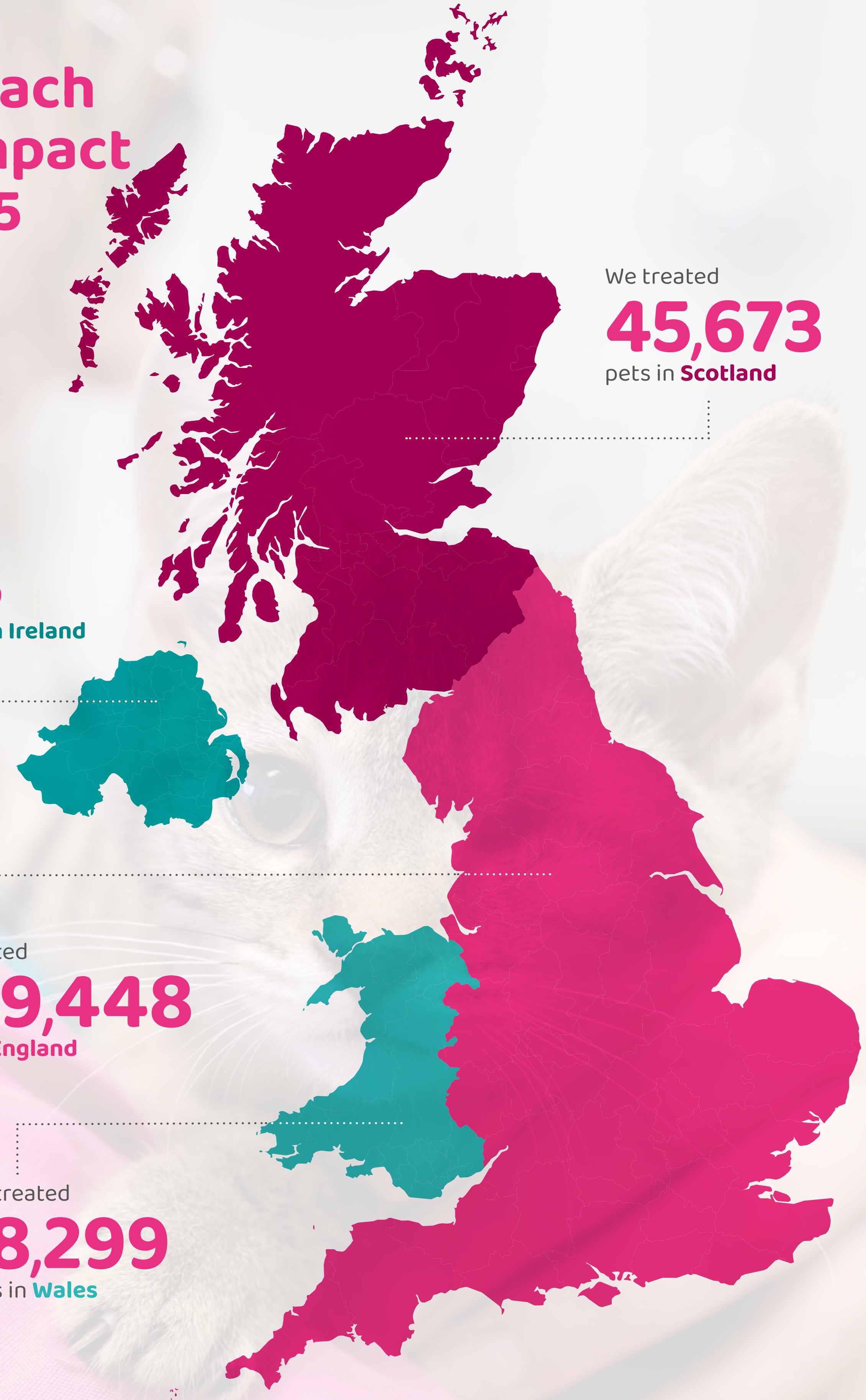
Thankfully, Julie was referred to PDSA's Thamesmead Pet Hospital, where our team immediately took over Gus's care. Vets performed an emergency procedure to stabilise him before carrying out complex surgery to remove the stones. To prevent Gus's condition from returning, the team prescribed a specialised diet and ongoing monitoring.

Julie said:

> PDSA has been a lifeline; without them, we would surely have lost our beloved Gus. We will never forget their kindness.

"Today, Gus is back to his old self – happy, affectionate, and loving his walkies!"

Our reach and impact in 2025



PAW PDSA ANIMAL WELLBEING REPORT 2025

30% of UK adults own a dog **(11.1 million)**

24% of UK adults own a cat **(10.5 million)**

2% of UK adults own a rabbit **(700,000)**

Our reach and impact in 2025

Our work this year

PDSA exists to provide treatment to pets whose owners would otherwise not be able to afford to pay for veterinary treatment. When we combine the power of our supporters with the expertise and understanding of our veterinary teams, there's so much we can achieve for pets in need and the owners who love and cherish them. Put simply, **saving pets is what we do.**

Creating capacity to help even more people and pets

The environment continues to be challenging for charities across the UK, with a sustained period of increasing costs and global uncertainty. Against this backdrop of more people experiencing financial hardship, and with pet ownership on the increase, it is imperative that we rise to the challenge and grow our services to meet the increasing demand.

2025 was about embedding the reorganisation of our support services and starting to realise the efficiencies needed to free up resource and re-invest in our frontline services. Whilst this has required some difficult decisions, we remain steadfast in our goal to keep our frontline services at the heart of everything we do. We have initiated some key pieces of work to help us work more efficiently and effectively including our **Frontline Improvement Project** and our **Asset Realisation Project**.

Frontline Improvement Project

Every day, our frontline teams in Customer Service and our Pet Hospitals work tirelessly to make sure that financial hardship never stops people getting the veterinary care they need for their pets. Our shared love for animals means that we're always determined to do more.

Over the last year, as part of our **Frontline Improvement Project**, we've been focused on improving our client experience, looking at how we can work in a more consistent, efficient, and rewarding way. As part of this, we've introduced two pilot schemes in our Manchester and Edinburgh Pet Hospitals.

Teams in our **Manchester PDSA Pet Wellbeing Centre**, The Montague-Panton Hospital, worked closely with the National Customer Service Centre (NCSC) in Sunderland to look at how we manage everything from registrations to reception tasks. They found ways to improve the experience for colleagues and clients by transferring key administrative processes to the NCSC and improving the way clients book appointments and register their pets.

In our **Edinburgh Pet Hospital**, we looked at how we could better deploy our clinical resources to free up vital vet time. By rethinking our daily workflows, we achieved key improvements such as making better use of our veterinary nurses' specialist skills, and optimising vet consult time and space.

Both pilot sites have demonstrated how changing little things can add up to a much bigger difference. We're now scaling up the **Frontline Improvement Project** nationally to embed changes across all our Pet Hospitals.

Asset Realisation Project

To help us achieve our ambition to help more people and pets in the areas of greatest need, we need to continually review our estate to ensure that we have the right facilities in the places where we can make the biggest impact to local communities and that we make every pound donated to PDSA work as hard as possible for families and pets.

Through an initial scoping exercise, we identified several opportunities to dispose of underutilised property realising capital monies to reinvest in the organisation, as well as reducing recurrent costs related to ongoing maintenance.

In 2025 we made the decision to dispose of two disused former Pet Clinics in Llanelli and Sheffield, as well as a warehouse in Birmingham. The actual sales and receipt of proceeds took place in 2026, after the year end. These disposals released £875k that could be reinvested into our frontline services during 2026. We will continue to identify opportunities to realise further funds where this supports our aim of growing our ability to help even more people and pets.

Both of these projects have been instrumental in helping us to free up resource that will be re-invested back into frontline services to help us increase the number of pets we help by

30,000

over the next three years.

To treat Milo's injuries it cost

£2,445

Main picture: Milo with PDSA Vet Ida.
Inset: Milo received traumatic injuries which required specialist veterinary care.

Milo's story

Milo faced a life-and-death situation when he was severely injured in a road traffic accident.

When he arrived at Gateshead PDSA Pet Hospital, Milo was in a critical condition. "My heart broke in two," said his owner, Sarah.

The team knew they needed to act fast to save him. "Milo's left eye had come out of the socket," said Vet Surgeon, Ida. "His jaw was badly injured, and he was unable to use his right front leg."

Our vets were able to fix Milo's jaw and save his vision, but after a few days, he still couldn't use his injured leg, so he was readmitted to have the limb amputated.

For Sarah, who receives housing benefits, funding Milo's treatment would have been difficult. She said:

"The PDSA team were brilliant. They never gave up on him. Their support means so much and I am forever grateful for what they did to help Milo."

Our people

The changes we made to the structure of our support teams and our ways of working in 2025 were designed to strengthen how we support our frontline teams to help even more people and pets. Whilst change such as this always brings challenges, we started to see some encouraging early benefits towards the end of the year, with our teams working together across departments and functions much more, and a focus on working collaboratively to develop plans for the upcoming three years. We are, as always, proud of our people and how they have responded to the changes, adopted new ways of working and continued to deliver for people and pets throughout this year of change.

Volunteers

Without our dedicated team of volunteers, it would be impossible for us to deliver more than two million life-saving pet treatments every year. They support us in our charity shop network, sorting stock and serving customers, and in our Pet Hospitals, liaising with families whose pets need our help.

In 2025, we had around **1,700** active volunteers. As well as boosting their skills, and meeting new people, our volunteers are making a huge difference to the lives of pets and their families.

Above: Our valued Kentish Town volunteers: Mark, Linda, Lara and Jill.

Graduates

Since 2014, **195** graduates have taken part in the Veterinary Surgeon Graduate Programme, and **121** of those graduates are still employed by PDSA. That includes those currently on the graduate programme, Veterinary Surgeons, and graduates that we've helped develop into Veterinary Team Leaders.

In 2025, **18** graduates joined our Veterinary Surgeon Graduate Programme. We have recruited 7 graduates so far for our September 2026 cohort, with more positions currently being recruited for.

Tom's story

Tom's passion for animal care began at just 14 years old when he started volunteering at a local animal sanctuary. As part of his veterinary degree, Tom worked at his local PDSA Pet Hospital.

Seeing the impact of our work on so many pets and their owners confirmed that this was where he wanted to start his career.

"The graduate scheme is fast-paced and can be tiring, but the speed at which your skills progress is immense. You're trusted to work independently. My ability in both consulting and surgery has improved drastically thanks to exposure to such a variety of cases and encouragement from senior vets to take on more complex cases.

> I've developed key emergency and critical care skills: triaging cases during sole-charge late shifts, making rapid intervention decisions, and delegating tasks during blue-light emergencies. I'm truly impacting a pet's treatment plan and outcome.

"I cannot think of a better way to use my degree. Pets bring so much value to people's lives, and no one should feel that money precludes their family member and best friend from receiving vet care when required."

Right: Tom assesses a new pet patient.

Fundraising and partnerships

PDSA receives no money from the Government or any National Lottery funding; we are entirely funded by public support.

Our valued supporters

Everything we do at PDSA is made possible by the generosity of our supporters. From everyone that laces up their trainers for a charity run, to those that remember us in their Will, every act of giving helps to keep our doors open for the people and pets who need us most.

In 2025 we were humbled by the breadth of support we received. Fundraising in communities across the country, people taking on epic challenges, those choosing to give a monthly donation, the generosity of the individuals and Trusts and Foundations, and our long-standing relationship with the Postcode Lottery.

We know that household budgets are stretched and demand for support is higher than ever, and we see and appreciate every single donation and act of support we receive. Together, you enable our clinical teams to be there for pets when they need it most. The difference our supporters make is felt every single day, in every Pet Hospital, in every community we serve.

John William Hay Charitable Trust

£30k

The John William Hay Charitable Trust had an incredibly positive impact on PDSA with a generous gift of £30,000 in 2025. This has directly supported the cost of medication for our clients eligible for fully funded pet care in our Dundee Pet Hospital. We are very grateful for the support from the John William Hay Charitable Trust who ensured poorly pets in need of antibiotics or pain relief have received treatment.

Ivo Trust

£30k

Ivo Trust kindly supported PDSA in 2025 with a grant of £30,000. This grant enabled both our Pet Hospitals in Liverpool to purchase new X-ray Processors. We are incredibly grateful for the support from Ivo Trust. Having access to modern equipment like this allows us to treat pets more efficiently, and care for more pets every day.

We are profoundly grateful.

POSTCODE LOTTERY POSTCODE ANIMAL TRUST

Postcode Lottery

Since 2013, players of Postcode Lottery* have raised over **£23.8 million** for PDSA. We're incredibly grateful for their generous support, which allows us to fund vital veterinary care and life-saving equipment in our Pet Hospitals.

In 2025, we were chosen as a featured charity in Postcode Lottery's new Saturday night gameshow, 'Win Win'. The show was broadcast on ITV in September 2025, reaching an audience of six million and generating an additional **£15,000** in funding for PDSA – money that will keep more people together with their beloved pets.

We're proud of the partnership we've built with Postcode Lottery, which helps us to invest in new initiatives and ensures a firm foundation for future funding.

In 2025, we received £3m of funding from Postcode Lottery, via their Postcode Animal Trust. This has allowed us to:

- Provide vital **antibiotics** to treat over **58,000 pets**
- Treat over **8,400 pets** for **heart disease**
- Treat over **1,900 pets** for **diabetes**
- Provide over **124,000** pets with essential **pain relief** to **prevent suffering**
- Provide advice to **4.5 million** unique visitors to our **online Pet Health Hub**

* Previously known as People's Postcode Lottery.

