

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

England & Wales · Charity number 1105487

Details

Status Registered

Legal form Charitable company

Company number [05171505](#)

Registered 2004-08-16

Register [View on the Charity Commission register](#)

Contact

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Edgelands Lane
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Activities

Objects: TO PROMOTE THE WELFARE OF DOMESTIC ANIMALS IN DISTRESS PRIMARILY WITHIN THE TORBAY AREA AND SURROUNDING AREAS AND TO ALLEVIATE PAIN AND SUFFERING AND DISTRESS IN SUCH DOMESTIC ANIMALS WITHIN THE SAID AREA PROVIDED ALWAYS THAT THE TORBAY AND SURROUNDING AREAS SHALL BE THE PRIMARY AREA OF OPERATION BUT THIS SHALL NOT PRECLUDE THE CHARITY FROM OPERATING MORE WIDELY IN ENGLAND AND WALES IF ON THE BEHALF OF THE DIRECTORS THE NEED ARISES AND PROVIDED ALWAYS THAT THE OBJECT SHALL BE LIMITED TO THAT OF A STRICTLY AND EXCLUSIVELY CHARITABLE NATURE.

Activities: Animals in Distress cares for and re-homes unwanted domestic pets in Torbay and South Devon

Classification

- **How:** Provides Buildings/facilities/open Space, Other Charitable Activities
- **What:** Animals
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** TORBAY AND SURROUNDING AREAS.
- Devon
- Torbay

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,154,677	£1,663,011	£5,382,919	50
2023-12-31	£1,760,098	£1,513,973	£4,859,461	50
2022-12-31	£1,767,608	£1,320,728	£4,588,483	49
2021-12-31	£1,673,261	£1,291,473	£4,141,603	55
2020-12-31	£1,659,329	£1,440,626	£3,759,815	64

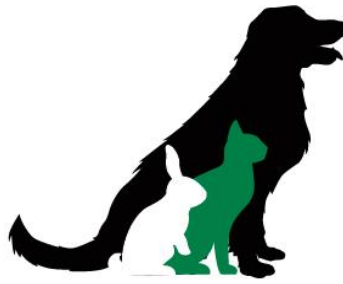
Trustees

Name	Role	Appointed
Alison Truscott		2017-08-29
Christine Paradine		2020-01-23
GERALDINE LAURA DIX		2015-08-25
Joanne Ruth Smith		2020-01-23

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

England & Wales - Charity number 1105487

Accounts



Animals in Distress

(Torbay and Westcountry)

(A Company Limited by Guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 December 2024

Registered Charity Number 1105487
Company Number 05171505

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(A Company Limited by Guarantee)

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ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the Charity for the year ending 31 December 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2015).

Trustees:

The Trustees of the Charity who served during the year were:

Geraldine Dix (Chair of Trustees)
Amy Cross-Webber
Alison Truscott
Chris Paradine
Jo Smith

Company Secretary and Chief Executive Officer:

Neil Thomas

Principal Address and Registered Office:

Biltor
Edgelands Lane
Ipplepen
Newton Abbot
Devon.
TQ12 5UF

Registered Charity No: 1105487

Registered Company Number: 05171505

Professional Advisers:

Auditors: PKF Francis Clark
Sigma House
Oak View Close
Torquay
Devon
TQ2 7FF

Solicitors: Kitson Boyce LLP
Minerva House
Orchard Way, Edginswell Park
Torquay
Devon
TQ2 7FA

Bankers: Lloyds Bank Plc
2 Palace Avenue
Paignton
Devon
TQ3 3ER

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

1.0 STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Legal Status

Animals in Distress (Torbay and Westcountry) is a company limited by guarantee (company number 5171505) and is registered as a charity (number 1105487) with the Charity Commission.

1.2 Governing Document

Animals in Distress (Torbay and Westcountry) is governed by its Memorandum and Articles of Association dated 4 July 2004.

There is one class of member. The maximum number of members is 20 or such numbers as the members decide. The first members were the subscribers to the Memorandum; further members are such individuals or organisations as appointed by the Trustees. There are currently 5 members, each of whom is liable to contribute £10 in the event of the Charity winding up.

1.3 Appointment of Trustees

As set out in the Articles of Association, the first Trustees were the subscribers to the Memorandum. Additional Trustees may be appointed by the Charity in a general meeting or by the other Trustees. A Trustee must be aged 18 or over, must be a member of the Charity and must not be disqualified by virtue of provisions of the Charities or Companies Acts. The number of Trustees may not be less than three, but is not subject to a maximum.

At the Annual General Meeting, one third of the Trustees must retire. The Trustees to retire shall be those who have been longest in office since their last appointment.

1.4 Trustee Induction and Training

New Trustees undergo an induction to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, governance, the Committee and the decision making process, the business plan and the recent financial performance of the Charity. During their induction, the new Trustee/s will spend time with the Chief Executive and with the Rescue Centre Management in order to familiarise themselves with the day to day running of the Charity. Ongoing training is given as appropriate to their position.

1.5 Organisation Structure

The Charity is managed through the following areas:

- i) The Animal Welfare teams deliver the care, rehabilitation, training and rehoming of the dogs, cats, rabbits and guinea pigs at the Rescue Centre
- ii) The retail team manage and run the charity shops taking in and selling donated goods
- iii) The Fundraising and Communications team deal with income generation and communications through fundraising and media
- iv) Head Office deal with management and administration including HR, accounts, ICT, volunteering and maintenance of our estate

1.6 Governance and Management

The Board of Trustees administers the Charity and meets every three months. A Finance Committee was established by the Board to maintain an overview of and provide advice to it, regarding the financial affairs of the Charity. The Finance Committee meets every three months as part of the main Board meeting and attended by at least three Trustees and the CEO.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operating, the Chief Executive has written terms of delegation approved by the Trustees for operational matters including finance and employment.

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1.7 Remuneration of Key Management Personnel

The Charity aims to provide a reward package that is competitive enough to attract and retain high calibre staff who wish to be part of the Charity's work. The remuneration of key management personnel is reviewed annually by the Trustees based on workload, responsibilities and performance for the previous year. Salaries are also benchmarked against similar positions both locally and nationally.

1.8 Related Parties

The "new" Charity, Animals in Distress (Torbay and Westcountry) (charity number 1105487) incorporated the tangible and intangible assets of the original "old" Charity, Animals in Distress (Torbay and Westcountry) (charity number 900234) on 31 October 2004. The only excluded assets were future bequests, cash at bank and the benefit of any insurance claims.

1.9 Risk Management

The Trustees actively review the major risks the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. A comprehensive risk analysis has been completed which has identified control and monitoring procedures to minimise any risk to the Charity and any impact they may have. The results are periodically reviewed.

2.0 STRATEGIC REPORT

The following sections comprise the Charity's strategic report for the year.

2.1 Objectives and Activities

Animals in Distress exists to alleviate pain, suffering and distress in animals as well as to promote animal welfare practices and responsible pet ownership across Teignbridge, Torbay and South Hams.

Furthermore,

- We at Animals in Distress undertake to care for and nurture any unwanted domestic pet that is brought to us, providing it is suitable for re-homing and there is accommodation available at the Rescue Centre.
- We will always provide shelter, food, exercise and veterinary care for the animals in our charge.
- We will never put an animal to sleep unless on the advice of our Veterinary Surgeon.
- We will endeavor to find suitable homes for our animals on the basis of a responsible home check or such similar precaution as is deemed necessary.
- We will at all times show respect, understanding and courtesy to our user groups together with an inherent sense of duty and helpfulness.
- We will always uphold the principles and objectives of our Charity and share with others the joy of helping Animals in Distress.

Our care is open to all regardless of an individuals' background or circumstances; the welfare of the animal is the primary concern of the Charity, not where the animal comes from or is going to. This includes the fostering of animals, when an animal has a chronic health issue requiring ongoing veterinary treatment which the Charity pays for, regardless of the individual's financial circumstances.

The activities carried out during the course of the year (as set out in the following section) demonstrate the level of Trustee and management commitment in ensuring that the Charity delivers real and tangible benefit to the public in all of its operations and thereby meets the public benefit requirements as set out by the Charity Commission in both spirit and word.

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FOR THE YEAR ENDED 31 DECEMBER 2024

2.2 Achievements and Performance

2.2.1 Overview

As we reflect on the past year at Animals in Distress (Torbay and Westcountry), we are proud to share the positive impact we have made on the lives of animals in need across our local communities. Thanks to the dedication of our staff, volunteers, supporters, and partners, we have continued to provide vital care, shelter, and new beginnings for hundreds of abandoned, neglected, and homeless animals.

Our mission in action has continued throughout the year, with our Rescue Centre remaining a safe haven for dogs, cats, rabbits and guinea pigs and occasionally more. Each one has received the medical attention, love and rehabilitation needed to give them the best possible chance of a forever home.

Our incredible volunteers remain at the heart of everything we do, giving countless hours to support daily care routines, fundraising events, charity shops, and more. We are continually inspired by the compassion and commitment shown by everyone involved.

Despite the ongoing challenges facing the charity sector, we have remained financially stable thanks to the generosity of our supporters. Fundraising events, legacy donations, regular giving, and our charity shops have all played a crucial role in sustaining our operations. Every penny has been carefully used to maximise impact and meet the growing demand for our services.

We sincerely thank everyone who has supported us this year. Whether adopted, donated, volunteered, or simply shared our story, you've helped us make a difference. Together, we are giving animals the second chance they deserve.

2.2.2 A tough time for charities

Charities have been having a tough time with increasing financial pressures initially from the pandemic, subsequent high inflation and the ongoing cost-of-living crisis. Now add to that the increase in employer National Insurance Contributions and National Living Wages announced in the Chancellor's Autumn Budget, the outlook is certainly not all sunshine and rainbows.

COVID-19 hit both supply and demand with deep and likely, long-lasting consequences for the global economy. The IMF described the "Great Lockdown" as the worst recession since the Great Depression. Along with the rest of the world, charities were put under pressure by the pandemic. Research from the Charity Commission shows that over 90% of charities were negatively affected by the pandemic, including loss of income, increased demand for services and a shortage of volunteers.

No sooner had global growth surpassed its pre-pandemic level, economic momentum began to wane, inflation rocketed and interest rates jumped. Add to that the geographical uncertainty and the Ukraine-Russia war to make things even more difficult. The cost-of-living crisis has had a significant impact on the not-for-profit sector with increased demand for services, increased running costs and lower donations. Research from the Charities Aid Foundation shows that more than 3.2m people said they reduced or stopped a regular payment to charity because of increasing living costs.

The Government's Autumn 2024 Budget announced an increase in employer National Insurance Contributions (both the increase in rate and reduction in threshold) and increase in minimum wages. These are already having a direct impact on charities from April 2025, increasing cost pressures further. On a positive side, strengthening existing charity tax rules aim to help prevent abuse. Also, changes to inheritance tax may mean the inheritance tax incentives in place for individuals who choose to leave a legacy gift to a charity could become more impactful.

The Autumn Budget was the first for Keir Starmer's new government and the first by a Labour government in 14 years. It is clear that it is a challenging one for UK charities and rising costs will cause significant pressure, certainly in the short-term.

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There were a number of key announcements:

High costs are here to stay

A clear takeaway from the Budget is that the high costs of recent years are not going away anytime soon. Charities have been battling these for a while with the cost-of-living crisis and war in Ukraine driving up energy and everyday costs. These announcements made by Rachel Reeves confirm that the end is not yet in sight. In fact, the Budget will increase the operational costs for charities over the short-term. Titled '*Fixing the Foundations to Deliver Change*', the Budget will aim to address the alleged 'blackhole' in the public finances, with headline policies centring on raising tax and recouping money for public services. This will impact the charity sector and the most notable policies are:

- An employer National Insurance increase from 13.8% to 15%.
- Threshold reduction for when an employer starts paying NI on an employee's salary, from £9,100 to £5,000
- Living Wage to increase to £12.21 per hour (6.7% rise)
- Apprentice minimum wage to increase to £7.55 per hour

These changes are some of the single largest tax-raising measures in British history, with the increased employer NI contributions projected to raise £20 billion in tax revenue.