Helping to keep even more pets healthy ...

1 ... through education

In difficult economic times, pets can often become the silent victims of poverty. This is when PDSA's role becomes vital in helping to protect their health and happiness.

Throughout 2025, PDSA shared weekly pet health advice columns and Q&As in the media, online and through our social channels.

In 2025 almost **5 million** people accessed our online pet health resources and almost **2 million** children were reached through our PDSA education activity.

2 ... through preventive care

Vaccinating pets saves lives, so in Autumn 2025 we held a vaccination amnesty event, allowing pet owners to get a full course of vaccinations at a reduced price or the price of a booster.

The aim was to increase the number of vaccinations performed in our Pet Hospitals and encourage owners to choose PDSA for this service.

Across October and November, we vaccinated **10,012** pets across our Pet Hospitals. As well as raising much-needed funds to support hospital running costs, the event gave our veterinary teams a chance to provide preventive rather than reactive treatment.

3 ... through influence

In October 2025, the Competition and Markets Authority (CMA) released a provisional decision following its market investigation into veterinary services for household pets. It suggested a series of updates to veterinary practice, to enhance transparency, increase competition, and protect owners.

There was much to support, such as encouraging review and reform of the Veterinary Surgeons Act. However, we actively challenged the CMA on several issues, including mandatory prescriptions written as standard, including charities in public price lists, and charging veterinary businesses to fund regulatory monitoring.

These changes would not have benefitted our clients as treatments are either fully funded or provided at low cost – but they would cost us valuable administration time and divert valuable resources from supporting pets.

We're pleased to say that the final report from the CMA included an exemption for charity veterinary services, meaning we do not need to divert precious resource from frontline care to administrative tasks that add no benefit.

As the UK's largest veterinary charity, it is essential that we have a voice in issues that may prove detrimental to the people and pets who need us, and that we are able to use our experience and expertise to positively influence future decisions for the benefit of companion animals and their owners.

Research and insight

PAW Report 2025

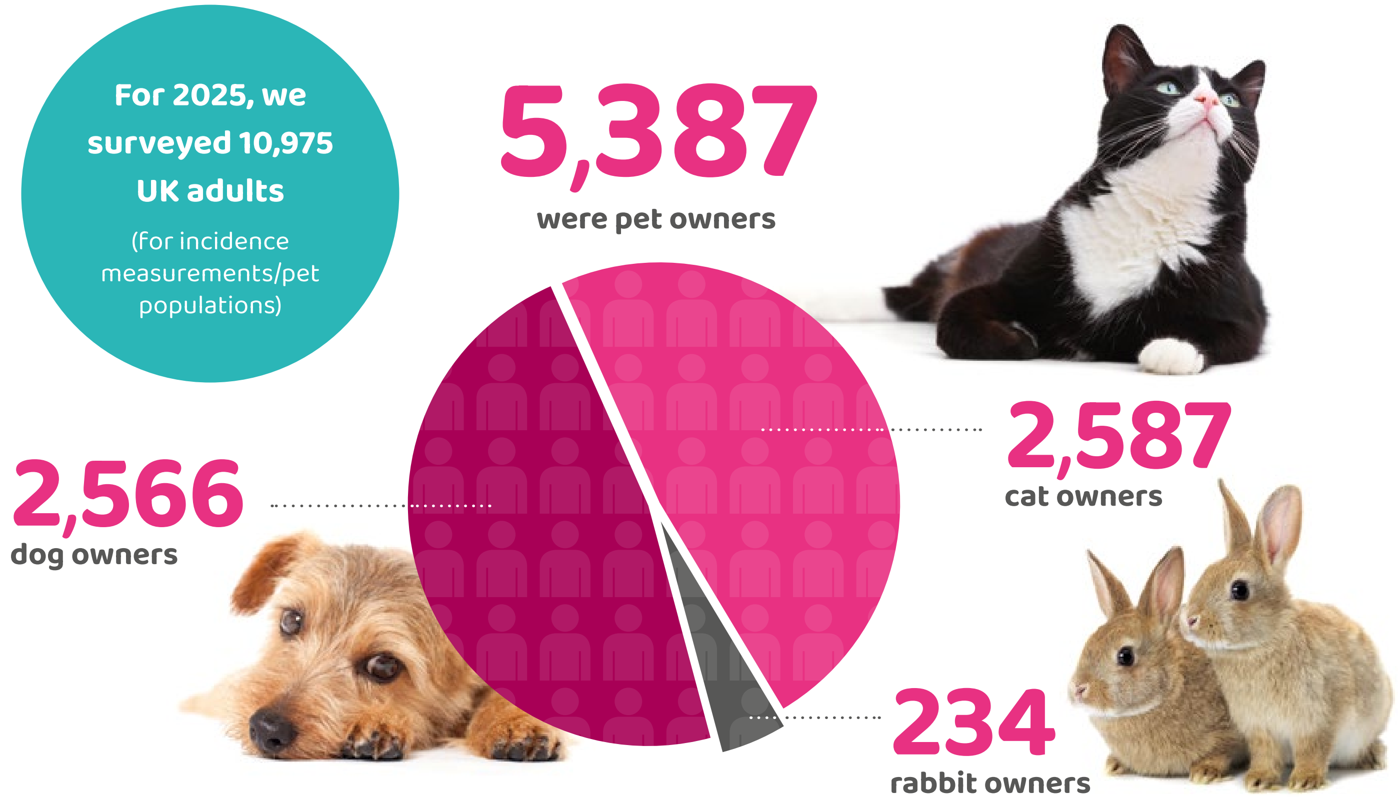
The PDSA Animal Wellbeing (PAW) Report is the UK's largest assessment of pet wellbeing. The insight it provides allows us to estimate pet population numbers, track trends and understand how people care for their pets. With this information we are able to plan our services, innovate and identify how we can help more pets in need. Now in its 15th year, the report's findings consistently inform government policy, inspire new approaches to pet wellbeing issues, and prompt press coverage, positioning us as a voice of authority in the pet welfare sector.

The 2025 PAW Report reveals that the UK's pet population continues to climb, particularly dogs, and that more pet owners than ever are struggling to afford essential veterinary care. The findings from the report provide evidence-based results, allowing us to identify emerging trends and early indicators of pet welfare issues. We are able to monitor and safeguard the wellbeing of the nation's pets and work with others across the sector to drive positive change.

over **110,000** **people surveyed** in total since 2011

32,743 visits to our **PAW Report** webpages in 2025

For 2025, we surveyed 10,975 UK adults
(for incidence measurements/pet populations)



More pet owners than ever are struggling to afford essential veterinary care.

Cost of living

51% **of people are worried about being able to afford the cost of veterinary care for their pet**

Half of pet owners are worried about the cost of vet care for their pet, and if faced with a bill, a quarter would pay via savings, while 15% would use a credit card

Many people say owning a pet is more expensive than expected, and owners near-unanimously think costs have increased

Positives of pet ownership

59% of people said their reason for getting a pet was for love, affection and **because pets make them happy**

87% of people agree owning a pet makes them feel **less lonely**

78% of people agree that everyone deserves to experience **the love and companionship of a pet**

71% of people agree owning a pet makes them **physically healthier**

91% of people agree that owning a pet **improves their life**

88% of people agree owning a pet makes them **mentally healthier**

Next steps

Over the next 12 months, we'll continue to embed our three-year Integrated Business Plan (IBP), providing a clear line of sight between our objectives, our financial plans, and the outcomes we deliver. This disciplined approach will support sustainable growth, improve value for donors, and increase confidence that we are well-positioned to meet future challenges.

In the lifetime of this plan, we will:

- Increase our pet numbers cared for from around 448,000 to 478,000
- Move to a strong financial surplus and cash position which allows us to grow and not only invest in new capacity, but also ensure that we can afford the operating costs
- Deliver future income from new channels and invest in our brand to support our legacy pipeline into the future

Jippe den Toom sitting with owner in the waiting room at Brighton Pet Hospital.

Governance and risk

Administrative details

The People's Dispensary for Sick Animals (PDSA) | Founded in 1917 by Maria Dickin, CBE	
Incorporated by Acts of Parliament	(PDSA Act 1949, 12 & 13 Geo. 6, Ch. xv) (PDSA Act 1956, 4 & 5 Eliz. 2, Ch.1xvii) (as amended by the Scheme set out in the Schedule to the Charities (People's Dispensary for Sick Animals) Order 2015) Registered charity nos. 208217 & SC037585
Head Office	Whitechapel Way, Priorslee, Telford, Shropshire TF2 9PQ Telephone: 01952 290999 Website: www.pdsa.org.uk
Patron	HRH Princess Alexandra, the Hon. Lady Ogilvy, KG, GCVO

Principal professional advisors	
Bankers	Lloyds Bank plc, 25 Gresham Street, London EC2V 7AE
Investment Advisers	Lane Clark & Peacock LLP, 95 Wigmore Street, London W1U 1DQ
Investment Managers	Partners Group (UK) Limited, 33 Charterhouse Street, London EC1M 6HA Aegon Asset Management, 3 Lochside Crescent, Edinburgh EH12 9SA Legal and General Investment Management, One Coleman Street, London EC2R 5AA JP Morgan Asset Management, 60 Victoria Embankment, London EC4Y 0JP
External Auditor	BDO LLP, Central Square, 29 Wellington Street, Leeds LS1 4DL
Actuaries	Iseran Bidco Ltd t/a Isio, One Colmore Square, Birmingham B4 6AJ
Solicitors	**For Charity matters:** Shakespeare Martineau, No 1 Colmore Square, Birmingham B4 6AA **Regular solicitors for Legacy and Probate matters:** Foot Anstey LLP, 2 Glass Wharf, Bristol BS2 0EL Wilsons Solicitors LLP, Alexandra House, St. Johns Street, Salisbury SP1 2SB Withers Worldwide, 20 Old Bailey, London EC4M 7AN
Trustees	Details in Governance section overleaf.

Governance

Governing documents and registration

The charity is incorporated under The People's Dispensary for Sick Animals Acts 1949 and 1956 as amended by a Parliamentary Scheme and set out in the Schedule to the Charities (People's Dispensary for Sick Animals) Order 2015. Its constitution comprises the detailed clauses of these two Acts of Parliament plus supplementary Byelaws, which have been subsequently revised by the governing body. The charity is registered with both the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator.

Governing body – Council

The Trustees form the governing body of the charity, known collectively as the Council, and are legally responsible for the overall management and control of PDSA. Council sets the strategic direction, shapes policies and approves major expenditure programmes, but delegates certain decisions to Committees.

Trustees are experienced leaders from a range of professional backgrounds who provide valuable experience to guide the charity.

Council approves new Trustees whose appointment is then ratified at a General Meeting. All Trustee recruitment is subject to a rigorous and transparent process. Qualifications for Trusteeship include a commitment to the relief of poverty and to animal welfare, plus specialist expertise or knowledge considered to be of benefit to PDSA. It is the Council's policy for the governing body to consist of ten to twelve Trustees. However, Council may consider increasing this number to take account of planned retirements, while maintaining an appropriate range of skills and expertise.

New Trustees are familiarised with the workings of PDSA, Council Policies and Procedures and Governance. We have a comprehensive Trustee induction programme, which includes visits to Head Office, PDSA Pet Hospitals and our retail shops, along with meetings with Directors and key members of staff.

The total number of Trustees is currently 13, and they are listed below along with their Committee membership.

Chair John Miller	F G
Deputy Chair Carole Pomfret	F G
Professor Gary England	A
Gordon Hockey	G
David Lister	F
David Morgan	F G
Ian Phoenix	A
Mary Reilly	A G
Alison Tattersall (Resigned 25 February 2026)	A
Liz Hutchinson	A
Hannah Vickers (Appointed 17 November 2025)	
Helen McEachern (Appointed 17 November 2025)	
Elaine Deste (Appointed 27 May 2026)	

F – Member of the Finance & Investment Committee
A – Member of the Audit & Risk Committee
G – Member of the Governance & Remuneration Committee

Committees

There are four Committees, and each has specific terms of reference.

The **Finance & Investment Committee** reviews the Fund Managers' performance, the budget and has oversight of all significant and on-going financial matters, including the Reserves Policy.

The **Audit & Risk Committee** considers risk and internal and external audit matters. It looks at health and safety management and all aspects of our clinical governance framework, providing a holistic view of the veterinary service's quality assurance. It also receives regular updates on compliance in respect of our fundraising governance framework. This Committee also provides oversight of the risk management approach at PDSA.

The role of the **Governance & Remuneration Committee** includes oversight of the Remuneration Policy for the whole organisation, and in determining the total remuneration packages of senior executives, which it recommends to Council. It also provides oversight of governance, for example monitoring changes in external codes of good practice and considering PDSA's response, advising on the approach to reviews of Board effectiveness, Trustee appointment and succession, and diversity and inclusion.

The **Special Purposes Committee** approves items relating to property transactions, lease agreements, certain legacy matters and approval of contracts and other specific items as defined in the Terms of Reference. Membership is made up of the Directors. The Chair of Council, the Deputy Chair, the Chair of the Finance & Investment Committee, and the Chair of the Audit & Risk Committee receive the agenda and summary of items in advance and can request papers or elect to attend if they wish. Members of Council receive copies of minutes from all meetings of the Committee.

Oversight of the Charity's safeguarding policies, activities and incidents is maintained by Trustees. A quarterly safeguarding report is reviewed at each Council meeting.

Charity Governance Code

PDSA remains committed to good governance. During the year we have continued our focus on Governance activities, for example, providing additional guidance on Governance matters, and establishing information hubs to ensure all relevant colleagues are aware of Governance processes such as policy sign-off or other approval routes.

Some of the established arrangements in place to meet the Code requirements are:

- **Board recruitment, induction, Trustee appraisal, and Trustee training. A skills audit is carried out every three years to identify potential gaps in the Trustee Board's collective skills, competencies, and experience.**
- **Our Trustees are committed to ensuring equity in the accessibility, delivery, and outcomes of our public benefit. All eligible pet owners, regardless of their background, should be aware of and feel able to access our services.**
- **Trustees have also committed to carrying out a biennial self-assessment of compliance with the Charity Governance Code. This was carried out in 2025 and the results reported to the Governance & Remuneration Committee.**
- **Trustees also complete a biennial self-assessment of Board Effectiveness. This was last carried out during 2024 and will be carried out again in 2026.**

One area where PDSA has decided not to apply the guidance contained in the Charity Governance Code is in relation to the Trustee terms of office. The terms of office for Trustees are three terms of four years. After each term of four years, individual Trustees discuss with the Chair whether they should continue. Factors considered are: skills requirements; whether the Trustee wishes to, and is able to, continue to commit to time requirements; and whether the Trustee and Chair believe they are still adding value to the Board.

In exceptional circumstances, at the request of the Chair and Deputy Chair, Trustees may be asked to stay beyond the maximum term of twelve years, to provide continuity. PDSA considers these terms of office are appropriate to provide a balance of experience, and to allow Trustees to gain the depth of understanding of the charity, which is needed, while still ensuring that Trustee tenure is limited. At present, only one of the Trustees has served more than the maximum twelve years of office. To provide continuity, our Chair, John Miller, had agreed to serve an additional four-year term of office which began on 1 January 2023.

Remuneration Statement

Council has overall responsibility for determining the Remuneration Policy for the whole organisation, and particularly the total remuneration packages of senior executives. It delegates this responsibility to the Governance & Remuneration Committee, which makes recommendations to Council.

PDSA is a large organisation with over 2,000 employees and the support of around 1,700 volunteers. Working together, it is the combined effort of all our people that delivers our mission of providing compassionate veterinary care in the communities we serve for pet owners who cannot afford the care their pets need.

The nature of our public benefit means that we are one of the UK's largest employers of veterinary professionals and, as a complex and diverse organisation, we compete in different job markets for a wide range of skills and experience. Our Pay Policy must therefore be sufficiently flexible to ensure we can attract and retain the right people with the right skills to be able to deliver our vital services, while meeting our supporters' expectations that the money they entrust to us will be used wisely.

In determining overall pay levels for all our staff, including senior executives, we take account of pay practice in other similarly sized charities and, where appropriate, private sector organisations. Benchmarking activity takes place on an annual basis. Annual pay reviews take into consideration affordability, economic trends and external market movements. It is the view of the Governance & Remuneration Committee, supported by Council, that, given the size, complexity and substantial public benefit provided by PDSA on a national scale, the remuneration of its senior executives is fair and proportionate.

Whilst this year has seen the labour market challenges slow slightly, there remains a national shortage of veterinary surgeons and veterinary nurses, along with the continued focus on pay as the cost of living remains high. To support our colleagues, we remain committed to paying Real Living Wage and continue to benchmark our salaries externally.

Our Gender Pay Report is available on our website in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The overall difference between men's and women's earnings is 18.8% (mean) (2024:20.9%) or 14.7% (median) (2024:26.3%) based on hourly rates of pay at the snapshot date of 2025. This is a decrease of 2.1% in our mean gender pay gap and 11.6% in our median gender pay gap driven by changes to our workforce composition, including a 6.3% reduction in the number of male employees, particularly within the upper pay quartiles.

Environmental Statement

PDSA is committed to reducing our impact on the environment, and we are dedicated to reducing our energy, water and fuel use as well as waste.

Over the course of the last year, we have continued to reduce our energy consumption by a further 9.3%, which has been achieved through a combination of the use of technology, hybrid or remote working to reduce business mileage, and investment in plant and equipment throughout our property estate.

2023 saw us embark on a four-year capital works programme to upgrade and refurbish several Pet Hospitals, and this continued investment has seen the replacement of older, inefficient plant and equipment, resulting in further efficiency gains and reductions in the amount of gas and electricity consumed.

PDSA has committed to accelerating its capital works programme with further investment planned for the refurbishment of the remainder of its hospital estate in 2026, including the installation of solar panels and LED lighting, which will drive further significant improvements in energy efficiency.

Our methodology for calculating our greenhouse gas impact takes our total energy usage - including electric, gas and bottled gas as well as transport and converts this into our organisation-wide carbon footprint. This figure can then be divided by our total headcount for the same period, giving us our intensity ratio.

Energy Use and GHG ($KgCO_2e$) emissions:

	2025					2024				
	Totals	kWh	%	tCO_2e	%	Totals	kWh	%	tCO_2e	%
Scope 1: **Natural Gas**	367,013 (m^3)	4,145,786	44.5%	758.51	42.6%	418,989 (m^3)	4,682,101	45.6%	857.01	40.5%
Scope 1: **Company Vehicles**	0 (miles)	0	0%	0	0%	218,084 (miles)	117,861	1.1%	26.36	1.2%
Scope 2: **Electricity**	4,899,721 (kWh)	4,899,721	52.6%	867.25	48.7%	5,227,173 (kWh)	5,227,173	50.9%	1,082.29	51.2%
Scope 3: **Grey Fleet**	247,563 (miles)	263,713	2.8%	63.30	3.5%	120,011 (miles)	232,734	2.3%	52.46	2.5%
Scope 3: **Transmission & Distribution**	-	-	-	90.79	5.1%	-	-	-	95.66	4.5%
Total		9,309,221 kWh		1,779.8 tCO_2e			10,259,869 kWh		2,113.8 tCO_2e	
	Gross emissions uses the total emissions, as above. Net emissions excludes scope 2 electricity as purchased on a renewable contract.					Gross emissions uses the total emissions, as above. Net emissions excludes scope 2 electricity as purchased on a renewable contract.				
Total tCO_2e Gross / Net	1,779.8			912.6		2,113.8			1074.3	
	Gross/net carbon is divided by the business metric, 2,147 staff.					Gross/net carbon is divided by the business metric, 2,253 staff.				
Intensity ratio Gross / Net (tCO_2e/Staff)	0.8289			0.4249		0.9382			0.4768	

Group structure

PDSA undertakes charitable service delivery and fundraising. Trading activities are carried out through three wholly owned subsidiary companies: PDSA Trading Limited, PDSA PetAid Enterprises Limited and PDSA Property Services Limited.

Face-to-Face Fundraising

PDSA only works with companies and commercial participators of repute and whose activities do not have an adverse impact on the charity's objectives. These relationships are regularly reviewed. Policies and robust processes are in place to ensure those who fundraise on our behalf operate at the highest standards, ensuring that our fundraising is not intrusive or persistent, does not put an individual under undue pressure and protects the vulnerable.

We work with two fundraising agencies that engage the public on our behalf, explaining the impact and benefit of our services and asking for their support through regular donations. We place our fundraisers in private areas such as retail sites, ticketed events, and shows. PDSA does not conduct door-to-door or street fundraising. Our Marketing Managers work alongside our partners to ensure the public enjoys a great experience when engaging with a PDSA fundraiser.

Continuous quality assurance monitoring includes a mystery shopping programme, video observations, call listening, and providing training. Any complaint or expression of dissatisfaction relating to our face-to-face fundraising is dealt with personally by our Public Fundraising Manager, whilst working closely with our partners.

During 2025, we received a total of 15 fundraising related complaints, eight of which were regarding face-to-face fundraising specifically (2024: 26 total, 12 regarding face-to-face fundraising). Our quality assurance programme ensures PDSA, and our agency partners, operate at the high standards required by the Fundraising Regulator and Chartered Institute of Fundraising (CIoF), whilst being monitored by the Audit and Risk Committee.

We believe that engaging conversations with a fundraiser, carried out in the right way and with appropriate supervision and controls in place, will continue to play an important part in building public understanding and support for PDSA.

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the Group and charity for that period.

In preparing these financial statements, the Trustees 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;**
- **Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.**

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the PDSA Acts 1949 and 1956 as amended by a Parliamentary Scheme and set out in the Schedule to the Charities (People's Dispensary for Sick Animals) Order 2015.

The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In addition, the Trustees are responsible for ensuring that the financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.
The maintenance and integrity of the charity's website is the responsibility of the Trustees.
The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Executive Leadership Team

Council delegates policy and strategy implementation to the Director General. The Director General manages PDSA through the Executive Leadership Team.

The Director General and Directors together constitute the Special Purposes Committee.

Director General	Jan McLoughlin, MSc, MSB, FIoD
Chief Operating Officer	Sander Kristel *from February 2025*
Director of Finance & Resources	David Hammond, MBA, FCCA, BA (Hons)
Director of Marketing, Comms & Fundraising	Rebecca Cogswell
Director of People	Rebecca Tindall *until March 2025*

Veterinary Care Assistant Laura taking care of a stray kitten.

Risk management

PDSA has established management processes to mitigate risks that would prevent us from fulfilling our strategic goals. In particular, the Trustees seek to ensure that:

- Risks are identified, assessed and controls established to manage them;
- The risk exposure profile is acceptable at all levels; and
- The risk management process is embedded in operational and management procedures.

The Audit & Risk Committee, assisted by the Executive Leadership Team considers risk in detail. Key risks are considered at each meeting of the Audit & Risk Committee. Audit & Risk Committee ordinarily also conducts a deep dive into one or two of the risks to explore them more fully. Trustees' Risk Appetite is considered and updated annually. The Committee regularly reviews the risk management processes in place.

Council considers its key risk factors to be those identified below:

Area of risk	How the risk might affect PDSA	Key mitigation plans and strategies
Financial sustainability of PDSA	In common with all charities, we continue to face increasing demands and therefore costs. At the same time, we continue to face increased competition for donations as supporters also struggle with cost-of-living pressures and may be less able to give to charities.	We currently have a strong level of Reserves, and can continue to operate for the foreseeable future. However, if we are unable to return to a financial surplus position, our services may not be sustainable in their current form over the long term. To mitigate this risk, we have a comprehensive three-year Integrated Business Plan which was approved by Council in December 2025. Forward looking financial forecasts are produced which allow for corrective action to be taken to ensure strong financial management. We continue to work on our Supply Chain to ensure the best value is achieved by working closely with key suppliers to agree on long-term contract prices where possible, in order to provide greater certainty over future costs.
Potential dependence on narrow range of third parties for critical activities	The Society depends on third parties to provide drugs and consumables for use in our Pet Hospitals, to provide services to support our activities and to provide support for critical IT systems. In some of these areas, there is a narrow range of third-party providers, which can increase reliance on one or two partners. There is a risk of third parties no longer continuing to operate in a way that is suitable for our needs or of substantial increases in third party costs.	Where practical and appropriate we seek to diversify to reduce reliance on single third parties, and where this is not possible, we seek to put in place other mitigation. We regularly review the marketplace to ensure that we are obtaining best value.
Investment Portfolio	This can be subject to volatility from time to time which can impact the value of PDSA's Reserves.	We continue to regularly review our investments and our investment strategy with our Investment Advisors. Our investment strategy is overseen by the Finance & Investment Committee. Details of our Investment Strategy are set out in the 'Investment' section in the Financial Review.
Dependence on IT systems and potential Cyber attack	In common with most organisations, our IT infrastructure is critical to our continued operations and sustained non-availability of key systems.	We are continuing to improve our resilience and to implement enhanced security. We were awarded Cyber Essentials accreditation during 2025. This programme of work will continue for the life of the current Integrated Business Plan, to ensure that we have resilience built in for all key systems as far as possible, and that robust and tested continuity and recovery plans are in place for all new and critical systems.
Global political and economic instability impacting service delivery and organisational sustainability.	Ongoing global unrest, geopolitical tensions and economic volatility may increase operational costs and disrupt supply chains for veterinary medicines, equipment and other essential consumables. Inflationary pressures, rising energy costs and potential shortages of key supplies could affect the organisation's ability to deliver veterinary services and charitable benefits efficiently. These external pressures may also increase demand for charitable veterinary support while placing additional strain on financial and operational resources.	The organisation undertakes regular horizon scanning to identify emerging risks and inform adaptive operational planning, drawing on both internal expertise and external insights where appropriate. Our Integrated Business Plan incorporates financial forecasting, scenario planning and the maintenance of appropriate reserves to support organisational resilience. Strategic procurement and cost management approaches, including long-term supplier agreements and bulk purchasing where appropriate, help manage cost pressures and maintain supply continuity. Where necessary, service delivery is prioritised to ensure resources remain focused on the organisation's most critical charitable activities.

Council is satisfied that controls and actions have been put in place to mitigate the major risks identified. However, it recognises that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Financial Review and Statements

Headlines

At the end of the year, despite current global uncertainty and economic volatility, PDSA's financial position reported a surplus against a budgeted deficit. This trajectory has been budgeted to continue into 2026 and is discussed in our going concern assessment.