It is important to note that there are measures in place to mitigate the impact of these increases, including an increase of the Employment Allowance (open to employers with NI liability of less than £100,000) from £5,000 to £10,500. Organisations of any size can also now claim for Employment Allowance, a measure which could support organisations that come into financial difficulty because of the rise. We always claim the Employment Allowance and have already done so for the tax year 2025/2026.

Nevertheless, the National Council for Voluntary Organisations (NCVO) estimates that the rising cost of employer NI will cost the charity sector £1.4 billion per year alone and The Office for Budget Responsibility predicts the average employer will pay an increase of more than £26,000 each year (equating to £800 per employee), with the changes having come into effect from April 2025. Animals in Distress is a significant sized employer for the area and we estimate that we will be paying nearly £52,000 extra in employer's National Insurance for the forthcoming tax year.

Lower levels of tax relief

Alongside increased operational costs, the Budget also revealed that business rates relief, introduced during the pandemic to protect cultural organisations, will be renewed but decreased from 75% to 40%. In short, increased tax and lowered tax relief means that charitable organisations are going to be faced with higher operational and staff bills this year, especially like Animals in Distress, as we own and rent a number of buildings.

A challenging landscape for fundraising

Corporate fundraising: It is not just the charity sector that will be hit hard by raising taxation, with businesses across the country expecting to feel the effect. Coupled with increases to the National Living Wage and business rates, these increased costs could reduce the appetite for sponsorship of charitable organisations. Indeed, the British Retail Consortium (BRC) predicts that retailers will pay an additional £2.3 billion in National Insurance, £376 million on the minimum wage and £140 million on business rates, highlighting the scale of the changes.

Individual giving: Increased costs for employers could also have a considerable impact on individual giving, with businesses potentially slowing wage growth and hiring whilst they get to grips with higher operational and staff costs. This could lead to stagnant wage growth over the coming months, impacting charitable giving, as households may seek to act more conservatively to make their money go further. The wealthiest in society will also face increased taxes, something which may impact the generosity of major donors. These taxes include: increased stamp duty for second homes, air passenger duty, and the abolition of the non-domicile tax status.

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Legacy fundraising: From a fundraising perspective, some commentators see the Budget as bringing positive changes. An increase in capital gains tax from April 2025 and the maintenance of tax relief for charitable giving, which sees inheritance tax liability fall from 40% to 36% when an individual bequeaths 10% or more of their net estate to charity, has led some to believe there may be an uptick in legacy giving as individuals make charitable donations to mitigate the tax impact on their estate. This could bring much needed funding to the sector, although other commentators are more sceptical and the Charity Finance Group warns the impact of changes relating to inheritance tax *"will be marginal at best"*.

It is clear that charities will continue to face a challenging fundraising landscape and it means that we will need to think carefully about how we convey the importance and value of our work to potential donors.

A look to the future

Whilst the immediate challenges are significant, the Autumn Budget did bring some reasons to be optimistic, with policies showing a clear intention to invest in the future and support the sector. The Budget has made provision for maintaining research and development budgets and pledges to invest in programmes to upskill and support the sector. As such, whilst the headlines from the Budget are rightly focussed on the increased costs charities will face, these policies offer hope for the future and demonstrate a commitment to the sector from the government.

Whilst there are positive signs of investment and a desire to work more closely with the charity sector over the long-term, the headlines from the Autumn Budget are challenging ones for the sector. As with most charities, we are going to need to contend with rising operational costs. It is inevitable that we will do so without increased funding. For many charities, this will pose significant problems and it is essential that, in the coming months and years, support is there for charities that need it.

2.2.3 Pet ownership in the UK and what it means today

In the UK today, pet ownership is not just about companionship; it's a widespread lifestyle choice, particularly among younger generations. While dogs and cats remain popular, there's a growing trend towards alternative pets like reptiles, domestic fowl, and smaller animals suitable for urban living. However, economic pressures are also impacting pet ownership, with some households reducing spending on pet care or even rehoming pets due to financial strain.

Increased popularity and trends

- **Lifestyle Choice:** Pets are increasingly seen as family members, with owners prioritising their wellbeing and investing in their care.
- **Mental and Emotional Benefits:** Owners report that pets improve their mental health, reduce stress, and provide a sense of responsibility.
- **Younger Generations:** Millennials and Gen Z are driving the increase in pet ownership, likely due to factors like later childbearing, remote work, and higher disposable income.
- **Alternative Pets:** There's a growing demand for pets that require less space, such as reptiles, rabbits, and hamsters, as more people live in urban areas.
- **Social and Environmental Implications:** The rise in pet ownership also raises questions about animal welfare, sustainability, and the environmental impact of the pet industry.

Economic and Social Pressures

- **Cost of Living:** The rising cost of living is affecting pet ownership, with some owners reducing spending on food, vet care, and insurance.
 - **Rehoming and Relinquishment:** Some owners are considering rehoming or euthanising their pets due to financial pressures, highlighting the need for support from animal welfare organisations.
 - **Financial Impact on Owners:** Pet owners may face significant financial burdens, particularly with unexpected vet bills, and may need to take out pet insurance or make provision for healthcare costs.
- Impact on Animal Welfare: Financial pressures can lead to neglect, reduced care, and increased relinquishment of pets, impacting animal welfare.

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Pet ownership in the UK is a complex and evolving phenomenon, with both positive and negative aspects. While pets provide companionship, emotional support, and contribute to a sense of wellbeing, the rising cost of living and economic pressures are posing challenges for many pet owners, potentially leading to reduced care or relinquishment of pets.

2.2.4 The Rescue Centre

The main challenge and concern for Animals in Distress, certainly in the medium term, continues to be fundraising and the uncertainty around income. Animals in Distress is typical of most other animal charities in that an important part of our income comes from legacies and those legacies are often dependent upon the sale of property to liquidate the bequest. The property market had been buoyant for a few years which had helped us realise the level of legacy income far more than we could have hoped for, however, 2023 and 2024 saw the property market struggling and house prices fall, predominantly because of the squeeze on household finances, caused mainly by the cost of living crisis. It means that the future for legacies linked to property sales is potentially less certain than it was.

We continued with our business continuity planning in 2024 by keeping animal numbers at the Rescue Centre to a level where we could comfortably cope. This remained crucial for many reasons, primarily for the wellbeing of the animals, as issues such as separation anxiety meant that some animals stayed with us longer. Secondly, working with a reduced staffing level, we still needed to deliver the same exceptional standards of care and thirdly, to ensure we lived within our means.

There continues to be an increased demand for our services post-COVID, including emergency admissions for all sorts of reasons including illness, bereavement, owners losing their jobs and/or no longer able to afford to look after their animals, the anticipated increases in approaches to take on more animals has certainly borne out and that continues to be the case.

During 2024, we continued to focus on leanness as a matter of approach, reduce our costs, strip out any waste and drive efficiencies. The challenge with a 'lean' approach is that it could leave the Charity less resilient. We looked for further ways of working better and more compatible with the changing world we now live in, including placing a greater reliance on digital customer journeys and experiences.

As previously reported, after careful consideration about how we can best serve our local community and the animals in our care, admissions and rehoming of the animals continues to be by appointment only, with the Rescue Centre animal departments remaining closed to general public access. Over the last five years, the animals in our care have been used to the relative calm of being closed to the public and as a result, we have seen a marked decrease in the stress levels exhibited by the animals. We remain mindful that a sudden influx of daily visitors would cause certain welfare issues. We love having visitors to the Rescue Centre and our Reception is open daily, however, not only are there the welfare issues to consider, we now have fewer staff available each day to attend to a steady stream of people.

Like most charities, it has been a hugely challenging period for Animals in Distress and in the current financial climate we continue to be forced to operate with smaller teams than in years gone by. The priority for our Rescue Centre teams remains of course, looking after the animals we care for. We will continue to review this position periodically and may decide to re-open to general public access on a restricted basis at some point in the future but there are no current plans to do so whilst we continue to navigate through these continued difficult times.

The sustainability of the sector continues to be tested with the ongoing cost of living crisis and we know that there are many challenges ahead but we remain resolutely determined to ensure Animals in Distress and the Rescue Centre remain as relevant as it always has been and continues to serve the community in a trusted and transparent way. It remains too early to know for sure what the long-term impact of COVID, Brexit, the Ukraine war, the cost of living crisis, high inflation, the Autumn Budget and the recent global tariffs will have on the Not for Profit sector but, in the short term, that impact is certainly being felt. We continue to hope that the global catastrophes will provide a catalyst for altruism that society desperately needs.

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2.2.5 Government Business Support

The Energy Bills Discount Scheme (EBDS) ran from 1st April 2023 to 31st March 2024 and offered a per-unit discount on electricity and gas bills for non-domestic customers, replacing the Energy Bill Relief Scheme (EBRS). The EBDS aimed to help businesses and other non-domestic customers struggling with rising energy costs by providing a discount on their unit rates for electricity and gas. The scheme applied to non-domestic customers with contracts entered into since 1st December 2021, including fixed-price contracts, variable price contracts and flexible price contracts. The Charity benefitted from this additional help which has been vital, as we have seen our energy costs at all of our premises rocket over the last three years. Our electricity bill for a winter month used to be around £4k, for the same month in 2024 we paid in excess of £8.5k and that was even with the extra Government help. Energy costs remain a key concern for us for the foreseeable future.

2.2.6 Retail Overview and Operation

In 2024, reports suggested that charity retail indicated a trend of declining profits despite increased sales, primarily due to rising operational costs including the increased minimum wage, leading to concerns about the sustainability of charity shop operations, with many reporting a drop in profitability compared to previous years; however, there is still a strong customer base. But, we certainly noticed a decrease in footfall on the High Streets, meaning that we had to work harder to ensure our retail operation delivered excellence in the instore customer journey and best practice.

There is a growing number of consumers who are turning to charity shops instead of traditional retail stores, driven by a desire to shop more sustainably and save money. According to the 2024 Charity Shops survey conducted by Civil Society Media, this shift is reshaping the retail landscape, with charity shops enjoying a surge in popularity. It's not just in-store sales benefiting from this trend.

The Charity Retail Association's latest Quarter Market Analysis report highlights a 21.2% rise in online sales for charity shops, reflecting their increasing appeal across all shopping channels. The main areas of concern in 2024 were:

- Profit decline: Like many charities, we experienced a decrease in profit margins due to rising operational expenses, particularly with increased minimum wage pressures.
- Sales growth with challenges: While overall sales increased, our profit margin shrunk due to higher costs.
- Focus on cost management: We focused on optimising operational costs to maintain profitability in the face of rising expenses.
- Textile recycling concerns: Challenges within the textile recycling industry are impacting on our retail operation.

With spiraling costs that all charities are suffering from, the requirement to improve income from retail has never been more important. In order to grow sales and profits, we focused on:

- The customer journey - we ensured that we had an optimised layout in all of our shops to improve sales, including the use of hot spots and retail space to best practice.
- Pricing donations - use science rather than guess work. Our shop teams must price donations to best practice to improve sales rather than simple flatline pricing that makes no allowance for the true value of donations.
- Training and development - Our retail teams have ongoing training to improve their skills and capability which we know results in improved sales.

The British Retail Consortium (BRC) has predicted that the Treasury's hike to employer NICs will cost the retail sector £2.3billion. Research by the British Chambers of Commerce showed that more than half of companies planned to raise prices by early April. A survey of more than 4,800 firms found that 55% expect prices to increase in the next three months, up from 39% in a similar poll conducted in the latter half of 2024. Three-quarters of companies cited the cost of employing people as their primary financial pressure. The Centre for Retail Research (CRR) has also warned that around 17,350 retail sites are expected to shut down this year. It comes on the back of a tough 2024 when 13,000 shops closed their doors for good, already a 28% increase on the previous year.

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Professor Joshua Bamfield, director of the CRR said: "The results for 2024 show that although the outcomes for store closures overall were not as poor as in either 2020 or 2022, they are still disconcerting, with worse set to come in 2025". Professor Bamfield has also warned of a bleak outlook for 2025, predicting that as many as 202,000 jobs could be lost in the sector. "By increasing both the costs of running stores and the costs on each consumer's household it is highly likely that we will see retail job losses eclipse the height of the pandemic in 2020".

Our charity shops remain incredibly important to our shoppers as they look for affordable shopping choices to help combat the effects of the cost-of-living crisis. We continue to work hard to provide our customers with the best shopping experiences that meet their needs. The main reason for our retail portfolio is to generate profit/unrestricted income that the Charity can use to help fund the work we do at the Rescue Centre and we must never lose sight of that.

The key for Animals in Distress is to ensure that we align our individual charity shops to what the local customers want. This requires a clear understanding of local trading patterns and the right stock package to support the right shop format, with the correct use of our retail space, pricing of donations based upon science rather than judgement to ensure that the ideal customer shopping experience is delivered. We are acutely aware that simply replicating the standard charity retail format and keeping the same retail offer is less likely to be as successful in the future. One solution is the differentiation of style of our charity shops as this is critically important to meet the local customer requirements now and in the future.

To address this changing environment and to take advantage of the market conditions there is a growing differentiation in high street strategies between charity retail shops. Whilst in the past most charity shops were similar in style, today there is a growing trend towards differentiation, our Totnes and Paignton shops are testament to this. Apart from a growing trend towards creative and sometimes unique charity shop styles, an increasing number of charities are upgrading their shops and the quality of shop fits. We have been gradually upgrading the fixtures and fittings in several of our shops. We believe that a well-designed and functional retail space can significantly improve the customer experience. Quality shop fitting involves creating an attractive and comfortable environment that is easy to navigate, with clear signage and ample space for our customers to move around in.

Last year we reported on a programme of significant improvements to the appearance of our Paignton Outlet shop including the levelling and tarmacking the forecourt, line-marking the parking area, new illuminated fascia signage and monolith signage. The staff and volunteers continue to receive multiple compliments from customers about the improvements and it has made a significant difference to the footfall, trade and donations. Daily takings remain significantly improved and the overall shopping experience has been enhanced. We are justly proud of what has been achieved at the Outlet.

In the summer of 2024, we explored the possibility of renting a retail unit in the Victoria Street pedestrian area of Paignton to add to our retail portfolio. The property was to be vacated by Clintons in August and we were subsequently advised that the original buyer pulled out due to financial reasons, affording us the opportunity to purchase it. After much discussion and careful consideration, it was decided that it was in the interests of the Charity to purchase the building and in September 2024, we made an offer of £148k against the 'for sale' price of £175k, which we were pleased, was accepted. The money to be buy the property was funded from savings/reserves and from a maturing fixed term deposit savings. We had a limited building survey undertaken and that identified roof and electrical issues which we were already aware of. The upper floors are just shells which we may be able to turn into accommodation to generate rental income in time, subject funds and the relevant planning permission. After a protracted conveyancing process, we exchanged and completed on the purchase in mid-February 2025.

Safeguarding the future of our retail operation is important for our future income and by owning rather renting, in time, it will make the shop far more profitable, and it is an investment for the charity. Purchasing the property does not impact on our plans to eventually fund the refurbishment of the kennels. There are no plans at this time to close any of our shops, in favour of the new one. It is going to take time to get all the necessary work done, fit the shop out, recruit staff and volunteers etc. but if all goes to plan, we hope to be in a position to open the new statement shop sometime in the autumn of 2025.

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It is a sad indictment of our times that in 2024, shoplifting surged in the UK reaching record levels and causing significant losses for retailers and impacting shop workers. We certainly experienced a noticeable increase. Police recorded 516,971 shoplifting incidents in England and Wales in 2024, marking a 20% increase from the previous year and the highest since current records began in 2003. This rise has been fueled by factors like the cost of living crisis and increased brazenness of thieves, leading to more aggressive and violent incidents.

Shoplifting offences reported by police in England and Wales have reached a 20-year high, with a 29% increase in reported incidents. Retail workers are facing escalating levels of violence and abuse during theft incidents, with some incidents involving weapons. Retailers are experiencing significant losses due to theft, with the British Retail Consortium estimating a loss of £1.8 billion annually, impacting profitability and potentially leading to higher prices for consumers.

The cost of living crisis, increased poverty, and a lack of police presence have been cited as contributing factors to the rise in shoplifting. Police attendance at theft incidents has been low, leading to a feeling of impunity among shoplifters. The rise in shoplifting is impacting the safety and well-being of shop workers, and the wider community, with concerns about the spread of violence and the potential for more serious crimes. The Government and retailers are taking steps to address the issue, including partnerships with police, increased security measures, and efforts to tackle organised crime gangs. The safety of our staff, volunteers and customers remains our priority.

2.2.7 Rescue Centre Improvements

During the year, we continued our rolling programme of improvements to the facilities at our Rescue Centre in Ipplepen. Although no major projects were undertaken in 2024, we still maintained facilities where possible, in order to continue to provide a safe working environment for our staff and volunteers, excellent accommodation for the animals and to ensure that the site remained presentable at all times.

2.2.8 Adoption Fees

Our adoption fees remain broadly in line with other charities, both locally and nationally. At the start of each year, we apply a modest increase to the animal adoption fees which goes some way to offset some of the veterinary costs that we incur to give the animals the very best treatment and care. It generally costs the Charity far more to look after and treat each animal than the adoption fee covers. Occasionally, we charge a higher adoption fee for certain breeds and this additional income, ensures that we can help more animals that come into our care. In the face of rising costs, we applied an increase to our adoption fees for certain animals from the start of 2024 to help mitigate the situation.

When an adopter rehomes an animal from Animals in Distress, they take home a pet which has been fully assessed by our expert animal welfare staff, as well as our veterinary surgeon. Every pet at the Rescue Centre is examined by a vet, vaccinated, microchipped, neutered, wormed and flea treated (where appropriate for their species) and given any necessary treatments and where appropriate given a training plan designed to meet their specific needs.

2.2.9 Key Statistics

In 2024, we admitted 392 animals (389 in 2023) to the Rescue Centre (84 dogs, 193 cats/kittens, 29 rabbits and 86 guinea pigs) and rehomed 379 animals (348 in 2023) from the Rescue Centre (78 dogs, 197 cats/kittens, 32 rabbits and 72 guinea pigs). This represented just over a 1% increase in admissions and nearly 9% increase in rehoming compared to 2023. Finance and staff levels permitting, it is our aim to gradually increase admissions and whenever possible rehoming year on year.

We continued to work with and develop the Open Paw Programme in the kennels, meaning that we were able to help many dogs find their forever homes. Open Paw is a programme specifically developed for dogs and cats in rescue centres, designed to provide animals with the enrichment, training and social skills they will need to make them more rehomeable, and to help them successfully settle into life in their new homes.

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During 2024, Animals in Distress continued to assist the local Cats Protection by taking a number of pregnant queens, cats and kittens and the RSPCA by taking in several dogs, rabbits and guinea pigs. We will always do our best to help out other animal charities, both locally and nationally whenever there is a need and we have space.

Animals in Distress continues to ensure that all animals admitted and cared for at the Rescue Centre are healthy and receive all the necessary veterinary care that they need. The reduction in the number of animals on site during the pandemic resulted in fewer treatments required and a reduction in associated costs but this increased last year, as, mentioned before, more and more animals are coming into us needing veterinary care, sometimes this is extensive in nature.

In 2024, a total of 3,707 (3,475 in 2023) consultations and combined treatments were administered (vaccinations, flea and worm treatments etc.) including operations performed (neutering, orthopaedic etc.). This represented a 6.7% increase compared to the previous year. Whenever possible, the vast majority of treatments and operations continue to be undertaken on site at the Rescue Centre. Total veterinary costs which include ancillary costs (i.e. lab fees, medical gas, medication, equipment etc.) were £94,881 (£95,343 in 2023). This represented a very slight decrease in costs compared to the previous year.

We continue to benefit from being able to purchase discounted veterinary medicines through MWI Animal Health (AmerisourceBergen) which is a conglomeration of a best-in-class wholesale distributor Centaur Services, a practice management software innovator Vet Space, and two buying groups with relationships across the industry, St. Francis Group and Vetswest. We also purchase medicines through Veenak Veterinary Supplies who are a leading supplier that specialises in supplying human medicines at highly competitive prices. They have been serving the animal healthcare industry for several years, providing high quality products to veterinary practices and offer product solutions to cater for veterinary needs.

2.2.10 Veterinary Contract

Our veterinary provision at the Rescue Centre continues to be provided by Quarry House Vets, whose main practice is in Torquay. The Charity has maintained a good working relationship with this independent practice for over a decade now and our aim and requirement is the same as it always has been, to ensure that they provide the best and most up to date veterinary care for our animals. We will consider undertaking a retendering exercise for the contract when we feel that the time is right, however, we will continue to utilise the services of Quarry House as we are happy that they meet our requirements at this time.

The UK's Competition and Markets Authority (CMA) launched a formal market investigation into the veterinary services market for household pets in May 2024, following an initial review and consultation, to address concerns about vet costs and transparency. Based on the evidence so far, the CMA's key concerns remain the same as they outlined last year and they expect to use the market investigation to further explore whether:

- Consumers are getting the information they need, at the right time, to make informed decisions.
- A limited choice of vet businesses in some local areas is impacting pet owners.
- Profits earned are consistent with the levels expected in a competitive market.
- Vet businesses have the incentive and ability to limit consumer choice when providing treatments or recommending related services, particularly when they are part of large integrated groups.
- The regulatory framework is preventing the market from functioning as well as it could.

In 2013, only 10% of vet practices in the UK were owned by large corporate groups, now that figure stands at 60%. Bills for pet owners have risen as corporate ownership has increased, by more than 60% between 2015 and 2023, figures from the Competition and Markets Authority (CMA) show. This is almost double the rate of inflation or the increase in vet salaries over that time.

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A survey of 275 veterinary staff, carried out by the British Veterinary Union (BVU) for the CMA last year, indicated that monitoring and targets had an impact on the decisions of almost 40% of nurses and just over 17% of vets. The BVU says the sector has become more profit-driven since non-vets were allowed to take over practices in 1999. Technological advances and changing expectations of pet owners may also be factors in rising vet bills. The CMA is currently investigating concerns about corporations buying hundreds of independent vet practices, pushing up prices and making potentially excessive profits. It is expected to deliver provisional recommendations in July. The review of the sector is a move that could result in prescription fees being capped and leading pet-care chains being forced to break up.

Many of the animals we take in are because their owners are struggling to pay their vet bills, potentially overpaying for medicines and they don't always know the best treatment options available to them. We also remain concerned about the potential impact of sector consolidation and the incentives for large, integrated vet groups to act in ways which reduce consumer choice.

The investigation will also look at whether profits earned by vets were "consistent" with the levels expected in competitive markets, and if there was any incentive or ability to limit customer choices when recommending treatments or services, particularly when vets were part of larger groups. We are fortunate that Quarry House remain an independent veterinary practice and that we can obtain our veterinary medicines etc. directly at a discount through MWI Animal Health (AmerisourceBergen).

2.2.11 Big Bark Kennel Build Project/Kennel Refurbishment

As mentioned in last year's report, we wrote to all of our wonderful supporters in April 2023 who kindly donated to our Big Bark Appeal to update them on how we were progressing and to let them know about our future plans. Since we launched our Big Bark Appeal in 2019 so much has changed. The pandemic severely curtailed our fundraising efforts and with the ongoing cost of living crisis and soaring costs, our focus had and has to be on ensuring the sustainability of the Rescue Centre so we can continue to help as many animals as possible.