For 2025, we had budgeted £1.5m net expenditure for the year. This continuing path to an operating breakeven was based on ensuring best efficiency in use of the donors' funds whilst increasing our capacity to assist those who need us most.

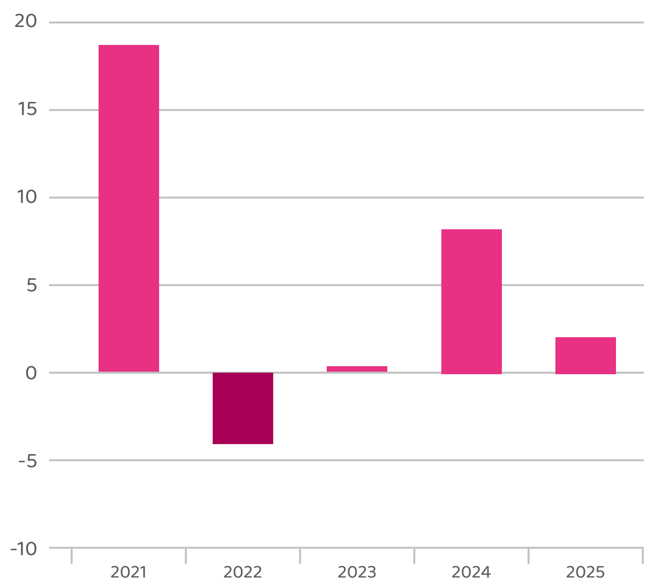
Total income was £126.2 million in 2025 (2024: £129.2m). Legacy income remained our largest single source, at £60.8 million (2024: £67.6m, which included an incredibly generous £9.1m legacy from one of our major supporters, Mr Ionescu).

We spent £96.5 million on public benefit in the areas of prevention, education and treatment which was £3.8 million (4.2%) higher than the prior year (2024: £92.7m). During 2025, we continued to deliver a wider scope of service, providing more preventive activity than in previous years.

PDSA's investments performed strongly through 2025. As at 31 December 2025, the investment portfolio achieved a gain of £1.6 million across the year. Our listed and other investment managed portfolio achieved a return of 7.6% (2024: 6.4%). Income realised from our investment portfolio is used to fund our frontline services across our hospital estate.

Excluding investment performance, which is managed separately by our investment advisors and is therefore largely outside of our control, PDSA returned net income of £0.6 million in 2025 (£6.4m net income in 2024[1]).

Net income/deficit 2021 - 2025 (£m)



The accounting for our defined benefit pension scheme always has a material effect on our results. This year there was an actuarial gain of £5 million (2024: actuarial gain of £7.3m) which led to a positive net movement in funds for the year of £7.3 million. Over five years (2021-2025) there has been some volatility in actuarial gains and losses, but overall, there has been a gain for the period of £25.3 million.

Income and costs in more detail

We receive no ongoing HM Government or National Lottery funding for our veterinary services and therefore we rely on generating our income from our supporters by voluntary donations and trading activities. In the following table, we present the financial results in a different way, which we believe gives more clarity on the sources of net income.

Income and costs comparisons 2024 - 2025 (£m)

	2025		2024	
	£ MILLION	COST/£	£ MILLION	COST/£
Donations and legacy net income	76.1	0.09	80.8	0.10
Other trading net income	0.0	1.00	0.1	0.99
Asset-related net income	1.9	0.07	1.0	0.08
Grant income	-		0.0	
Charitable trading gross income	19.1		17.1	
Net income available for charitable services	**97.1**	**0.27**	**99.0**	**0.26**

Total cost /£ represents total expenditure on raising funds plus expenditure on providing preventive services, divided by total income

The income we receive from donations and legacies forms the largest portion of our overall income. We ensure that we invest carefully on marketing and management in this area to attract supporters and protect future revenue and cost-effectively generate awareness and income both in the short and longer-term. The table above shows that the cost of raising donations and legacy income overall from our supporters decreased from 10p per pound (£) in 2024 to 9p per pound in 2025.

Legacies continue to be our most important source of income, generating £60.8 million (2024: £67.6m). Legacy income represents 63% of our net income available for charitable activities (2024: 68% - 2024 legacy income included an exceptional £9.1 million legacy gift from Mr Ionescu). Our longer-term strategy aims to invest in growing our legacy donations, while also seeking to broaden income from other sources. We plan to do this by growing our supporter base.

We offer services to our clients in addition to free treatment, and this charitable trading is an important income stream and one we aim to grow. This year, our concessionary (low-cost) service sales were £10.8 million (£10.7m in 2024).

Other trading net income includes gaming products, sales from our Retail division (donated and new goods) and miscellaneous sales, commissions and licensing income. PDSA Trading Limited provides almost all trading income, excluding donated goods, which are sold by the charity; this subsidiary's full results can be seen in the notes to the financial statements.

Our Retail activities provide the largest proportion of trading income. We remain one of the largest retailers in a very competitive charity retail sector. However, 2025 saw us reduce our Retail estate from 123 shops to 96 as a result of the difficult trading environment. We continually assess the viability of our Retail estate, and given the challenging retail market in 2025, we expect to see further closures in 2026.

Retail trade was lower than we had hoped in 2025, reporting a loss of £0.8m. Additional closure costs were also incurred largely made up of impairment liabilities. Both donated goods sales and new goods sales were down year-on-year (4% and 11% respectively), as a result of the current economic climate and the closure of underperforming shops.

Online sales through our E-Commerce and E-bay routes continued through 2025.

Our pet insurance products have continued to grow as we build our client base with our insurance partner, Pinnacle Pet UK. As expected, pet insurance products increased in 2025 delivering net expenditure of £0.8m (£0.3m in 2024).

The players of Postcode Lottery again provided generous support in 2025. A £3 million donation (2024: £3m) was used to support the delivery of our veterinary services. Our strong partnership with the players of Postcode Lottery continues in 2026, and we are hugely grateful for their ongoing support.

1. 2024 included a significant legacy donation of c. £9.1m

We organise our public benefit expenditure into three areas. The largest is for treatment at Pet Hospitals and contracted services that increased to £91.0 million (2024: £87m). This activity includes substantial fixed costs. Our preventive service expenditure increased this year to £4.8 million (2024: £3.9m) as we continued to expand our service. The amount we spend on education and responsible pet ownership can vary based on the specific activities we undertake and was £0.8 million (2024: £1.3m).

Investments

At the end of 2025 our investments totalled £47.8 million (2024: £45.4m).

Our investments achieved a gain of £1.6 million over the year. We primarily hold an investment portfolio of externally managed investment funds, (managed by Lane Clark and Peacock) along with some investment properties managed by the charity.

We have an Ethical Investment Policy that precludes investing directly in those organisations involved in testing on animals for cosmetic and other non-medical purposes.

Performance is measured on a total return basis and the Finance & Investment Committee regularly reviews the fund managers' performance. The Society's investment strategy aims for a total return ahead of inflation to grow the assets in real terms and to support the operating costs of the charity, and to increase capacity to help more people and pets. This objective has been met in 2025. The portfolio is well diversified to provide the possibility of growth with an acceptable level of risk.

At the end of 2025 we have spread our investment holdings across five investment funds. We invest in funds rather than direct investments. Funds provide greater stability than direct market investments and we have balanced the allocations to ensure that sufficient liquidity remains to meet short-term operational cash needs as well as supporting the Business Plan to maintain and expand the delivery of our charitable services, whilst maintaining the desired returns.

Investment properties are revalued each year. The value at 31 December 2025 was £6 million (2024: £6.1m).

Reserves

The Executive and Council consider reserves regularly as part of its business planning process. It seeks to ensure that sufficient reserves are available to fund planned activity and public benefit levels agreed in the Business Plan, to be responsive to unforeseen and unplanned activity and to protect PDSA from unexpected events, such as fluctuations in income and costs not anticipated in the Business Plan.

Our Reserves Policy is supported by scenario and contingency planning to determine the potential impact on the level of reserves of defined risk factors. Our contingency strategic planning determines the level of reserves that we consider necessary to protect us from any prolonged financial risks and considers any measures that may need to be addressed should reserves fall below agreed levels.

Council has determined that the level of free reserves needed should fall within the range £45 million to £60 million. The policy should allow continuity for a minimum period of 18 months and for a maximum of three years. During this period the charity would aim to stabilise itself and become sustainable for the future.

We also build our reserves over time to allow us to invest in our core purpose, which is to support those who can least afford it, across the UK, with the veterinary care needed for their pets via new locations or increasing the provision in existing locations.

Free Reserves

£ millions	**2025**	**2024**
Total charity funds	125.3	118.2
Pension reserve	7.2	14.7
Endowment funds	(0.9)	(0.9)
Restricted funds	(10.4)	(10.4)
Unrestricted funds	**121.2**	**121.6**
Pension funding commitments	(22.7)	(26.1)
Carrying value of functional assets	(34.7)	(33.7)
Free reserves	**63.8**	**61.8**
Legacy contingent asset	13.8	13.1
Forecast free reserves	**77.6**	**74.9**

At 31 December 2025 the charity had free reserves of £77.6 million (2024: £74.9m), as calculated in the previous table which shows that reserves had increased by £2.7 million. We continued to invest heavily (£4.7m) in our Pet Hospitals in 2025, providing structural improvements in the facilities that we offer.

In considering the reserves level, Council recognises that our final projections for 2026 and 2027 (detailed in Going Concern) mean that reserves will reduce as the charity seeks to maintain our public benefit whilst absorbing inflationary pressures across the cost base. In addition, the significant capital investment which has been approved across our properties, data infrastructure and modernisation initiatives will continue, helping establish a solid base for the future. Furthermore, some of the income raised in each year is ringfenced for future spending, though it is not formally restricted, for example the net surpluses from the players of Postcode Lottery which we agree to spend on specific projects in the subsequent year. We forecast that free reserves will fall to be closer to the range set by Trustees by the end of the approved 3-year Integrated Business Plan 2026-2028.

The pension funding commitment represents the cash value of payments scheduled to August 2032 for the defined benefit pension scheme; the legacy contingent asset represents 80% of the value of the legacy pipeline.

The total funds of the Group at the end of 2025 were £125 million (2024: £118.2m). Of these funds, £11.3 million were restricted income funds or endowments (2024: £11.3m).

Our investment funds have sufficient liquidity to provide the flexibility to manage any potential downturn in income: the majority of the funds can be accessed within a matter of days.

The charity maintains its £10 million unsecured overdraft facility with Lloyds Bank plc. We have proactively utilised this facility over the year, as a more cost-effective alternative to drawing down against our investments. We intend to maintain at least £40 million within our investment portfolio through 2026 and will seek to rebalance our cash holdings and manage overdraft usage to achieve this target in the most cost-effective manner. The overdraft facility was renewed in June 2024, and we expect the arrangement to continue through 2026.

At the date of signing, our most recent calculation of free reserves stood at £77.6 million. We have considered future activities and outlook and have created financial projections accordingly. Our current view is that our free reserves would stand at £91.8 million by December 2026, which is above the upper end of the Reserves Policy range set by Trustees.

Going Concern

The Executive and Council regularly reviews financial performance, forecasts and projections, taking account of the potential impact on future public benefit and this is an important element of Group financial management.

The Group had investments with a value of £42 million at 28 February 2026 that are sufficiently liquid to be realised quickly (the majority of funds can be accessed within two to three days). This gives the Group significant headroom in the cash flow forecasts.

Trustees have reviewed projections of cash flow and profitability for the period to December 2027 considering a range of scenarios and sensitivities to income and costs, over the short to medium term as we manage business performance.

After considering the projections of cash flow and profitability and the ability to liquidate the investment portfolio to support cash balances, the Trustees have a realistic expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, which is a period of at least 12 months from the signing of the accounts and audit report. They therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis.

Pension Plans

PDSA has a defined benefit pension scheme, The People's Dispensary for Sick Animals Retirement Benefits Plan (RBP) (1978) and a Group Personal Pension (GPP) Plan.

The defined benefit pension scheme has been closed to new employees since 2006 and since April 2019 has been closed to future accrual. The GPP Plan was opened in January 2008 for new and existing employees. The charity is committed to ensuring it will continue to offer suitable pension benefits for employees.

The RBP scheme had a deficit, as calculated under the provisions of FRS 102, of £7.2 million at 31 December 2025 (2024: £14.7m). A triennial actuarial valuation was carried out as at 31 December 2023 and this showed a deficit of £25.5 million. Deficit funding contributions were agreed between PDSA and the RBP Trustee in November 2024, remaining unchanged from the previous valuation.

These liabilities have been revised to reflect some key assumption changes. The change is mainly as a result of a large gain in corporate bond yields over the period which drive the discount rate assumption. The next triennial valuation of the Scheme is due at 31 December 2026. This will be undertaken through 2027.

The Plan held a number of investments at 31 December 2025 at fair value.

Approved by Council and signed on its behalf by:

John Miller

John Miller, Chair
4 June 2026

Independent Auditor's Report to the Trustees

of People's Dispensary for Sick Animals

Opinion on the financial statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2025 and of the Group's incoming resources and application of resources, and the Parent Charity's incoming resources and application of resources, and the Group's cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended, and the Peoples Dispensary for Sick Animals Act 1949 and 1956.