We advised our supporters that unfortunately we were not going to be able to afford the project we first envisioned in 2017 for a whole new kennel block. With material and labour costs rocketing, as well as what would be a substantial increase in the running costs associated with a larger kennel building, we had to be realistic about what we may be able to achieve. We made what we believe to be a pragmatic decision to focus on achieving a substantial refurbishment of our existing kennel building rather than a new larger one.

Just about all of our supporters who kindly donated to the Big Bark campaign were happy for us to keep their donation to help towards our kennel refurbishment. We thank them for that and we will ensure their money goes exactly to where they intended, to help the homeless dogs for many years to come.

In the latter part of 2023, we held a number of meetings with our architects, ACD Projects, to establish the details of what we would like to achieve. In addition to reconfiguring the layout of the existing kennel building, the discussions also included how we could develop the top area of the Rescue Centre site to incorporate isolation and boarding kennel blocks and a new veterinary building. These will serve the Charity well going forward but they also need to be constructed first before the main kennel building refurbishment, in order that we can still care for dogs during the work. Following site drainage and topographical surveys undertaken, in the first few months of 2024, ACD Projects produced a plan which our various internal stakeholders had input into.

The plan was revised several times ensuring that we came up with a potential design that works for the staff and the dogs, as well as being fit for purpose, hopefully for many years to come. Once we had agreed the finalised plan, ACD Projects' Quantity Surveyor put some high-level costs against the proposal. Material and labour costs having increased considerably over the last few years meaning that the projected costs were so high that future viability of this project as designed is a non-starter.

In late 2024 and early 2025, we revisited the original kennel plans with ACD Projects with a view to exploring alternative construction methods including the use of more lightweight and cheaper materials, to see if we could bring the projected project costs down to potentially make the project viable.

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The kennel rebuilding still remains an ambitious project for the Charity. We know we have a long way to go and it will require a significant amount of money to be raised in order to deliver on it but we remain determined as ever to achieve our dream of a new kennel building for the dogs and kennel staff. We will keep our supporters updated periodically as to our plans to bring our dream to fruition.

2.2.12 Use of Volunteers

Animals in Distress has continued to benefit from the fantastic contribution that our wonderful volunteers made during 2024. Following the pandemic and the various lockdowns in 2020 and 2021, we found that that even when the shops re-opened, many of our volunteers were very wary of mixing in public so we had fewer volunteers to call upon. However, during 2022, we re-engaged with many of our volunteers and they returned to the shops and following a recruitment drive in 2023 and 2024 for certain roles or support at certain locations, we had a number of new volunteers join us.

Our volunteers contributed at least 15,418 hours to the Charity during 2024 (15,422 hours in 2023) in our shops, at the Rescue Centre, fundraising in the community and in our Head Office. We continue to recognise the incredibly valuable part that our volunteers play in making this Charity such a success and we will continue to involve our volunteers more in other areas of our work such as administration, fundraising and events. The Charity considers the recruitment of volunteers in the same way as staff and carries out a thorough administrative process in their selection.

2.2.13 Fundraising Activity

Our fundraising efforts encompass individual donations and legacies, event and challenge fundraising, social media appeals, trusts and grants, community-led projects and corporate sponsorships. 2024 was an eventful year, marked by a busy summer and autumn attending numerous fairs and fetes and organising dog shows in our local community.

Once again, our dedicated supporters demonstrated their unwavering commitment to the animals in our care by organising and taking part in fundraising events and challenges on our behalf. We are incredibly grateful for the generous support we receive from both our wonderful local community and businesses, particularly in this time of greater financial challenges for many people.

In 2024 we increased our community outreach by forging more links with care homes and schools in our local area. We visited care homes where we gave talks and took animals to meet the residents, which was very well received. We have also seen many school students support us this year while undertaking their Torbay Civic Awards, which we appreciate very much.

We are extremely grateful to our two local Pets at Home stores, whose support through their Community Partnership scheme has been invaluable this year. In addition to hosting regular in-store charity fundraisers, they provide us with pallets of goods for the animals, and VIP Lifelines, which help us secure essential food and supplies throughout the year.

2024 saw the return of our dog challenge event, Muddy Mutts, for the first time since the pandemic. It was very successful and well attended and we will be running it again in future years. Each year we run a Summer Raffle, registered under our Small Society Lottery Licence with Teignbridge Council. We also maintain a successful partnership with Your Charity Lottery, which operates a well-supported lottery on our behalf.

We have a comprehensive Supporter Care Charter in place to ensure our supporters are treated with the utmost respect and gratitude by all our staff and volunteers and receive the recognition they deserve. Every contribution is deeply appreciated, and we make it a priority to personally thank every supporter through phone calls, emails, or handwritten notes.

Our twice-yearly magazine and social media channels remain essential tools for staying connected with our supporters in the wider community. Throughout 2024 our supporters continued to engage with us meaningfully through our social media channels.

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As a registered member of the Fundraising Regulator, we adhere to the Fundraising Promise and the Code of Fundraising Practice. Additionally, our GDPR policy ensures the protection of our supporters' privacy and data.

A few highlights of 2024 include:

- We received £18,984 in regular giving
- Our Summer Raffle raised £4,571
- The lottery in partnership with Your Charity Lottery raised £2,987
- Our corporate friends raised £3,671
- Our supporters in the community raised £16,627 by walking, running, litter-picking, selling cakes and skydiving!
- Our collection boxes out in the local community raised £6,974
- Sponsorship of animal pens raised £5,675 for the animals in our care.

2.2.14 Importance of Legacies

Legacy income is a cornerstone of financial sustainability for UK charities, providing essential funding that supports vital services and long-term projects. In 2023/24, charities received £4.1 billion from bequests, a modest increase from the previous year but a testament to the enduring generosity of the public and the growing importance of this income stream.

Over the past three decades, legacy income has consistently grown, with projections indicating it could reach £5 billion annually by 2030 and over £10 billion by 2050. This growth is driven by the increasing number of bequests and the ageing population, particularly the Baby Boomer generation, who are more likely to leave charitable gifts in their wills. This trend provides charities with a more predictable and stable income stream, essential for long-term planning and service delivery.

Despite its importance, legacy income is not without challenges. Probate delays, where the legal process to administer a deceased person's estate is prolonged, can significantly impact charities' cash flow and the timely receipt of funds. Additionally, economic factors such as fluctuations in the housing market can affect the value of bequests, as many estates include property assets. However, the long-term outlook remains positive, with expected increases in the number of people passing away and continued public interest in supporting charitable causes through legacies.

We recognise that investing in legacy fundraising is a strategic priority for Animals in Distress. Developing and maintaining an effective legacy program can build a sustainable financial base, reducing reliance on more volatile income sources. Furthermore, fostering a culture of legacy giving can strengthen our relationships with supporters, demonstrating a commitment to long-term impact and stewardship.

In 2024, we received legacies totalling £974,887 from the estates of 27 legators. This was an incredible amount received in a year and we are so grateful to those who thought of Animals in Distress at the time they wrote their Wills. Many of these supporters had adopted animals from us over the years.

Legacy income is more than just a financial asset; it is a testament to the lasting impact of charitable work and the trust placed in organisations such as Animals in Distress, by their supporters. As the sector continues to evolve, embracing and enhancing legacy giving will be crucial for ensuring that charities can meet future challenges and continue to make a meaningful difference in communities across the UK.

2.2.15 Staff Personal Development

The Charity continues to invest in the continuing professional development (CPD) of our staff. It remains a priority for the Charity in order to ensure that we have a constantly developing workforce so that staff have the knowledge and skills to perform their roles in a professional context.

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This ranges from honing current skills, developing them to a new level or learning new ones that will allow an employee's job role to expand or prepare them for potential promotion.

Several staff members undertook courses with the Centre of Excellence, including Level 3 - Leadership and Management, Feline Behaviour and Psychology Diploma, Canine Behaviour Training Diploma and a Rabbit Care, Behaviour and Welfare Diploma Course. One new manager also attended a new to management training course run by ACAS.

We continued our association with Battersea in 2024, with some of the courses held virtually. The Battersea Academy is a centre for professional development that trains animal welfare practitioners from across the UK and around the world. Delivered by Battersea's experts, Academy programmes are designed to equip participants with the knowledge and practical skills they need to operate their own rescue and rehoming centres effectively and to the highest possible standards.

Their programmes cover up to date animal welfare principles, models and approaches to running a rescue centre. They work with participants before they attend to ensure each programme is tailored to the specific needs of the organisations attending. The Charity has received bursaries from Battersea in the past to attend the intensive programmes and the Charity and staff will take advantage of suitable programmes in 2025.

2.2.16 Animal Welfare Law

As of 2024, the UK has introduced several significant legislative measures aimed at enhancing the welfare of domestic animals. Here's an overview of the key developments:

Pet Abduction Act 2024: This Act, which came into force on 24th August 2024, specifically criminalises the abduction of domestic pets, including dogs and cats, in England and Northern Ireland. Offenders can face fines or imprisonment for up to five years. The legislation acknowledges that pets are sentient beings capable of experiencing distress and trauma when stolen from their owners.

Dangerous Dogs Act 1991: Ownership of American bully XL dogs is restricted under the Dangerous Dogs Act 1991. Since 31st December 2023, it has been against the law to sell, give away, abandon or breed from an XL bully. Since 1st February 2024, it has been a criminal offence to own a XL bully without an exemption certificate. The government said it received 61,000 exemption applications before the deadline. Owners are subject to restrictions in place meaning their dogs must be neutered, and muzzled and kept on a lead in public. Police can seize unregistered prohibited dogs, and their owners face a criminal record and unlimited fine.

Puppy Smuggling Bill: A private member's bill, supported by the government, aims to combat puppy smuggling by:

- Raising the minimum age for importing dogs, cats, and ferrets to six months.
- Banning the import of pregnant animals or those with mutilations such as cropped ears or docked tails.
- Limiting the number of pets that can be imported per vehicle or foot passenger to curb fraudulent imports disguised as non-commercial movements.

Animal Welfare (Livestock Exports) Act 2024: This Act prohibits the export of certain livestock from Great Britain for slaughter, including cattle, sheep, goats, pigs, and wild boar. It aims to end the practice of live exports for fattening or slaughter, marking a significant step in animal welfare reform.

Penalty Notices for Animal Welfare Offences: Introduced on 1st January 2024, local authorities now have the power to issue on-the-spot fines up to £5,000 for various animal welfare and health violations. This measure enhances enforcement and provides a more immediate response to breaches of animal welfare standards.

Animal Welfare (Sentience) Act 2022: Although not enacted in 2024, this Act remains a cornerstone of UK animal welfare law.

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It formally recognises animals as sentient beings in UK law, ensuring that their ability to experience pain and suffering is considered in government policy decisions.

These legislative advancements reflect the UK's commitment to improving the welfare of domestic animals.

2.3 Challenges Ahead

Like all charities, Animals in Distress (Torbay and Westcountry) is and will be facing many challenges in 2025, including economic pressures, evolving donor behaviour, the need for innovative fundraising strategies, and ensuring effective impact measurement, while also navigating digital disruptions and cybersecurity threats. Here's a breakdown of the key challenges:

Financial Pressures & Funding:

- **Economic Instability:** Charities are facing increasing economic pressures, impacting income and raising operating costs.
- **Rising Costs:** Inflationary pressures, energy costs, and potential cuts to corporate donations or grant making capacities are straining charity finances.
- **Reduced Funding:** Charities may face reduced funding from public service contracts or Government support, potentially leading to underfunded contracts and reduced service delivery.
- **Meeting Demand:** Charities are struggling to meet increasing demand for services, particularly those working in poverty relief, human rights, and helping people in need.
- **Financial Instability:** A "triple squeeze" of increasing costs, reduced funding, and higher service demand is leading to financial instability for many charities.
- **Staffing Challenges:** Higher employment costs might necessitate recruitment freezes, reduced staff hours, or implementing redundancies.

Fundraising & Donor Engagement:

- **Evolving Donor Behaviour:** Charities need to adapt to shifting donor demographics and expectations, requiring bold and proactive fundraising strategies.
- **Optimising Fundraising:** There's a growing need to optimise fundraising strategies, improve donor retention, and measure impact effectively.
- **Cybersecurity Threats:** Charities are increasingly targeted by cybercriminals, who can expose sensitive donor information, disrupt services, and damage reputation.
- **Reputational Risks:** A charity's reputation is crucial for building trust and securing support, and even a single scandal can cause significant damage.

Service Delivery & Impact:

- **Re-centering Service Users:** Charities need to focus on empowering service users and transforming power dynamics, while also incorporating feedback mechanisms.
- **Embracing Emerging Technology:** Charities must explore the potential of emerging technologies while being mindful of the ethical and practical risks.
- **Collaboration:** Charities need to fully embrace collaboration to improve service delivery and address complex issues.
- **Focus on Impact:** Charities need to focus on measuring and demonstrating the impact of their work to build trust and secure future funding.
- **Strategic Planning:** Charities need to move beyond reactive firefighting and focus on strategic planning and long-term sustainability.

2.3.1 Key Risks in 2025

In 2025, UK charities face key risks including financial instability due to rising costs and reduced funding, cybersecurity threats, reputational damage, and the need to adapt to evolving societal and economic landscapes, as well as increased demands on their services.

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Financial Instability:

- **Rising Costs & Reduced Funding:** Charities are facing a "triple squeeze" of increasing costs, reduced funding, and higher service demand, potentially leading to financial insecurity.
- **Impact of Inflation:** Inflationary pressures are impacting charities' income and increasing operating costs, with more than half expressing concerns about their ability to survive.
- **Reduced Grant making & Corporate Donations:** Charities may experience cuts to corporate donations or reduced grant making capacities, impacting their bottom lines.
- **Public Service Contracts:** The value of public service contracts could decrease, with expectations of the same or greater output for less funding.
- **Energy Costs:** Support for charities' energy bills will reduce due to changes to the government's energy scheme, adding to financial pressures.

Cybersecurity:

- **Rising Digital Risk:** Charities are increasingly becoming targets for cybercriminals as they rely more on digital platforms for fundraising, donor management, and communication.
- **Cyberattacks & Data Breaches:** Cyberattacks, including ransomware and phishing schemes, can expose sensitive donor information, disrupt services, and damage an organisation's reputation.
- **Lack of Cyber Resilience:** Many charities lack comprehensive cyber security software and may be unaware of cyber resilience strategies within their organisation.

Reputational Risks:

- **Fragile Asset:** A charity's reputation is crucial for building donor trust and securing public support, and even a single scandal can damage years of goodwill.
- **Mismanagement, Fraud, and Ethical Lapses:** Charities must be vigilant against mismanagement, fraud allegations, or perceived ethical lapses, which can severely harm their reputation.

It is vital that at Animals in Distress, we anticipate challenges and have strategies in place to manage events and uncertainties ahead. The continued growth of digital technology offers new ways for us to communicate with our supporters and create more personalised fundraising campaigns, along with the use of Artificial Intelligence to enhance the supporter experience, and this may well be key to our survival in the future.

2.3.2 Top Fundraising Trends

Fundraising trends may come and go, but there's always something exciting about peering into the future. As we progress through 2025, charities are adapting to a rapidly evolving fundraising landscape, influenced by technological advancements, shifting donor behaviours, and changing societal expectations. Here are some of the most prominent fundraising trends shaping the sector this year.

Digital Transformation and Data-Driven Fundraising:

Charities are increasingly leveraging technology to enhance their fundraising efforts. Artificial Intelligence (AI) and predictive analytics are being employed to segment audiences, forecast donor behaviour, and personalise engagement strategies. Platforms like JustGiving and GiveWP now offer dynamic dashboards that visualise campaign performance in real-time, enabling charities to make data-driven decisions mid-campaign. Moreover, the integration of mobile-first donation options, such as one-click donations and contactless giving, has streamlined the donation process, catering to the increasing preference for digital transactions.

Hybrid and Immersive Events:

The trend of hybrid events, combining in-person and virtual elements, continues to thrive. These events allow charities to reach a broader audience while maintaining the personal connection of physical gatherings. Innovative use of immersive technologies, such as virtual reality (VR), has been shown to

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increase engagement rates and donation amounts by providing donors with a tangible sense of the impact of their contributions.

Engaging Younger Donors:

Millennials and Gen Z are emerging as significant contributors to charitable causes, each donating more than £500 annually, double that of Gen X and significantly more than Boomers. These generations are drawn to causes such as social justice, sustainability, and community development, and they value authenticity and inclusivity in the charities they support. Charities are responding by creating interactive experiences and leveraging platforms like TikTok and Instagram to engage with these younger audiences.

Corporate Partnerships and Employee Engagement:

Corporate giving is evolving from traditional sponsorships to more strategic partnerships. Businesses are increasingly seeking long-term collaborations that align with their corporate social responsibility (CSR) objectives. Charities are capitalising on this shift by offering value-driven partnerships that include employee engagement initiatives, such as volunteering and fundraising challenges.

Flexible and Transparent Giving:

Donors are seeking more control over their contributions. Flexible giving options, such as allowing donors to adjust their monthly donations or skip a month, are gaining popularity. For instance, UNICEF UK offers supporters the ability to pause their donations via text message, providing greater autonomy and potentially increasing donor retention. Transparency in how donations are used is also crucial. Providing donors with clear information about the impact of their contributions fosters trust and encourages continued support.

Regular Giving:

Regular giving has long been the backbone of non-profit fundraising, but younger generations are engaging with causes in ways that differ significantly from traditional supporters. There is a shift toward dynamic, subscription-style models that not only sustain ongoing support but also provide tangible, engaging benefits to donors. It's about evolving regular giving into something more experiential and interactive.

It's all about layering these elements to build more dimensional campaigns. When donors feel like they're part of a movement, not just completing a transaction, it transforms the experience. That shift would be a game-changer for expanding the reach and impact of campaigns. The key here is personalisation and storytelling. Donors aren't just giving; they're part of an ongoing journey, tracking their impact and feeling recognised for their contributions. By turning regular giving into an experience that feels purposeful and rewarding, charities can appeal to a generation accustomed to subscription boxes and gamified experiences. This could be the future of donor retention, turning passive giving into an active, rewarding connection with the cause.

The TikTok Takeover Continues:

No surprises that TikTok and other video-first platforms will continue to dominate, pulling audiences away from the likes of Facebook, and charities need to follow suit. All that is needed is someone with a smartphone, doesn't shy away from the camera, and knows how to capture raw, real moments that resonate. Forget perfection, it is about focussing on authenticity and getting content out there. One of the best things about TikTok is that you don't need to grind away at building a massive following to see results. A single piece of great content has the power to go viral on its own, opening our message up to new and untapped audiences. The key is to start experimenting and learning on the fly.

Dive in, iterate, and let the platform's unique style guide our creativity, it's where our audience is, and it's where our stories need to be told.

Improving The User Experience:

With so much budget allocated to acquisition, the real return on investment happens on the landing page. Optimising donation forms for speed and simplicity, designing mobile-first experiences, and

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integrating features like e-wallet payments, pre-populated PURLs, and one-click donations are no longer optional, they're essential. The goal? Make donating effortless. When every click matters, a seamless user experience can mean the difference between a lost opportunity and a lifelong supporter. But it's not just about driving strong conversion rates; it's also about optimising the average gift amount. Striking this balance requires a well-thought-out donor journey that encourages generosity while remaining intuitive and frustration-free.

In summary, in 2025 UK charities are embracing technological advancements, adapting to changing donor expectations, and fostering strategic partnerships to enhance their fundraising efforts. It's an exciting and transformative time to be in this space, with endless opportunities to innovate, connect, and inspire. The future of fundraising is full of potential and therefore it is vital that at Animals in Distress (Torbay and Westcountry), we stay attuned to these trends, in order to navigate the evolving landscape and continue to make a meaningful impact.

2.4 Financial Sustainability

Generating income and achieving financial sustainability is the main and constant challenge facing Animals in Distress. However, as always, it is important to remain optimistic about the future of our organisation, with the level of optimism increasing in line with income. It is fair to say that we continue to be more optimistic about our own organisation rather than the sector as a whole.

2.5 Ensuring We Live Within Our Means

As the difficult times continue, it is inevitable that more and more charities are running out of options to continue to meet the high and protracted demand for their services becoming overwhelming. As charities face continued pressures on services and reduced capacity to deliver, it is unsurprising that many charities are now needing to use their reserves to cover core costs. We always endeavour to live within our means, none more so than over the last few difficult years. As a result, we have been fortunate that we have not had to dip into our reserves.

Although the demand for our services remains high, we continue to regulate our intake of animals based upon our ability to fund our work. This pragmatic decision has ensured that we have been able to maintain a good level of service without risking the financial position or future of the Charity. This way, we can be confident that we continue to have the funds to meet a demand that we can regulate and ensure that the Charity can still do its excellent work for many years to come.

2.6 Volunteer Retention

The best way to keep volunteers is to make sure what they do meets their motivation for giving their time. The most common motivations for volunteering include wanting to improve things or help people, having the spare time to do it and the charity or cause being important to the individual.

Each volunteer will have their own reasons for volunteering, which may change over time. We have to be flexible and open to meeting our volunteers' needs where possible but also be clear if we think a role won't be a good match and explain why. We have to make sure roles are meaningful, that volunteers should get some enjoyment or fulfilment from volunteering. We strive to make our volunteers feel welcome, able to be themselves. We have tried to make it as easy as possible to volunteer, removing any unnecessary barriers to getting and staying involved. We endeavour to give our volunteers the information they need to do their role and keep them updated in the way they prefer.

Giving time is a valuable donation and therefore, it is important that we continue to respect this. We encourage our staff to take an interest in our volunteers and get to know them, where this is possible. It is important that we continue to thank our volunteers and highlight their efforts as well as listen to and seek their thoughts, ideas and suggestions. Volunteers certainly have a voice in our organisation and can contribute to how it works.

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2.7 What Can Charities Do To Navigate These Difficult Times

The pandemic and the impact of the cost-of-living crisis have brought about two major realisations, how dependent society is on the contribution of civil society and civic spirit as well as the extent to which the external environment can have a long-term impact on the charity sector. There are areas which charities like Animals in Distress must make sure we have invested in sufficiently to balance the current need to deliver services with future preparedness and resilience. These considerations include increasing financial resilience and sustainability, managing costs and moving towards renewable energy sources, embracing the social economy and partnerships, and increasing engagement with donors.

We hope that the worst is over for charities but as the impact of the cost of living crisis is still being felt, there could be worse to come. The crisis is potentially both deeper and longer than COVID. This is due primarily to the huge funding gap, made worse by inflation driving costs and eating into the real value of income, the surge in demand and increasing people-related challenges. The funding landscape remains challenging but it is hoped that it has stopped worsening now. The charity sector is experiencing a period of unrelenting change driven by factors such as:

- the digitalisation of the economy
- growing demands for a demonstrable impact, transparency and integrity
- an increasingly complex regulatory environment
- environmental events

These factors are forcing us to adapt and to respond in ways that protect our operations, while continuing to focus on the needs of our beneficiaries. These challenges are reflected in risks related to governance and strategy, organisational change and reputation.

During 2024, we continued to actively take measures to cut our expenditure where we have been able to do so. We restricted spending to our core activities and any future projects have been put on hold. In the short term, the measures that we have taken and the funding we have been able to source will make sure we are in a strong position to continue to ride the waves during these uncertain times and recover when the various crises are over and eventually the global economy settles down.