We have audited the financial statements of People's Dispensary for Sick Animals ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2025 which comprise the following:

Group	Parent Charity
Consolidated statement of financial activities	Charity Statement of financial activities
Balance sheet	Balance sheet
Consolidated statement of cash flows	
Notes to the financial statements	
A summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Charity's ability to continue as a going concern.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion;

- The information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- Adequate and proper accounting records have not been kept by the Parent Charity; or
- The Parent Charity financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and Charity and management.

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

Non-compliance with laws and regulations
Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance including the Audit and Risk Committee;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) regulations 2006, as amended, Peoples Dispensary for Sick Animals Act 1949 and 1956, UK GAAP, fundraising legislation and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, health and safety legislation and data protection.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of the Fraud and Serious Incident logs submitted to the Audit and Risk Committee.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, Audit and Risk Committee and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing the Fraud and Serious Incident logs submitted to the Audit and Risk Committee.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting of inappropriate journal entries to manipulate financial results, management bias in accounting estimates, and legacy and donation income recognition with regards to completeness and recognition in the correct period.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the defined benefit pension scheme valuation (FRS 102 Section 28), accrued legacy income and provisions;
- Testing samples of revenue to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

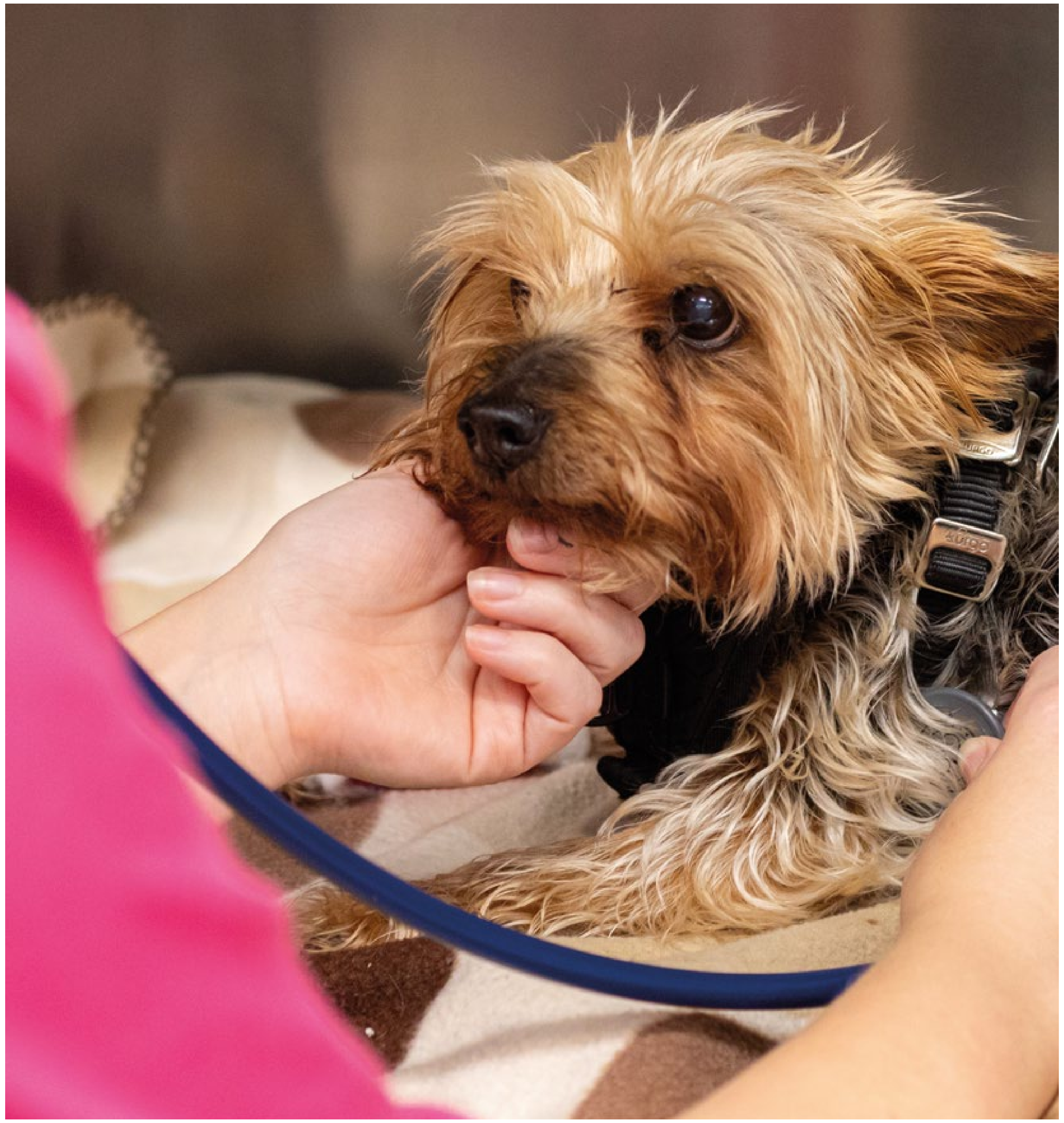
Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
BDO LLP, statutory auditor
Leeds, UK
19 June 2026

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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



Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)

For the years ended 31 December	Note	Unrestricted Funds General	Unrestricted Funds Designated	Unrestricted Funds	Restricted Funds and endowments	Group £'000 Total 2025	Unrestricted Funds	Restricted Funds and endowments	Group £'000 Total 2024
Income and endowments from	Note						Restated	Restated	Restated
Donations and legacies	2	80,340		80,340	3,536	**83,876**	74,831	15,401	90,232
Grant income	2	-		-	-	**-**	35	-	35
Other trading activities	2	21,194		21,194	-	**21,194**	20,752	-	20,752
Charitable trading activities	2	19,167		19,167	-	**19,167**	17,214	-	17,214
Investments	2	2,010		2,010	-	**2,010**	1,053	-	1,053
Gain on disposal of fixed assets		-		-	-	**-**	6	-	6
Total income		122,711	-	122,711	3,536	**126,247**	113,891	15,401	129,292
Expenditure on raising funds									
Donations and legacies	3	7,790	-	7,790	-	**7,790**	9,445	-	9,445
Other trading activities	3	21,187		21,187	-	**21,187**	20,581	41	20,622
Investments	3	141		141	-	**141**	82	-	82
Other expenditure: loss on disposal of fixed assets		-		-	-	**-**	-	-	-
Total expenditure on raising funds		29,118	-	29,118	-	**29,118**	30,108	41	30,149
Net income available for charitable activities		93,593	-	93,593	3,536	**97,129**	83,783	15,360	99,143
Charitable activities									
Treatment at Pet Hospitals and by contracted services	3	87,636		87,636	3,273	**90,909**	81,368	6,013	87,381
Education: responsible pet ownership	3	839		839	-	**839**	1,300	-	1,300
Preventive services	3	4,774		4,774	-	**4,774**	3,925	-	3,925
Total expenditure on charitable activities		93,249	-	93,249	3,273	**96,522**	86,593	6,013	92,606
Total expenditure		122,367	-	122,367	3,273	**125,640**	116,701	6,054	122,755
Net income/(expenditure) before tax		344		344	263	**607**	(2,810)	9,347	6,537
Tax payable		(95)		(95)	-	**(95)**	(127)	-	(127)
Net income/(expenditure) after tax before investment gains or losses		249	0	249	263	**512**	(2,937)	9,347	6,410
Net gains on investments	7	1,574	-	1,574	-	**1,574**	1,682	-	1,682
Net income/(expenditure)		1,823	0	1,823	263	**2,086**	(1,255)	9,347	8,092
Transfers between funds	12	265		265	(265)	**-**	540	(540)	-
Actuarial gain/(loss) on defined benefit pension scheme	17	5,000	-	5,000	-	**5,000**	7,300	-	7,300
Net movement in funds		7,088	0	7,088	(2)	**7,086**	6,585	8,807	15,392
Reconciliation of funds									
Total funds brought forward (as previously reported)		107,514	0	107,514	11,294	**118,808**	100,788	2,487	103,275
Prior period adjustment	19	(631)	-	(631)	-	**(631)**	(490)	-	(490)
Total funds brought forward (as restated)		106,883	0	106,883	11,294	**118,177**	100,298	2,487	102,785
Total funds carried forward	12	113,971	0	113,971	11,292	**125,263**	106,883	11,294	118,177

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

Charity Statement of Financial Activities

(incorporating an income and expenditure account)

For the years ended 31 December	Note	Unrestricted Funds General	Unrestricted Funds Designated	Unrestricted Funds	Restricted Funds and endowments	Charity £'000 Total 2025	Unrestricted Funds	Restricted Funds and endowments	Charity £'000 Total 2024
Income and endowments from	Note						Restated	Restated	Restated
Donations and legacies	2	83,212		83,212	3,536	**86,748**	76,922	15,401	92,323
Grant income	2	-		-	-	**-**	35	-	35
Other trading activities	2	19,125		19,125	-	**19,125**	18,430	-	18,430
Charitable trading activities	2	19,167		19,167	-	**19,167**	17,214	-	17,214
Investments	2	1,964		1,964	-	**1,964**	1,000	-	1,000
Gain on disposal of fixed assets				-	-	**-**	6	-	6
Total income		123,468	-	123,468	3,536	**127,004**	113,607	15,401	129,008
Expenditure on raising funds									
Donations and legacies	3	7,789	-	7,789	-	**7,789**	9,445	-	9,445
Other trading activities	3	21,969		21,969	-	**21,969**	19,699	41	19,740
Investments	3	141		141	-	**141**	82	-	82
Other expenditure: loss on disposal of fixed assets				-	-	**-**	-	-	-
Total expenditure on raising funds		29,899	-	29,899	-	**29,899**	29,226	41	29,267
Net income available for charitable activities		93,569	-	93,569	3,536	**97,105**	84,381	15,360	99,741
Charitable activities									
Treatment at Pet Hospitals and by contracted services	3	87,613		87,613	3,273	**90,886**	81,368	6,013	87,381
Education: responsible pet ownership	3	839		839	-	**839**	1,300	-	1,300
Preventive services	3	4,774		4,774	-	**4,774**	3,925	-	3,925
Total expenditure on charitable activities		93,226	-	93,226	3,273	**96,499**	86,593	6,013	92,606
Total expenditure		123,125	-	123,125	3,273	**126,398**	115,819	6,054	121,873
Net income/(expenditure) before tax		343	0	343	263	**606**	(2,212)	9,347	7,135
Tax payable		(95)	0	(95)	-	**(95)**	(127)	-	(127)
Net income/(expenditure) after tax before investment gains or losses		248	0	248	263	**511**	(2,339)	9,347	7,008
Net gains on investments	7	1,574		1,574	-	**1,574**	1,682	-	1,682
Net income/(expenditure)		1,822	0	1,822	263	**2,085**	(657)	9,347	8,690
Transfers between funds	12	265		265	(265)	**-**	540	(540)	-
Actuarial gain/(loss) on defined benefit pension scheme	17	5,000		5,000	-	**5,000**	7,300	-	7,300
Net movement in funds		7,087	0	7,087	(2)	**7,085**	7,183	8,807	15,990
Reconciliation of funds									
Total funds brought forward (as previously reported)		109,074	0	109,074	11,294	**120,368**	101,750	2,487	104,237
Prior period adjustment	19	(631)		(631)	-	**(631)**	(490)	-	(490)
Total funds brought forward		108,443	0	108,443	11,294	**119,737**	101,260	2,487	103,747
Total funds carried forward		115,530	0	115,530	11,292	**126,822**	108,443	11,294	119,737

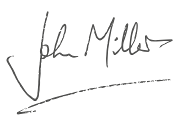
All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

Balance Sheets

£'000

At 31 December		Group		Charity	
	Note	2025	2024	2025	2024
Fixed assets			Restated		Restated
Tangible assets	6	34,742	33,675	36,293	35,226
Investments	7	47,825	45,374	47,825	45,374
Total fixed assets		82,567	79,049	84,118	80,600
Current assets					
Stocks - Finished goods and goods for resale		3,375	3,292	2,695	2,492
Debtors	8	57,361	55,390	58,924	57,334
Cash at bank and in hand		983	5,307	9	4,029
Total current assets		61,719	63,989	61,628	63,855
Creditors – amounts falling due within one year	9	(9,943)	(8,131)	(9,844)	(7,988)
Net current assets		51,776	55,858	51,784	55,867
Total assets less current liabilities		134,343	134,907	135,902	136,467
Creditors – amounts falling due after more than one year	10	(105)	(135)	(105)	(135)
Provisions for liabilities	11	(1,781)	(1,901)	(1,781)	(1,901)
Net assets excluding pension liability		132,457	132,871	134,016	134,431
Defined benefit pension scheme liability	18	(7,194)	(14,694)	(7,194)	(14,694)
Total net assets		125,263	118,177	126,822	119,737
The funds of the charity					
Restricted endowment funds	12	933	933	933	933
Restricted income funds	12	10,359	10,361	10,359	10,361
Unrestricted funds	12	121,165	121,577	122,724	123,137
Pension reserve	12	(7,194)	(14,694)	(7,194)	(14,694)
Total unrestricted funds		113,971	106,883	115,530	108,443
Total charity funds		125,263	118,177	126,822	119,737