The Trustees and CEO continue to discuss the issues and challenges, making decisions and then acting together to successfully implement those decisions. We endeavour to make timely decisions within shorter timescales. As income levels are threatened and additional costs arise, cash flow and reserves management inevitably demand our greatest attention.

We are fortunate that we have a strong robust reserves policy, we have cash reserves that we would be able to draw on to manage our cash requirements. Fortunately, we did not have to draw on our reserves in 2024 but if we do need to do so at some point, the issue will be how the reduction in reserves is going to be managed going forwards. If the worst was to happen and we had to draw on our reserves, then we know that it would take time to build our reserves level up again and therefore we may have to consider selling investments to help with this.

There are a number of key areas we are focussing on for our planning, budgeting and re-forecasting:

- Staff and volunteer welfare and safety remains paramount
- Developing a more diverse and robust investment strategy to increase our investment income
- Fall in trading income arising from our retail operation post-COVID
- Fall in a voluntary income from sources such as donations, fundraising and sponsorships as well as events cancelled or as individuals have less disposable income to donate (as a result of the increase in inflation and the global economy).
- Health and safety issues have been considered with the day to day needs catered for with different ways of working to protect staff.

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We have and will continue to adapt and change our business model due to the post-pandemic world and the global economy. There have been extremely difficult times and no doubt there will be going forward. We continue to do all we can to mitigate the situation in the short-term in order to secure the medium to long-term sustainability of the Charity.

2.8 Investment Strategy

As reported last year, the Trustees and CEO recognised that the Charity was sitting on a large cash balance with little earnings potential. The cashflow of the Charity is quite unpredictable, and it is the donations that come through legacies which really make the difference. As a result, it was agreed in 2022 that the Charity had the capacity to invest a lump sum of £400k, aiming to generate the potential of greater long-term growth in order for the Charity to continue operating for years to come.

The Trustees and CEO met with Francis Clark Financial Planning to discuss our objectives. They considered a range of factors including our financial ambitions, our investment preferences and agreed risk profile to create a bespoke financial forecast that is adaptable to changing circumstances and maximises our return on investment.

Our main objective for these funds remains that the portfolio avoids investment in or have any direct involvement in any companies, governments or organisations which are associated in any way with animal testing, or any cruelty to animals whatsoever. The portfolio needs to ensure absolute screening and compliance with this area moving forward. The Trustees and CEO accept that in some cases there may be some residual exposure to animal testing in pharmaceutical sectors but wish to avoid animal testing on a best-efforts basis.

Following discussions with Francis Clark Financial Planning and based on our requirements and objectives, they recommended we invest the £400k in a new discretionary arrangement with RBC Brewin Dolphin. Whilst Brewin Dolphin were more expensive than the cheapest proposal, the following summarises the conclusions for their recommendation:

- Francis Clark already have an existing relationship in place with Brewin Dolphin
- They are experienced in working with South West based charities
- Their investment proposal provides clarity on information regarding screening in both direct and indirect investments
- The ability to bespoke the investment proposition to the specific mandate of Animals in Distress

For long term investors Brewin Dolphin believed that our investment risk appetite is appropriate and should protect the capital value of the portfolio from inflation, while producing an attractive level of income. The closest match to the recommended DT 5 or 6 level was to use the RBC Brewin Dolphin's Intermediary Risk Level 6: High Medium Risk. A 'high medium' risk profile shows that our willingness and ability to accept investment risk is slightly above average. A portfolio that matches this risk profile is likely to experience some significant rises and falls in value, most likely containing mainly medium and high-risk investments, including Sterling corporate bonds and global bonds including higher income types as well as Property and shares. The shares are expected to be held mainly in the UK and other developed markets, but there is also likely to be some in higher-risk emerging markets.

There are a number of risk considerations that we continue to take into account:

- Past performance is no guarantee of future returns.
- If growth is low, charges may eat into the capital invested.
- Any ad-hoc or ongoing adviser charges being paid from an investment bond will count towards the 5% tax deferred allowance.
- The value of this investment is not guaranteed and on encashment we may not get back the full amount invested.
- If withdrawals are at a rate which exceeds the net growth of the fund, capital will be eroded.

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- Before making any withdrawals in excess of the cumulative 5% allowance, we should seek advice in respect of the most appropriate and tax efficient method of achieving this.
- The price of units and the income from them can fall as well as rise.
- An early withdrawal charge may apply.
- The government may change the tax rules that currently apply to onshore bonds.
- There may be occasions when an individual fund or funds may have a higher risk rating than our overall stated attitude to risk. If this is the case, then the overall risk rating applied to all of the combined funds being recommended will still be designed to meet our stated tolerance.

RBC Brewin Dolphin's work in optimising portfolio structures to try and ensure that portfolios produce the best level of return for a given level of risk produces a slightly different structure. Over time, RBC Brewin Dolphin believes that an investment portfolio with this broad structure will produce a return in the region of CPI + 2.0%. (Using the Bank of England's targeted inflation rate of 2%.) RBC Brewin Dolphin is very conscious that these expected returns are significantly below historic returns reflecting that we are in a challenged world, low economic growth translates to lower investment returns.

The £400,000 was invested in April 2023 and is seen by the Trustees and CEO as a medium to long-term investment, the returns from which will help secure the financial future of the Charity and if appropriate, assist with funding larger projects, such as building work at the Rescue Centre.

We are pleased to report that our portfolio performed well during 2024, despite global market turbulence. Our portfolio has achieved growth of 13.19% since inception two years ago. The ARC Charity Steady Growth Charity GB Indices achieved growth of 12.34% during that same period. ARC Charity Indices is a set of indices compiled by the ARC Research and are used by charity trustees and their advisers to assess the performance of a discretionary charity portfolio. The ARC Charity Indices provide actual returns generated by discretionary charity portfolios net of fees, based on hundreds of charity portfolios submitted to ARC. We meet with RBC Brewin Dolphin regularly to review our portfolios performance.

2.9 Principal Risks

The Trustees and CEO recognise that through the nature of our activities, funding base, reserves and structure, the Charity is exposed to differing areas of risk and levels of exposure. There are many areas of potential risk and we undertake our own processes for risk identification. The following list is an indication of a few of the main areas of risk that are considered by the Trustees and CEO:

- Income and financial sustainability: Insufficient income and reserves for the charity to achieve its strategic objectives and maintain its operations. Dependency on income sources - such as legacies and retail could have a cash flow and budget impact if that income source is significantly reduced or lost.
- National minimum wage and living wage: Government actions have and potential future proposals will increase payroll substantially, so future staffing levels will have to be considered.
- Employer's National Insurance: The recent increase implemented by the Government has increased costs significantly.
- Data Protection compliance and GDPR: An event or incident such as an external data breach or inadvertent internal error resulting in the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data.
- Organisational change and digital transformation: The failure to execute organisational change and transformation programmes effectively and to achieve the intended benefits of these, resulting primarily in inefficient use of the Charity's resources.
- Safeguarding: Failure to safeguard the Charity's beneficiaries or associated vulnerable persons, including children, from abuse and maltreatment.
- People, leadership and culture: Weaknesses or failure of leadership, inability to develop and retain talent effectively and an organisational culture that is not an enabler in the pursuit of the Charity's strategy and objectives.

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- Governance: The Charity does not achieve its strategic, charitable, regulatory and ethical objectives due to inadequate governance at board, senior management or operational levels.
- Regulatory: The Charity fails to comply with applicable regulatory requirements, leading to reputational damage and financial penalties.
- Post-Coronavirus (COVID-19): The global pandemic and the effects on the economy, demand for services, finances, fundraising etc.
- The Ukraine/Russia Crisis: The impact and effects the ongoing war is having on the global economy, the international supply of goods and inflation.
- Trump's Tariffs: President Trump imposed tariffs on imports into the USA, which has impacted on global trade.
- Health, safety and environment: Failing to ensure a safe environment could result in injury to staff, volunteers or the public, breaking the law and rendering the Charity unable to operate.
- Cyber security: Cyber incidents (typically unauthorised or inappropriate access to our organisation's network) executed by external or internal parties that negatively impact the confidentiality, integrity and availability of the Charity's information systems and data.
- Business continuity incidents: The occurrence of incidents that limit the Charity's ability to operate as it normally would in business as usual situations.
- Reputation: A range of occurrences including incidents, events and outcomes that may consequently damage the Charity's reputation. Reputation risk is largely a consequence of other risk events materialising. Public perception and adverse publicity which could impact on voluntary income, use of our services, access to grants, loss of donor confidence or funding, impact on the morale of staff, loss of beneficiary confidence, relationship with funders etc.

3.0 FINANCIAL POSITION AND RESERVES

At 31 December 2024, the Charity had total reserves of £5,383,000, of which £5,380,000 were unrestricted.

The Charity has sought to separate those unrestricted reserves that are held in the form of property fund assets (£2,073,000) from those that are freely available for its general purposes. As well as providing a more informed view of the overall reserves it enables a more realistic assessment to be made of the Charity's strategy with regard to our level and future deployment.

The so-called free reserves are then demarcated into a separate category (building fund totalling £1,178,000) that accords with the Charity's medium and long-term plans to improve facilities at the Rescue Centre. This acknowledges and takes account of the fact that large scale capital projects require "saving for" over many years.

The balancing general reserve (£2,130,000) recognises that it is extremely difficult to predict income from legacies, so the Charity aims to hold at least £830,000 in reserve, which equates to 6 months average operating costs. Our reserves currently exceed this figure in order to cover future projects and eventualities. It is anticipated that our investment policy will match the spending and reserves policy.

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TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Charity Trustees (who are also the directors of Animals in Distress (Torbay and Westcountry) for the purposes of Company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 charitable company and the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the U.K governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure to our Auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- the Trustees have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of relevant audit information and to establish that the auditor is aware of that information.

By order of the board of Trustees and signed on behalf of the Trustees:

G Dix (Chair)

C Paradine

Date: 2025

Report compiled for and on behalf of the Trustees by Neil Thomas (CEO)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of Animals in Distress (Torbay and Westcountry) (the "charitable company") for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating 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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

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Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 24), 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 they 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2024

Auditor's responsibilities for the audit of the financial statements

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.

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:

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to fraudulent financial reporting, in particular to grant funding received.

Audit procedures performed by the engagement team include, but were not limited to, discussions and inquiries with management of compliance with laws and regulations, reviewing grant funding agreements, and reviewing board minutes and significant legal costs incurred in the year. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2024

Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Hobbs BSc ACA (Senior Statutory Auditor)

PKF Francis Clark, Statutory Auditor

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

Date: 2025

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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income from:					
Donations and legacies	3	1,083,705	1,462	1,085,167	726,476
Charitable activities	4	95,635	-	95,635	77,784
Other trading activities	5	897,440	-	897,440	909,817
Investments	6	76,435	-	76,435	46,021
Total income		<u>2,153,215</u>	<u>1,462</u>	<u>2,154,677</u>	<u>1,760,098</u>
Expenditure on:					
Raising funds	7	866,665	-	866,665	792,331
Charitable activities	8	786,541	9,805	796,346	721,642
Total expenditure		<u>1,653,206</u>	<u>9,805</u>	<u>1,663,011</u>	<u>1,513,973</u>
Net gains on investments	17	31,792	-	31,792	24,853
Net income/(expenditure)		531,801	(8,343)	523,458	270,978
Transfers between funds	23	(3,964)	3,964	-	-
Net movement in funds		<u>527,837</u>	<u>(4,379)</u>	<u>523,458</u>	<u>270,978</u>
Reconciliation of funds					
Total funds brought forward		<u>4,852,304</u>	<u>7,157</u>	<u>4,859,461</u>	4,588,483
Total funds carried forward	23	<u>5,380,141</u>	<u>2,778</u>	<u>5,382,919</u>	<u>4,859,461</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 33 to 45 form part of these financial statements.

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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Donations and legacies	3	726,021	455	726,476	822,348
Charitable activities	4	77,784	-	77,784	66,462
Other trading activities	5	909,817	-	909,817	857,169
Investments	6	46,021	-	46,021	21,629
Total income		<u>1,759,643</u>	<u>455</u>	<u>1,760,098</u>	<u>1,767,608</u>
Expenditure on:					
Raising funds	7	792,331	-	792,331	705,345
Charitable activities	8	692,970	28,672	721,642	615,383
Total expenditure		<u>1,485,301</u>	<u>28,672</u>	<u>1,513,973</u>	<u>1,320,728</u>
Net gains on investments	17	24,853	-	24,853	-
Net income/(expenditure)		299,195	(28,217)	270,978	446,880
Transfers between funds	23	-	-	-	-
Net movement in funds		<u>299,195</u>	<u>(28,217)</u>	<u>270,978</u>	<u>446,880</u>
Reconciliation of funds					
Total funds brought forward		<u>4,553,109</u>	<u>35,374</u>	<u>4,588,483</u>	4,141,603
Total funds carried forward	23	<u>4,852,304</u>	<u>7,157</u>	<u>4,859,461</u>	<u>4,588,483</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****BALANCE SHEET****AS AT 31 DECEMBER 2024**

	Notes	2024 £	2023 £
Fixed assets			
Intangible assets	15	-	-
Tangible assets	16	2,498,871	2,553,537
Investments	17	464,156	427,608
		<u>2,963,027</u>	<u>2,981,145</u>
Current assets			
Stocks	18	7,740	7,323
Debtors	19	212,285	228,162
Cash at bank and in hand		2,354,084	1,812,746
		<u>2,574,109</u>	<u>2,048,231</u>
Liabilities			
Creditors falling due within one year	20	82,772	77,335
Net current assets		<u>2,491,337</u>	<u>1,970,896</u>
Total assets less current liabilities		<u>5,454,364</u>	<u>4,952,041</u>
Creditors falling due after more than one year	21	71,445	92,580
Net assets		<u>5,382,919</u>	<u>4,859,461</u>
 Restricted funds	23	2,778	7,157
General funds	23	2,129,502	1,600,682
Designated funds	23	3,250,639	3,251,622
Total charity funds		<u>5,382,919</u>	<u>4,859,461</u>

The notes on pages 33 to 45 form part of these financial statements.

The financial statements were approved by the trustees on and signed on their behalf by:

G Dix
Trustee

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £	2023 £
Cash flows from operating activities	25	518,793	420,186
Cash flows from investing activities			
Rent received		22,762	22,900
Interest income		42,435	17,107
Purchase of tangible fixed assets		(22,482)	(85,956)
Proceeds on sale of tangible fixed assets		-	10,000
Purchase of investments		-	(400,000)
Cash flows from investing activities		42,715	(435,949)
Cash flows from financing activities			
Repayments of bank borrowings		(20,170)	(19,339)
Cash flows from financing activities		(20,170)	(19,339)
Increase/(decrease) in cash and cash equivalents in the year		541,338	(35,102)
Cash and cash equivalents at the beginning of the year	26	1,812,746	1,847,848
Cash and cash equivalents at the end of the year	26	2,354,084	1,812,746

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting Policies

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements and assessment of going concern

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP (FRS 102)), FRS 102 and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Animals in Distress (Torbay and Westcountry) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income by way of donations, membership, sponsorship and collections, is accounted for when receivable. Income raised through the operation of the shops is taken into account at the time of receipt.

Legacies are included where there is entitlement, it is probable that the charity will receive the money and the amount can be reliably measured. Entitlement is satisfied after probate is granted. If the amount can be reliably measured, the legacy will be recognised as income.

Donated goods relating to animal food are brought in to income and expenditure at the value they would have cost had they been purchased by the charity.

c) Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds received which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

d) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fundraising and shop costs and their associated support costs.
- Expenditure on charitable activities includes the costs of the Rescue Centre and its associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between costs of raising funds, expenditure on charitable activities and other expenditure, based on staff time.

f) Operating leases

Rental charges under operating leases are charged on a straight line basis over the term of the lease.

g) Intangible fixed assets

Intangible fixed assets are initially recorded at cost. Computer software is amortised on a straight line basis over its expected useful economic life of 4 years.

h) Tangible fixed assets

Individual tangible fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Freehold buildings	2% straight line
Equipment	20% reducing balance
IT equipment	25% straight line
Motor vehicles	25% reducing balance

i) Stocks

Stocks are included at the lower of cost and net realisable value.

j) Investments

Investments where they are publicly traded or their fair value can be measured reliably are measured at fair value through the statement of financial activities. The fair value has been measured at the quoted market price at the balance sheet date. Investments where the fair value cannot be measured reliably are measured at cost less impairment.

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is recognised where the criteria for recognising income has been met at the year-end but the claim or invoice has not been submitted/issued until after the year-end.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash held in current and savings accounts in UK banking institutions.

m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Pensions

The charity operates a defined contribution pension scheme and membership is open to all employees of the charity. The assets of the scheme are held separately from those of the charity. The charity matches employee contributions of 1-4% with an employer contribution of 3% and the contributions are paid into the fund on a monthly basis. The contributions made for the accounting period are treated as an expense and were £24,578 (2023: £20,624). Contributions totalling £2,198 (2023: £1,937) were payable to the fund at the balance sheet date and are included in creditors.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The Charity is incorporated in England and Wales. The address of its registered office is: Biltor, Edgelands Lane, Ipplepen, Newton Abbot, TQ12 5UF.

3 Income from donations and legacies

	2024 £	2023 £
Donations and gifts	105,050	269,511
Legacies	941,421	437,709
Grants	800	1,100
Memberships and sponsorship	37,896	18,156
Total income from donations and legacies	1,085,167	726,476

Donations and gifts include a £Nil (2023: £165,048) donation from the old charity, Animals in Distress (Torbay and Westcountry) Incorporating Torbay Animal Welfare Sanctuary.

As noted in the trustees' report the charity benefits notably from the involvement and enthusiastic contributions of volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****4 Income from charitable activities**

	2024 £	2023 £
Re-homing fees	73,570	61,873
Animal Boarding	17,695	9,811
South Hams Strays and Vet income	4,370	6,100
Total income from charitable activities	95,635	77,784

5 Income from other trading activities

	2024 £	2023 £
Memberships and sponsorships	5,675	3,455
Fundraising events	32,302	24,911
Shop income	845,127	868,754
Petplan commission	14,336	12,697
Total income from other trading activities	897,440	909,817

6 Investment income

	2024 £	2023 £
Rent	22,762	22,900
Interest	42,435	17,106
Investment income	11,238	6,015
Total investment income	76,435	46,021

7 Analysis of expenditure on raising funds

	2024 £	2023 £
Fundraising	13,728	9,692
Shop costs	646,514	593,823
Support costs	206,423	188,816
Total expenditure on raising funds	866,665	792,331

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

8 Analysis of expenditure on charitable activities

	2024 £	2023 £
Rescue Centre	709,880	618,754
Support costs	86,466	102,888
Total expenditure on charitable activities	796,346	721,642

9 Analysis of support costs

All support costs are allocated based on the basis of staff time.

The analysis of support costs is as follows:

	Raising Funds £	Charitable Activities £	Total 2024 £	Total 2023 £
Salaries and other staff costs	168,368	63,900	232,268	202,938
Travel and subsistence	-	-	-	71
Professional fees	2,408	914	3,322	20,079
Finance costs and exchange losses	4,375	1,661	6,036	6,903
Investment management	5,741	-	5,741	3,260
Loss on disposal of assets	-	-	-	31,543
Office costs	17,569	6,668	24,237	8,886
Other costs	6,647	2,523	9,170	7,860
Governance	1,315	10,800	12,115	10,164
Total support costs	206,423	86,466	292,889	291,704

10 Analysis of governance costs

The analysis of governance costs is as follows:

	Total 2024 £	Total 2023 £
Salaries and other staff costs	1,110	849
Professional fees	10,816	9,000
Other costs	189	315
Total	12,115	10,164

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****11 Net income for the year**

This is stated after charging:

	2024	2023
	£	£
Operating leases - property	74,250	74,250
- equipment	14,120	18,026
Depreciation	77,148	74,357
Amortisation	-	-
Interest payable	4,678	5,510
Auditors' remuneration: audit fees	5,450	4,670
accounts	3,925	3,375
taxation	1,125	955

12 Analysis of staff costs, trustee remuneration and expenses, the cost of key management personnel and related party transactions

	2024	2023
	£	£
Salaries and wages	1,019,163	883,720
Social security costs	69,736	55,409
Pension costs	24,578	20,624
	<u>1,113,477</u>	<u>959,753</u>

One employee had remuneration in excess of £90,000 and less than £100,000 (2023: one in excess of £80,000 and less than £90,000).

The charity trustees were not paid and did not receive any other benefits from the charity (2023: None). No travel or other expenses were reimbursed to the trustees during the year (2023: None).

The total remuneration, including employer's national insurance, of the key management personnel of the charity was £106,197 (2023: £96,636).

There were no related party transactions (2023: None).

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

13 Staff numbers

The average monthly head count was as follows:

	2024	2023
Rescue Centre	19	19
Charity shops	24	24
Administration and support	6	6
Chief Executive	1	1
	<u>50</u>	<u>50</u>

14 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Intangible fixed assets

	Software £	Total £
Cost:		
As at 1 January 2024	13,100	13,100
As at 31 December 2024	<u>13,100</u>	<u>13,100</u>
Amortisation:		
As at 1 January 2024	13,100	13,100
Charge for the year	-	-
As at 31 December 2024	<u>13,100</u>	<u>13,100</u>
Net book value:		
As at 1 January 2024	-	-
As at 31 December 2024	<u>-</u>	<u>-</u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

16 Tangible fixed assets

	Freehold Property £	Equipment £	IT Equipment £	Motor Vehicles £	Total £
Cost:					
As at 1 January 2024	3,176,019	155,512	97,408	21,920	3,450,859
Additions	17,003	1,359	4,120	-	22,482
As at 31 December 2024	3,193,022	156,871	101,528	21,920	3,473,341
Depreciation:					
As at 1 January 2024	662,085	143,690	72,553	18,994	897,322
Charge for the year	63,936	3,849	8,631	732	77,148
As at 31 December 2024	726,021	147,539	81,184	19,726	974,470
Net book value:					
As at 1 January 2024	2,513,934	11,822	24,855	2,926	2,553,537
As at 31 December 2024	2,467,001	9,332	20,344	2,194	2,498,871

17 Investments

	Total £
As at 1 January 2024	427,608
Revaluations	31,792
Income reinvested	10,497
Charges	(5,741)
As at 31 December 2024	464,156

Included in the balance at 31 December 2024 is £458,170 of listed securities (2023: £414,656) and £5,986 (2023: £12,952) is cash held as part of the investment portfolio.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****18 Stocks**

	2024	2023
	£	£
Goods for resale	793	670
Vet room supplies	5,710	5,710
Shop stationery stocks	1,237	943
	7,740	7,323

19 Debtors

	2024	2023
	£	£
Trade debtors	6,315	3,375
Other debtors	51,216	53,593
Prepayments and accrued income	154,754	171,194
	212,285	228,162

20 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	11,511	13,840
Other creditors	5,357	4,488
Accruals and deferred income	26,841	25,340
Social security and other taxes	17,928	13,497
Bank loan	21,135	20,170
	82,772	77,335

The bank loan is secured by a charge over one of the charity's properties.