Approved by Council and signed on its behalf by



John Miller
Chair
4 June 2026

Consolidated Statement of Cash Flows

£'000

For the year ended 31 December		Group	
	Note	2025	2024
			Restated
Net cash (used in) operating activities	a	(514)	(1,324)
Cash flows from investing activities			
Dividends, interest and rents from investments		2,010	1,053
Purchase of property, plant and equipment		(5,104)	(7,574)
Proceeds from the sale of property, plant and equipment		-	6
Purchase of investments		(877)	(26,853)
Proceeds from the sale of investments		-	42,195
Net cash (used in) / provided by investing activities		(3,971)	8,827
Change in cash and cash equivalents in the reporting period		(4,485)	7,503
Cash and cash equivalents at the beginning of the reporting period	b	5,307	(2,196)
Cash and cash equivalents at the end of the reporting period	b	822	5,307

Note a. Reconciliation of net income to net cash (used in) operating activities

Net income after investment gains but before tax for the reporting period	2,086	8,092
Adjustments for:		
Investment income	(2,010)	(1,053)
Net (gain) on disposal of tangible fixed assets	-	(6)
Depreciation	4,037	3,060
Movements on investments	(1,574)	(1,682)
Increase in pension provision excluding actuarial gains or losses	900	1,100
Pension deficit contributions	(3,400)	(3,402)
(Increase) in stocks	(83)	(255)
(Increase) in debtors	(1,971)	(6,893)
Increase/(decrease) in creditors	1,621	(495)
(Decrease)/increase in provisions	(120)	210
Net cash (used in) operating activities	(514)	(1,324)

Note b. Analysis of cash and cash equivalents

Cash at bank and in hand	983	5,307
Overdraft	(161)	-
Total	822	5,307

Note c. Analysis of changes in net debt

Cash and cash equivalents	At 1 Jan 2025	Cash Flows	Other non-cash charges	At 31 Dec 2025
Cash at bank and in hand	5,307	(4,324)	-	983
Overdraft	-	(161)	-	(161)
Borrowings	-	-	-	-
Total	5,307	(4,485)	-	822

Financial Statements

Notes to the financial statements for the year ended 31 December 2025

1. Accounting policies

a) Accounting basis

The financial statements have been prepared under the historical cost convention, with the exception of investments that are included at market value.

The financial statements have been prepared in accordance with the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005, the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

Going concern
Trustees have reviewed projections of cash flow and profitability for the period to 31 December 2027 considering sensitivities to income and costs and how much they wish to spend in discretionary areas.

We expect that the Group will produce a total net income position of £7.1 million in 2026 and net income of £7.1 million in 2027. Based on this forecast we anticipate holding cash and liquid investments of £0.8 million at 31 December 2027.

The Group had investments with a value of £42 million at 28 February 2026 that are sufficiently liquid to be realised quickly (the majority of funds can be accessed within two to three days). This gives the Group significant headroom in the cash flow forecasts.

After considering the projections of cash flow and profitability and the ability to liquidate the investment portfolio to support cash balances the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, which is a period of at least 12 months from the signing of the accounts and audit report. For this reason, it continues to adopt the going concern basis in the financial statements.

b) Fund accounting

General funds are unrestricted funds that are available for use at the discretion of Council in furtherance of the general objectives of the charity, which have not been designated for other purposes.

Restricted funds are funds that are used in accordance with specific restrictions imposed by donors.

The aim and use of each restricted fund is set out in Note 12 to the financial statements. Income received less than £15,000, unless part of a larger project, is reported in aggregate.

Investment income and gains are allocated to the appropriate fund.

c) Income

Income is recognised in the SOFA when the charity has evidence of entitlement, receipt is probable and its amount can be measured reliably.

Legacies
Both pecuniary and residuary legacies are recognised at the earlier of probate being granted or the charity being advised, in writing, by the personal representative of an estate that payment will be made or assets transferred and when, in the opinion of management, the amount can be quantified with reasonable accuracy and will probably be received.

This estimate includes a reduction to reflect the proportion of the prior year opening debtors not received in subsequent years and so allows for the potential variation in settlement values and the risk of a Will being contested.

Where part or all of a legacy has a claim against it, the disputed amount is not recognised as income, but is included as a contingent asset.

Reversionary interests involving a life tenant are not recognised.

Other income
Income from charitable trading, sales of new goods and other sales income are recognised when the goods or services are sold. The value recognised excludes VAT.

Donated goods are included in income when received and are measured at sales value, which is considered fair value.

Donation income is credited when received, except where fundraising campaigns are based around a specific event date, in which case the accruals basis is used.

Grants and donations in respect of capital expenditure are credited to restricted income at the point of recognition and are released to unrestricted funds on the later date of completion of the fixed asset, or the obligation being met.

Income from Government grants is recognised when a claim has been made and entitlement is confirmed.

Gross proceeds from the Postcode Lottery are recorded as income in the SOFA.

Investment income is accounted for when receivable.

d) Recognition of expenditure

All expenditure is accounted for on an accruals basis and has been listed under the headings that aggregate all costs related to the category.

Costs of generating funds relate to those costs incurred to encourage donations and legacies and raise public awareness of the charity; those costs that enable us to trade goods and services; and those that relate to generating investment income.

Costs of charitable activities relate to those costs incurred in meeting the objectives of the charity and providing its public benefit.

Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Overheads in support areas have been allocated to activities as outlined in Note 3 to the financial statements.

Costs for future property dilapidations, in our estimate and judgement, are estimated based on the number of properties rented subject to dilapidation clauses, each having an expected future cost based on the average expected spends per property incurred in earlier years and the results of condition survey samples. Where the particular condition of an individual property means the use of an average spend would not be appropriate, the provision is estimated with reference to property survey information.

Donations and gifts costs are those incurred in seeking voluntary contributions for the charity. Governance costs are those incurred by Trustees, internal audit and fees charged by external auditors. Irrecoverable VAT is charged as a cost to the individual activity.

e) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and accounted for at cost, inclusive of any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Assets under course of construction	nil
Freehold land	nil
Freehold buildings	25-50 years
Long leasehold buildings	25 years
Short leasehold buildings	Remainder of lease
Pet Hospital buildings, freehold and leasehold	25 years
Furniture, fittings and equipment	3-8 years
Motor vehicles	5 years

The charity has a policy to conduct impairment reviews in accordance with the requirements of FRS 102.

f) Investment properties

In accordance with FRS 102 these properties are held for capital appreciation, initially recorded at cost and then subsequently at fair value. Revaluations are undertaken periodically by professionally qualified surveyors on the basis of open market value, which represents fair value. In our estimate and judgement these are revised in subsequent years by reference to published indices or comparative evidence and assessment of the circumstances of each property by PDSA's professional qualified surveyors.

g) Investments

Listed and other investments are initially shown at cost and then subsequently at fair value to reflect the market valuation as at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Investments in subsidiaries are initially shown at cost and subsequently net of any impairment.

h) Stocks

Stocks are stated at the lower of cost and net realisable value. Donated goods are included at fair value on receipt, and the stock of donated goods represents the amount of goods donated by the general public which we hold at our shops at year-end. In our estimate and judgement, the value is calculated by applying an average sales value, adjusted for Gift Aided sales, to the volume of goods we have unsold at year-end.

i) Financial instruments

The PDSA Group only holds basic financial instruments. Investments are initially shown at cost and then measured at fair value and shown in Note 7 to the accounts. Financial instruments held within current assets and current liabilities are measured at the cash expected to be paid or received which is considered to be amortised cost and is shown in Notes 8 and 9.

The Group balances included in the accounts are as follows:

	2025 £'000	2024 £'000
Fixed Asset Investments	47,825	45,374
Debtors	57,361	55,390
Creditors: amounts falling due within one year	9,943	8,131

j) Taxation

As a registered charity PDSA is exempt from taxation of income and gains falling within Chapter Three of Part II to the Corporation Tax Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Following an annual review undertaken in 2025, it was concluded that Corporation Tax totalling £545,072 was owed that related to an historic agreement with one of our service supplier's. The financial treatment of revenue relating to this service has now been amended for 2026 onwards. No tax charge has arisen in any of its subsidiaries since they gift all taxable profits to PDSA.

k) Pension costs

For the defined benefit pension scheme, the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments; these are included as part of staff costs. Past service costs are recognised immediately if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately and are shown separately in the SOFA. Defined benefit pension schemes are funded with the assets of the scheme held separately from those of the Group, in Trustee-administered funds.

These assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The valuation is obtained triennially but is updated each year and the resulting asset or liability is shown on the balance sheet.

l) Operating leases

Rentals paid under operating leases are charged to the SOFA on a straight-line basis over the lease-term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are credited to the SOFA over the period of the lease. Rentals receivable under operating leases are credited to the SOFA in the periods in which they become receivable. When a rental holiday has been granted, or rentals temporarily reduced, the reduction is accounted to that period of the reduction and is not spread over the lease-term.

m) Basis of consolidation

PDSA Group's financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated on a line-by-line basis for the periods from or to the date on which control passed.

PDSA Trading Limited, PDSA PetAid Enterprises Limited and PDSA Property Services Limited are consolidated within these accounts as PDSA holds 100% of the issued share capital of each company.

n) Provisions

Provisions for future liabilities are recognised when PDSA has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made. Estimation techniques involve assumptions, which are based on experience.

o) Accounting estimates and judgements

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported.

Cost allocation
Support costs not attributable to a single activity are allocated or apportioned on a basis consistent with identified cost drivers for that cost category and can be seen in more detail in note 3.

Legacy income accrual and contingent asset
Legacy income is recognised in accordance with the income recognition policy detailed in (c) on page 42. In calculating the level of legacy accrual, management is required to exercise estimation and judgement, particularly in determining the amount and probability of receipt.

A contingent asset is identified for legacies notified to the charity when the inflow of economic benefit is probable but does not yet meet the criteria for income recognition identified in (c) on page 42.

Investment Properties
These are valued by professionally qualified surveyors, using estimation techniques identified in (f) on page 43.

Stocks
Goods donated by the public for us to resell are valued using estimates identified in (h) on the previous page.

Actuarial assumptions for the defined benefit pension scheme
These are incorporated in the financial statements in accordance with FRS 102 using advice from independent qualified actuaries. Significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. These are detailed in (k) on the previous page and note 17.

Provisions
We hold specific provisions for several matters and these are individually described in note 10. We recognise a provision when it meets the tests identified in the policy in (n); the estimation techniques used are particular to each provision. The charity leases a large number of properties and our assumptions for property dilapidations are described in (d) on page 43.

2. Income and endowments

£'000

	Group		Charity	
	2025	2024 Restated	2025	2024 Restated
Donations and legacies				
Legacies receivable	60,825	67,572	60,825	67,572
Donations and gifts	23,051	22,660	23,051	22,660
Gift Aid donation from subsidiaries	-	-	2,872	2,091
	83,876	90,232	86,748	92,323
Grant income				
Local Council Business Grants	-	35	-	35
	-	35	-	35
Other trading activities				
Lottery and similar income	2,774	2,772	-	-
Sales of donated goods*	12,742	13,231	12,742	13,231
Sale of new goods	2,143	2,395	-	-
Other income**	3,535	2,354	6,383	5,199
	21,194	20,752	19,125	18,430
Charitable trading activities				
Preventive services	8,404	6,486	8,404	6,486
Concessionary and other paid for services	10,763	10,728	10,763	10,728
	19,167	17,214	19,167	17,214
Investments				
Listed securities - dividends	1,500	620	1,500	620
Bank and other interest	113	65	67	12
Rents receivable	397	368	397	368
	2,010	1,053	1,964	1,000

* 2025 includes income of £4,188,000 of donations from supporters resulting from sale of their goods through PDSA's Retail Gift Aid scheme (2024: £4,206,000)

** 2025 Other income (Charity only) includes £5,137,000 (2024: £4,790,000) for the allocation of Retail costs from the Charity to its subsidiary, PDSA Trading Limited. These costs relate to the running of the Retail Gift Aid scheme, which is administered by the subsidiary.

3. Expenditure

£'000

Group

Support costs allocated (2025)	Activities undertaken directly	Human Resources	Property Services	Finance and Management	Information Technology	2025 Total
Expenditure raising funds						
Legacies receivable	1,664	21	-	47	42	1,774
Donations and gifts	4,487	14	-	126	78	4,705
Raising public perception and awareness	1,196	22	-	33	60	1,311
	7,347	57	-	206	180	7,790
Expenditure on other trading activities						
Merchandising, charity shop and other trading	18,074	302	556	502	949	20,383
Lottery ticket sales	780	2	-	22	-	804
	18,854	304	556	524	949	21,187
Expenditure on investments	132	-	5	4	-	141
Expenditure on charitable activities						
Treatment at Pet Hospitals and by contracted services	80,779	2,197	793	2,267	4,873	90,909
Education: responsible pet ownership	786	25	-	22	6	839
Preventive services	4,568	78	-	128	-	4,774
	86,133	2,300	793	2,417	4,879	96,522
Total expenditure	112,466	2,661	1,354	3,151	6,008	125,640

£'000

Group

Support costs allocated (2024)	Activities undertaken directly	Human Resources	Property Services	Finance and Management	Information Technology	2024 Total Restated
Expenditure raising funds						
Legacies receivable	1,821	23	-	59	88	1,991
Donations and gifts	5,531	17	-	180	66	5,794
Raising public perception and awareness	1,547	24	-	50	39	1,660
	8,899	64	-	289	193	9,445
Expenditure on other trading activities						
Merchandising, charity shop and other trading	17,464	298	469	563	946	19,740
Lottery ticket sales	852	2	-	28	-	882
	18,316	300	469	591	946	20,622
Expenditure on investments	77	-	2	3	-	82
Expenditure on charitable activities						
Treatment at Pet Hospitals and by contracted services	77,594	2,234	713	2,518	4,322	87,381
Education: responsible pet ownership	1,184	38	-	39	39	1,300
Preventive services	3,743	60	-	122	-	3,925
	82,521	2,332	713	2,679	4,361	92,606
Total expenditure (before loss on disposal)	109,813	2,696	1,184	3,562	5,500	122,755

Governance costs in the year of £608,000 (2024: £461,000) are included within Finance and Management support costs

Bases of allocation

Human Resources - staff costs
Property Services - property costs, excluding rent
Finance and Management - expenditure
Information Technology - number of IT devices

3. Expenditure (cont)

£'000

Charity

Support costs allocated (2025)

	Activities undertaken directly	Human Resources	Property Services	Finance and Management	Information Technology	2025 Total
Expenditure raising funds						
Legacies receivable	1,663	21	-	47	42	**1,773**
Donations and gifts	4,487	14	-	126	78	**4,705**
Raising public perception and awareness	1,195	22	-	35	59	**1,311**
	7,345	57	-	208	179	7,789
Expenditure on other trading activities						
Merchandising, charity shop and other trading	19,659	302	556	503	949	**21,969**
Lottery ticket sales	-					**-**
	19,659	302	556	503	949	**21,969**
Expenditure on investments	132	-	5	4	-	**141**
Expenditure on charitable activities						
Treatment at Pet Hospitals and by contracted services	80,756	2,197	793	2,267	4,873	**90,886**
Education: responsible pet ownership	786	25	-	22	6	**839**
Preventive services	4,568	78	-	128	-	**4,774**
	86,110	2,300	793	2,417	4,879	96,499
Total expenditure	113,246	2,659	1,354	3,132	6,007	**126,398**

£'000

Charity

Support costs allocated (2024)

	Activities undertaken directly	Human Resources	Property Services	Finance and Management	Information Technology	2024 Total
Expenditure raising funds						Restated
Legacies receivable	1,821	23	-	59	88	**1,991**
Donations and gifts	5,531	17	-	180	66	**5,794**
Raising public perception and awareness	1,547	24	-	50	39	**1,660**
	8,899	64	-	289	193	**9,445**
Expenditure on other trading activities						
Merchandising, charity shop and other trading	17,464	298	469	563	946	**19,740**
	17,464	298	469	563	946	**19,740**
Expenditure on investments	77	-	2	3	-	**82**
Expenditure on charitable activities						
Treatment at Pet Hospitals and by contracted services	77,594	2,234	713	2,518	4,322	**87,381**
Education: responsible pet ownership	1,184	38	-	39	39	**1,300**
Preventive services	3,743	60	-	122	-	**3,925**
	82,521	2,332	713	2,679	4,361	**92,606**
Total expenditure (before loss on disposal)	108,961	2,694	1,184	3,534	5,500	**121,873**

Governance costs in the year of £579,000 (2024: £435,000) are included within Finance and Management support costs

Bases of allocation

Human Resources - staff costs
Property Services - property costs, excluding rent
Finance and Management - expenditure
Information Technology - number of IT devices

4. Net income before other recognised gains and losses

£'000

			2025	2024
These are stated after charging:				
Auditor's remuneration	audit fees charity		122	110
	audit fees subsidiaries		28	23
	non-audit fees charity	- tax compliance services	7	2
		- pensions services	-	-
		- other consultancy services	-	-
	non-audit fees subsidiaries	- tax services	7	5
Operating leases			2,865	2,884

5. Employees

	2025	2024
Employment costs		
Salaries	58,879	57,997
Social security costs	6,999	5,497
Defined benefit pension costs	612	1,746
Other employer pension costs	5,472	5,313
Redundancy and termination payments	487	37
Other staff costs	415	408
Apprentice Levy	289	284
Total	73,153	71,282

During 2025, eighty-nine employees were made redundant (2024: three). There were nine termination payments made through a settlement agreement in the year (2024: one).

Average number of employees	Headcount		Full-time equivalent	
	2025	2024	2025	2024
Veterinary	1,602	1,750	1,251	1,321
Retail	286	306	237	256
Marketing and fundraising	64	67	57	64
Other	185	128	168	119
Total	2,137	2,251	1,713	1,760

Employment costs

The number of higher-paid employees whose emoluments were within the following scales was as follows:	2025	2024
£60,001–£70,000	37	43
£70,001–£80,000	14	16
£80,001–£90,000	8	6
£90,001–£100,000	3	5
£100,001–£110,000	2	1
£110,001–£120,000	1	2
£130,001–£140,000	1	1
£150,001–£160,000	1	-
£160,001–£170,000	-	1
£210,001–£220,000	1	1

For the table above, emoluments include salary, allowances and benefits in kind, but exclude pension scheme contributions.

Sixty-seven of the higher paid staff are members of the Group Personal Pension (GPP) Plan (2024: seventy-four). Seventeen of these staff members contribute to the Auto Enrolment section of the GPP (2024: twenty-one). Forty-nine of the staff members contribute to the GPP by paying contributions in excess of the Auto Enrolment minimum contribution rates (2024: fifty-three). Forty-four of the higher paid staff members are employed in our Veterinary Operations team (65%).

The total remuneration paid to the Executive team in 2025 (five Directors) was £859,874 (2024: six Directors, £893,995). Of the five Directors who served in the year, three served throughout the year, one joined in the first quarter and one left. Total remuneration paid to the executive team includes salary, allowances, benefits in kind and employer's pension contributions.

The basic salary of the Director General, who is the highest paid employee, was £183,656 as at 31 December 2025 (£180,056 as at 31 December 2024). The Director General has elected to receive an additional cash payment in lieu of employer pension contributions.

The ratio between the highest and median contracted salary is 7:1 (2024: 7:1).

Members of Council do not receive any remuneration. They made donations to PDSA in 2025 totalling £1,300 (2024: £1,300).

Travel, accommodation, telecommunications, entertainment and training costs incurred by Council members on charity business are reimbursed or are paid directly by the charity. This amounted to £1,732 during the year for four Council members (2024: £2,322 for three).

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6. Fixed assets

£'000

	Assets under course of construction	Freehold land and buildings	Leasehold buildings Long lease	Leasehold buildings Short lease	Pet Hospital land and buildings Freehold	Pet Hospital land and buildings Long lease	Furniture fittings and equipment	Motor vehicles	Total
Cost									
At 1 January 2025	218	2,931	393	6,582	39,860	4,668	27,087	253	**81,992**
Additions	312	-	-	125	1,552	-	3,115	-	**5,104**
Disposals	-	-	-	(689)	-	-	(153)	-	**(842)**
At 31 December 2025	530	2,931	393	6,018	41,412	4,668	30,049	253	**86,254**
Depreciation									
At 1 January 2025	-	1,425	179	4,500	22,353	3,193	16,414	253	**48,317**
Charge for the year	-	60	13	678	946	122	2,218	-	**4,037**
Disposals	-	-	-	(689)	-	-	(153)	-	**(842)**
At 31 December 2025	-	1,485	192	4,489	23,299	3,315	18,479	253	**51,512**
Net book value									
At 31 December 2025	530	1,446	201	1,529	18,113	1,353	11,570	0	**34,742**
At 31 December 2024	218	1,506	214	2,082	17,507	1,475	10,673	0	**33,675**

The difference between the Group and charity fixed assets is the exclusion of the intra-group profit of £1,551,000. The intra-group profit arose from the construction and sale of PDSA Pet Hospital buildings by subsidiaries of the charity. Certain freehold assets are charged to provide security against specific liabilities. The net book value of these assets included within fixed assets at 31 December 2025 is £5,541,000 (2024: £5,809,000).

7. Fixed asset investments

Group and charity	Listed investments	Other investments	Freehold investment properties	Total
At 1 January 2025	26,178	13,089	6,107	**45,374**
Additions	1,000	-	-	**1,000**
Equalisations and rebates	(123)	-	-	**(123)**
Net gains/(losses) on revaluations and disposals	1,824	(145)	(105)	**1,574**
At 31 December 2025	28,879	12,944	6,002	**47,825**

At 31 December 2025 and 2024 the charity had the following holdings constituting more than 5% of the portfolio market value:

	2025	2024
Aegon Funds	11,970	11,162
Legal and General Funds	12,878	11,016
JP Morgan Fund (cash lodged for investment)	4,031	4,000
The Partners Fund	12,944	13,089
The total of UK listed and other investments	**41,823**	39,267

Within fixed asset investments, investment properties are valued as at 31 December 2025 at £6,002,000. This represents five properties, all of which were valued by external RICS Registered Valuers. Properties are valued at fair value with reference to condition, location and market data. One property is charged to provide security against specific liabilities. The carrying value included within fixed asset investments at 31 December 2025 is £875,000 (2024: £830,000).

PDSA (Charity) holds the following investments in its 100% owned subsidiary companies; PDSA Trading Limited £2, PDSA PetAid Enterprises Limited £1, PDSA Property Services Limited £2.

8. Debtors

£'000

Due within one year	Group 2025	Group 2024	Charity 2025	Charity 2024
Accrued legacies	52,736	51,537	52,736	51,537
Amounts due from subsidiary undertakings	-	-	1,668	2,156
Income tax recoverable	470	586	470	586
Sundry debtors	2,785	1,906	2,680	1,694
Prepayments	1,370	1,361	1,370	1,361
Total	**57,361**	55,390	**58,924**	57,334

The charity has received notification of legacies amounting to approximately £17,255,000 (2024: £16,381,000).
This total has not been recognised as income at 31 December 2024, but represents a contingent asset that will be recognised in future years.
The charity has entered into indemnities with executors of Wills which allow repayment of legacy income in particular circumstances.
These total £952,000 at the end of 2025 (2024: £990,000) and represent a contingent liability.

9. Creditors: Amounts falling due within one year

£'000

	Group 2025	Group 2024 Restated	Charity 2025	Charity 2024 Restated
Bank overdraft	161	-	161	-
Trade creditors	1,990	2,367	1,990	2,367
Taxation and social security	2,307	2,609	2,307	2,609
Sundry creditors	978	1,083	978	1,083
Deferred income	95	113	-	-
Accruals	4,412	1,959	4,408	1,929
Total	**9,943**	8,131	**9,844**	7,988

The Group has obligations for corporation tax payments due to the change in accounting treatment of commission receivable.

10. Creditors: Amounts falling due after more than one year

£'000

Group and charity	2025	2024
Sundry creditors	105	135
Total	**105**	135

11. Provisions for liabilities

£'000

Group and charity	2025	2024
Obligations for dilapidations in respect of leased properties		
At the beginning of the year	1,901	1,691
Charged against provision in the year	(254)	(36)
Released in the year	(62)	(45)
Change in the year	196	291
At the end of the year	**1,781**	1,901

The Group has obligations for dilapidations in respect of leased properties. The cost is charged to the income and expenditure account as the obligation arises. The change in the year results from changes in the number and estimated cost per property.

12. Statement of Group Funds

£'000

	At 1 January 2025	Income	Expenditure	Actuarial / investment gains	Transfers	At 31 December 2025
General fund	121,577	122,711	(122,462)	6,574	(7,235)	121,165
Unrestricted funds excluding pension reserve	**121,577**	122,711	(122,462)	6,574	(7,235)	**121,165**
Pension reserve	(14,694)	-	-	-	7,500	(7,194)
Total unrestricted funds	**106,883**	122,711	(122,462)	6,574	265	**113,971**
Restricted funds						
Permanent endowment						
AW Blackwell bequest	933	28	-	-	(28)	933
Total permanent endowment funds	**933**	28	-	-	(28)	**933**
Income funds						
Restricted legacies	10,008	2,913	(3,105)	-	-	9,816
Digital x–ray – appeal	116	57	-	-	(173)	-
Homeless project - UK	4	-	-	-	-	4
PetCheck Vehicle - general expenditure	2	-	-	-	-	2
Hendon PDSA Pet Hospital - capital appeal	89	-	-	-	-	89
Dundee Pet Hospital - Capital works	14	-	-	-	-	14
X-ray equipment - Bristol and Hendon	-	25		-	(15)	10
X-ray equipment - Huyton and Kirkdale	-	30	-	-	(30)	-
X-ray equipment - Bow and Shamrock Street	-	20	-	-	(15)	5
X-ray equipment - Margate, Glasgow Shamrock Street and Swansea	-	33	-	-	-	33
Dundee - Free Pet Meds	-	30	(26)	-	-	4
Chiller Gateshead	-	40	-	-	(4)	36
AVN Salaries	-	50	(50)	-	-	-
Miscellaneous restricted donations less than £15,000	128	310	(92)	-	-	346
Total restricted income funds	**10,361**	3,508	(3,273)	-	(237)	**10,359**
Total restricted funds	**11,294**	3,536	(3,273)	-	(265)	**11,292**
Total funds excluding pension reserve	**132,871**	126,247	(125,735)	6,574	(7,500)	**132,457**
Total funds	**118,177**	126,247	(125,735)	6,574	-	**125,263**

The general fund represents the free funds of the group that are not designated for particular purposes. The charity only general fund is £123,474,000 (2024: £123,768,000), the difference being intra-group profit (see note 6) and subsidiary reserves (see note 17). All other funds are the same for both group and charity.

The movement on the pension reserve represents the difference between the payments in the year by the employer towards the liabilities and the actuarial calculations of liabilities under FRS102.

The net transfer to the general reserve of £7,235,000 relates to the decrease in the pension reserve in the year of £7,500,000, income from endowment funds of £28,000, and restricted legacies and donations expended on capital items of £237,000.

Further information about the nature of some of the other restricted funds above is:

- The AW Blackwell endowment provided interest benefit of £28,000 to PDSA in 2025; the income is unrestricted and so is transferred.
- Some legators have specified restrictions for use within a specific geographical location or application. The balance carried forward comprises: PetCheck vehicle in the West Midlands £26,000, Helmsley/Kirbymoorside £333,000, Isle of Wight £7,000, and Huddersfield £64,000.
- The restricted legacies total of £9,816,000 is primarily made up of the incredibly generous legacy gift received from one of our longstanding major supporters, Mr Ionescu (£9,385,000). The funds will be spent on the building and running costs of new Pet Hospitals. The full value of this gift is carried forward.

12. Statement of Group Funds (cont)

£'000

	At 1 January 2024	Income	Expenditure	Actuarial / investment gains	Transfers	At 31 December 2024
	Restated	Restated	Restated	Restated	Restated	Restated
General fund	124,594	113,486	(116,423)	8,982	(9,062)	121,577
Unrestricted funds excluding pension reserve	**124,594**	113,486	(116,423)	8,982	(9,062)	**121,577**
Pension reserve	(24,296)	-	-	-	9,602	(14,694)
Total unrestricted funds	**100,788**	113,486	(116,423)	8,982	540	**107,373**
Restricted funds						
Permanent endowment						
AW Blackwell bequest	933	60	-	-	(60)	933
Total permanent endowment funds	**933**	60	-	-	(60)	**933**
Income funds						
Restricted legacies	1,272	13,751	(5,015)	-	-	10,008
Digital x–ray – appeal	102	76	-	-	(62)	116
X-ray equipment - Brighton, Plymouth and Margate	32	-	-	-	(32)	-
Homeless project - UK	4	-	-	-	-	4
PetCheck Vehicle - general expenditure	2	-	-	-	-	2
Hendon PDSA Pet Hospital - capital appeal	36	53	-	-	-	89
Brighton Pet Hospital - general expenditure	-	38	(38)	-	-	-
Nottingham Pet Hospital - general expenditure	-	50	(50)	-	-	-
Sheffield PDSA Pet Hospital - general expenditure	-	15	(15)	-	-	-
Oldbury Pet Hospital - general expenditure	-	50	(50)	-	-	-
Apprentice Training and CPD Funding	-	515	(515)	-	-	-
Edmonton - Capital appeal	-	63	(63)	-	-	-
Dundee Pet Hospital - Capital works	-	400	-	-	(386)	14
Oldbury Pet Hospital - AVCA Salary Funding	-	22	(22)	-	-	-
Croydon Pet Hospital - AVN Salary Funding	-	24	(24)	-	-	-
Miscellaneous restricted donations less than £15,000	106	284	(262)	-	-	128
Total restricted income funds	**1,554**	15,341	(6,054)	-	(480)	**10,361**
Total restricted funds	**2,487**	15,401	(6,054)	-	(540)	**11,294**
Total funds excluding pension reserve	**127,081**	128,887	(122,477)	8,982	(9,602)	**132,871**
Total funds	**102,785**	128,887	(122,477)	8,982	-	**118,177**

13. Analysis of Group net assets between funds

Fund balances at 31 December are represented by:	Restricted	Unrestricted	2025 Total	Restricted Restated	Unrestricted Restated	2024 Total Restated
Tangible fixed assets	-	34,742	**34,742**	-	33,675	33,675
Investments	-	47,825	**47,825**	-	45,374	45,374
Current assets	11,292	50,427	**61,719**	11,294	52,695	63,989
Creditors – amounts falling due within one year	-	(9,943)	**(9,943)**	-	(8,131)	(8,131)
Creditors – amounts falling due after more than one year	-	(105)	**(105)**	-	(135)	(135)
Provisions for liabilities	-	(1,781)	**(1,781)**	-	(1,901)	(1,901)
Net assets excluding pension liability	11,292	121,165	**132,457**	11,294	121,577	132,871
Defined benefit pension scheme liability	-	(7,194)	**(7,194)**	-	(14,694)	(14,694)
Net assets including pension liability	11,292	113,971	**125,263**	11,294	106,883	118,177

14. Related parties

£'000

	2025	2024
Sales from PDSA to PDSA Trading Limited		
Allocation of shared staff and overhead costs	**6,722**	6,594
	6,722	6,594
Sales from PDSA to PDSA PetAid Enterprises Limited		
Allocation of shared staff and overhead costs	**320**	332
	320	332
Sales from PDSA Trading Limited to PDSA		
Acquisition of donors and administration of the Retail Gift Aid scheme	**5,285**	4,928
	5,285	4,928
Amounts owed to PDSA by subsidiary undertakings		
PDSA Trading Limited	**1,620**	2,068
PDSA PetAid Enterprises Limited	**22**	61
PDSA Property Services Limited	**26**	27
	1,668	2,156

15. Capital commitments

	2025	2024
Group and charity		
Contractually committed purchases of tangible fixed assets	**-**	-
Purchases of tangible fixed assets authorised but not contracted for	**7,561**	6,000
	7,561	6,000

16. Operating lease commitments

Total commitments not provided for in these financial statements under non-cancellable* operating leases are as follows:

£'000

Group and charity	Property		Plant and Equipment	
Amounts payable	2025	2024	2025	2024
Within one year	1,835	2,153	107	100
After one year but within five years	2,967	4,373	87	140
After more than five years	868	1,071	-	-
	5,670	7,597	194	240

*For Retail shops occupied at year end, where the lease has gone beyond renewal date but a new lease has not been formally signed, the lease is assumed to be cancellable with three months' notice, rather than at the next renewal date.

17. Subsidiary undertakings

The charity holds 100% of the issued share capital of each of the following companies, all of which are registered in England

	Company number	
PDSA Trading Limited	1595637	Principal activities are the operation of lotteries, sale of financial services and sale of new goods through PDSA's chain of shops and online.
PDSA Property Services Limited	2340793	The Company has not traded for a number of years. However, the Company plans to recommence activities in the future.
PDSA PetAid Enterprises Limited	4374375	Principal activity is the provision of commercial veterinary services.

The total taxable profits of the subsidiary undertakings are gifted to the charity. No loans are advanced by the charity to its subsidiaries.

A summary of the results of the subsidiaries £'000

For the year ended 31 December	PDSA Trading Limited		PDSA Property Services Limited		PDSA PetAid Enterprises Limited	
	2025	2024	2025	2024	2025	2024
Income	12,164	11,717	-	-	373	376
Expenditure	(9,333)	(9,660)	-	-	(332)	(342)
Profit for the year	2,831	2,057	-	-	41	34
Gifted to The People's Dispensary for Sick Animals	(2,831)	(2,057)	-	-	(41)	(34)
Retained profit	-	-	-	-	-	-

Aggregate of the assets and liabilities

	PDSA Trading Limited		PDSA Property Services Limited		PDSA PetAid Enterprises Limited	
	2025	2024	2025	2024	2025	2024
Assets	1,713	2,207	11	11	36	72
Liabilities	(1,706)	(2,200)	(26)	(27)	(36)	(72)
Net assets/(liabilities)	7	7	(15)	(16)	-	-

18. Defined benefit pension Scheme

The Society operates a closed defined benefit pension Scheme that pays out pensions at retirement based on service and final pay. It has applied Section 28 of FRS102 and the following disclosures relate to this standard. It recognises any gains and losses in each period within the Consolidated Statement of Financial Activities under the heading of 'Actuarial gain/(loss) on defined benefit pension Scheme'. The funding policy is agreed between the Retirement Benefit Plan (1978) (RBP) Trustee and the Society and is formally set out in a Statement of Funding Principles, Schedule of Contributions and Recovery Plan following each full actuarial valuation. The latest such valuation was carried out as at 31 December 2023 and showed a deficit of £25.5 million. A recovery plan has been agreed with the Trustee of the RBP to eliminate the deficit by 31 December 2030, with the Society agreeing to make further payments until the earlier of 31 August 2032 and the end of the month immediately following the event that the Technical Provisions funding level of the Plan has been 100% or greater for two consecutive months. A qualified actuary has calculated the RBP liabilities from data provided by the RBP administrators as at 31 December 2023. The Society has also entered into security arrangements with the RBP Trustee to support the deficit recovery plan.

Following a period of consultation with the active members over proposals to close the RBP Scheme, the Scheme was closed to future accrual with effect from 5 April 2019.

£ millions

The amounts recognised in the balance sheet are as follows:	2025	2024
Present value of funded obligations	(103.7)	(106.1)
Fair value of Scheme assets	96.5	91.4
Deficit recognised in scheme	(7.2)	(14.7)

The amounts recognised in the Consolidated Statement of Financial Activities as income and expenditure are as follows	2025	2024
Scheme administration expenses	0.7	0.6
Net interest on the defined benefit liability	0.7	1.0
Total cost	1.4	1.6

The amounts recognised in the Consolidated Statement of Financial Activities as actuarial gains are as follows	2025	2024
Actuarial (loss)/gain	3.5	15.8
Return on Scheme assets in excess of interest income	1.5	(8.5)
Total (loss)/gain	5.0	7.3

Sensitivity Analysis
At the reporting date, reasonable possible changes to one of the relevant actuarial assumptions, with the other assumptions held constant, would have affected the defined benefit obligation by the amounts shown below.

	31 December 2025 (Decrease)/Increase in DBO (£m)
Discount rate +0.50%	(6.9)
Inflation +0.50%	5.4
Mortality +1 year life expectancy	2.8

The change to the inflation sensitivity allows for changes to pension increases in deferment and in payment. Although the analysis does not take account of the full distribution of cash flows expected, it does provide an approximation of the sensitivity of the assumptions shown.

Changes in defined benefit obligation during the year	2025	2024
Opening defined benefit obligation at 1 January	106.1	121.0
Interest cost	5.6	5.3
Actuarial (gain)/loss	(3.5)	(15.8)
Benefit payments	(4.5)	(4.4)
Closing defined benefit obligation	103.7	106.1

£ millions

Changes in fair value of scheme assets during the year	2025	2024
Opening assets at 1 January	91.4	96.7
Interest income	4.9	4.3
Return on scheme assets in excess of interest income	1.5	(8.5)
Expenses paid	(0.7)	(0.6)
Employer contributions	3.9	3.9
Benefit payments	(4.5)	(4.4)
Closing assets	96.5	91.4

18. Defined benefit pension Scheme (cont)

Projected income and expenditure	2025	2024
Interest cost	5.5	5.6
Interest income	(5.3)	(4.9)
Administration expenses	0.7	0.6
Total	0.9	1.3

Fair value of scheme assets in each category	2025	2024
Equities and property	27.2	26.5
Gilts	45.9	38.8
Insurance policy	13.6	14.6
Other credit	9.2	10.3
Cash	0.6	1.2
Total	96.5	91.4

For the purposes of FRS102 Section 28 the asset values stated are at the balance sheet date. Market values of the Plan's assets, which are not intended to be realised in the short-term, may be subject to significant changes before they are realised.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	2025		2024	
	Pensioner	Non Pensioner	Pensioner	Non Pensioner
Future pension increases RPI 5%	2.80%	2.85%	3.05%	3.00%
Future pension increases RPI 2.5%	1.90%	1.95%	2.00%	2.00%

Life Expectancy	Years	Years
Male (current age 45)	21.9	21.5
Male (current age 65)	21.2	20.8
Female (current age 45)	24.6	24.4
Female (current age 65)	23.2	23.0

19. Prior Period Adjustment

The 2024 comparatives for income, expenditure and taxation have been restated to correct errors in prior years totalling £0.6m. This relates to commission income, which is taxable but was not previously recognised as chargeable income. The correction impacts fund balances brought forward in 2025 by £0.6m, concessionary/ paid for service income receivable which has increased by £0.9m, donations receivable which have decreased by £0.5m, other veterinary services costs which have increased by £0.4m, corporation tax payable which has increased by £0.5m and interest payable which has increased by £0.1m.

£'000

	Previously reported balance	Adjustment	Balance as restated
	2024	2024	2024
Total funds balances brought forward (unrestricted)	100,788	(490)	100,298
Concessionary/ Paid for Service income receivable	9,816	912	10,728
Donations receivable	23,167	(507)	22,660
Total expenditure on charitable activities	(86,967)	(414)	(87,381)
Total expenditure on raising funds	(30,145)	(4)	(30,149)
Corporation tax payable	-	(127)	(127)
Net income	8,232	(140)	8,092
Net movement in funds (unrestricted)	16,022	(630)	15,392

Thank you

We are a charity that rely solely on public funding.
Thank you to everyone who has supported us to help people and pets in 2025.
Your generous support continues to save thousands of pets' lives
and we couldn't do it without you.

pdsa.org.uk

While PDSA is a national charity, we are also embedded within local communities through our network of Pet Hospitals and Charity Shops located all around the country.

- PDSA Pet Hospitals and Associated Clinics
- PDSA shops
- PetCare Practices and Chronic Voucher Schemes

pdsa

THE VET CHARITY FOR PETS IN NEED

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