21 Creditors: amounts falling due after one year

	2024	2023
	£	£
Bank loan	71,445	92,580
	71,445	92,580

The bank loan is secured by a charge over one of the charity's properties.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

22 Obligations Under Leases

The total of future minimum lease payments is as follows:

	Land and Buildings		Other	
	2024	2023	2024	2023
	£	£	£	£
Operating leases expiring:				
Within one year	31,500	31,500	11,129	9,615
Between one and five years	80,333	106,833	43,598	38,330
After more than five years	-	5,000	-	-
	111,833	143,333	54,727	47,945

23 Analysis of movements in funds

	Balance at 1 January 2024 £	Incoming resources £	Resources expended £	Transfers £	Gains on investments £	Balance at 31 December 2024 £
General fund	1,600,682	2,153,215	(1,652,223)	(3,964)	31,792	2,129,502
Designated funds:						
Property fund	2,073,872	-	(983)	-	-	2,072,889
Building fund	1,177,750	-	-	-	-	1,177,750
	3,251,622	-	(983)	-	-	3,250,639
Total unrestricted funds	4,852,304	2,153,215	(1,653,206)	(3,964)	31,792	5,380,141
Restricted funds	7,157	1,462	(9,805)	3,964	-	2,778
Total restricted funds	7,157	1,462	(9,805)	3,964	-	2,778

The restricted funds shown above represent funds raised from appeals for specific projects.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains on investments £	Balance at 31 December 2023 £
General fund	1,301,487	1,759,643	(1,485,301)	-	24,853	1,600,682
Designated funds:						
Property fund	2,073,872	-	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	-	1,177,750
	3,251,622	-	-	-	-	3,251,622
Total unrestricted funds	4,553,109	1,759,643	(1,485,301)	-	24,853	4,852,304
Restricted funds	35,374	455	(28,672)	-	-	7,157
Total restricted funds	35,374	455	(28,672)	-	-	7,157

The restricted funds for the year to 31 December 2023 represent funds raised from appeals for specific projects.

In the year to 31 December 2023 the decision was made to pursue a kennel refurbishment rather than the new kennels on which the Big Bark Appeal was based. For this reason cash balances were transferred to a new fund, with a minority of donations returned, and capitalised assets were expensed as a disposal.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****24 Analysis of net assets between funds**

At 31 December 2024	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	2,498,710	161	2,498,871
Investments	464,156	-	464,156
Cash at bank and in hand	2,351,467	2,617	2,354,084
Other net current assets	137,253	-	137,253
Creditors more than one year	(71,445)	-	(71,445)
Total	5,380,141	2,778	5,382,919

At 31 December 2023	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	2,551,821	1,716	2,553,537
Investments	427,608	-	427,608
Cash at bank and in hand	1,599,928	6,691	1,606,619
Other net current assets	363,996	-	363,996
Creditors more than one year	(92,580)	-	(92,580)
Total	4,850,773	8,407	4,859,180

25 Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income/(expenditure) for the reporting period	523,458	270,978
Adjustments for:		
Depreciation charges	77,148	74,357
Amortisation charges	-	-
Investment management fees	5,741	3,260
Returns on investment and servicing of finance	(10,497)	(6,015)
Loss on disposal of fixed assets	-	25,907
Revaluation of investments	(31,792)	(24,853)
Rent receivable	(22,762)	(22,900)
Interest income	(42,435)	(17,107)
(Increase)/Decrease in stocks	(417)	165
Decrease in debtors	15,877	112,872
Increase in creditors	4,472	3,522
Net cash from operating activities	518,793	420,186

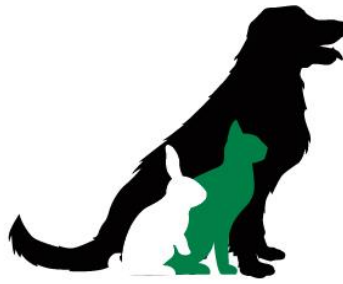
ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****26 Analysis of Changes in Net Debt**

	1 Jan 2024 £	Cash flows £	31 Dec 2024 £
Cash at bank and in hand	1,812,746	541,338	2,354,084
	<u>1,812,746</u>	<u>541,338</u>	<u>2,354,084</u>
Loans due within one year	(20,170)	(965)	(21,135)
Loans due after more than one year	(92,580)	21,135	(71,445)
	<u>(112,750)</u>	<u>20,170</u>	<u>(92,580)</u>
Total	<u>1,699,996</u>	<u>561,508</u>	<u>2,261,504</u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

England & Wales - Charity number 1105487

Accounts



Animals in Distress

(Torbay and Westcountry)

(A Company Limited by Guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 December 2023

Registered Charity Number 1105487
Company Number 05171505

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)
(A Company Limited by Guarantee)

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ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the Charity for the year ending 31 December 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2015).

Trustees:

The Trustees of the Charity who served during the year were:

Geraldine Dix (Chair of Trustees)
Amy Cross-Webber
Alison Truscott
Chris Paradine
Jo Smith

Company Secretary and Chief Executive Officer:

Neil Thomas

Principal Address and Registered Office:

Biltor
Edgelands Lane
Ipplepen
Newton Abbot
Devon. TQ12 5UF

Registered Charity No: 1105487

Registered Company Number: 5171505

Professional Advisers:

Auditors: PKF Francis Clark
Sigma House
Oak View Close
Torquay
TQ2 7FF

Solicitors: Kitson Boyce LLP
Minerva House
Orchard Way
Edginswell Park
Torquay
TQ2 7FA

Bankers: Lloyds Bank Plc
2 Palace Avenue
Paignton
Devon
TQ3 3ER

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Status

Animals in Distress (Torbay and Westcountry) is a company limited by guarantee (company number 5171505) and is registered as a charity (number 1105487) with the Charity Commission.

Governing Document

Animals in Distress (Torbay and Westcountry) is governed by its Memorandum and Articles of Association dated 4 July 2004

There is one class of member. The maximum number of members is 20 or such numbers as the members decide. The first members were the subscribers to the Memorandum; further members are such individuals or organisations as appointed by the Trustees. There are currently five members, each of whom is liable to contribute £10 in the event of the Charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the first Trustees were the subscribers to the Memorandum. Additional Trustees may be appointed by the Charity in a general meeting or by the other Trustees. A Trustee must be aged 18 or over, must be a member of the Charity and must not be disqualified by virtue of provisions of the Charities or Companies Acts. The number of Trustees may not be less than three, but is not subject to a maximum.

At the Annual General Meeting, one third of the Trustees must retire. The Trustees to retire shall be those who have been longest in office since their last appointment.

Trustee Induction and Training

New Trustees undergo an induction to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, governance, the Committee and the decision making process, the business plan and the recent financial performance of the Charity. During their induction, the new Trustees will spend time with the Chief Executive and with the Rescue Centre Management in order to familiarise themselves with the day to day running of the Charity. Ongoing training is given as appropriate to their position.

Organisation Structure

The Charity is managed through the following areas:

- i) The Animal Welfare teams deliver the care, rehabilitation, training and rehoming of the dogs, cats, rabbits and guinea pigs at the Rescue Centre
- ii) The retail team manage and run the charity shops taking in and selling donated goods
- iii) The Fundraising and Communications team deal with income generation and communications through fundraising and media
- iv) Head Office deal with management and administration including HR, accounts, ICT, volunteering and maintenance of our estate

Governance and Management

The Board of Trustees administers the Charity and meets every three months. A Finance Committee was established by the Board to maintain an overview of and provide advice to it, regarding the financial affairs of the Charity. The Finance Committee meets every three months as part of the main Board meeting and attended by at least three Trustees and the CEO.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operating, the Chief Executive has written terms of delegation approved by the Trustees for operational matters including finance and employment.

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Remuneration of Key Management Personnel

The Charity aims to provide a reward package that is competitive enough to attract and retain high calibre staff who wish to be part of the Charity's work. The remuneration of key management personnel is reviewed annually by the Trustees based on workload, responsibilities and performance for the previous year. Salaries are also benchmarked against similar positions both locally and nationally.

Related Parties

The "new" Charity, Animals in Distress (Torbay and Westcountry) (charity number 1105487) incorporated the tangible and intangible assets of the original "old" Charity, Animals in Distress (Torbay and Westcountry) (charity number 900234) on 31 October 2004. The only excluded assets were future bequests, cash at bank and the benefit of any insurance claims.

Risk Management

The Trustees actively review the major risks the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. A comprehensive risk analysis has been completed which has identified control and monitoring procedures to minimise any risk to the Charity and any impact they may have. The results are periodically reviewed.

STRATEGIC REPORT

The following sections comprise the Charity's strategic report for the year.

Objectives and Activities

Animals in Distress exists to alleviate pain, suffering and distress in animals as well as to promote animal welfare practices and responsible pet ownership across Teignbridge, Torbay and South Hams.

Furthermore,

- We at Animals in Distress undertake to care for and nurture any unwanted domestic pet that is brought to us, providing it is suitable for re-homing and there is accommodation available at the Rescue Centre.
- We will always provide shelter, food, exercise and veterinary care for the animals in our charge.
- We will never put an animal to sleep unless on the advice of our Veterinary Surgeon.
- We will endeavour to find suitable homes for our animals on the basis of a responsible home check or such similar precaution as is deemed necessary.
- We will at all times show respect, understanding and courtesy to our user groups together with an inherent sense of duty and helpfulness.
- We will always uphold the principles and objectives of our Charity and share with others the joy of helping Animals in Distress.

Our care is open to all regardless of an individuals' background or circumstances; the welfare of the animal is the primary concern of the Charity, not where the animal comes from or is going to. This includes the fostering of animals, when an animal has a chronic health issue requiring ongoing veterinary treatment which the Charity pays for, regardless of the individual's financial circumstances.

The activities carried out during the course of the year (as set out in the following section) demonstrate the level of Trustee and management commitment in ensuring that the Charity delivers real and tangible benefit to the public in all of its operations and thereby meets the public benefit requirements as set out by the Charity Commission in both spirit and word.

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Achievements and Performance

Overview

Over the last few years, there has been pretty constant surveillance of the UK economy, interest rates and inflation, together with the impact of these on the British public. Everyone's been watching with baited breath to see what's next; perhaps none more so than the charity sector. As the cost of living crisis turns into the cost of *giving* crisis, it comes with no surprise that Animal in Distress (Torbay and Westcountry), like most charities, has continued to struggle with increased demand on our services aside reduced income. As always, we have shown the same resilience, creativity and tenacity in 2023 to continue to do the stoic work we pride ourselves on.

Understandably, we have been worried about how the cost of living crisis would impact us. We know that many supporters have simply been unable to donate as much thanks to inflation and the massive increases in general outgoings. From energy to food to clothes, everything has been affected, leaving the average donor questioning if they are able to continue giving to charity. In response, we have been forced to make do with less, as we cater for more need. But despite this rather gloomy outlook, we feel there is certainly a ray of light and reasons to be optimistic.

It has been positive to read in a number of recently published fundraising reports that donors still want to keep giving. Over half of donors said no impact had been made on the way they give, with the younger generation giving more now than during pre-Covid times. The importance of understanding how donors are feeling and listening to what they have to say cannot be over-stated. Donors want to feel good about giving, so it's important that *donors experience positive feelings about supporting a charity*. The majority of donors say they are motivated, despite just less than half of them saying they actually knew what difference their donation has made. Economic crisis means uncertainty for sure, but is certainly reassuring for us to know that support is still out there and people want to continue giving.

Forecasts are currently suggesting a continuum of the cost of living crisis up until as late as 2028, which generates great concern for all charities. Competition for funds may well get tougher as donors will be carefully considering who to give their money to and therefore at Animals in Distress (Torbay and Westcountry), we need to ensure we continue to put forward a powerful case.

Recruitment has been a major concern over the last few years that has impacted the not-for-profit, care, retail, tourism and hospitality sectors. It certainly has become more challenging to both recruit and retain staff during and since the Covid-19 pandemic, an issue which was dubbed the 'Great Resignation'. It has been widely reported that the number of unemployed, working-age people who are not looking for a job is even higher than first thought, as the UK's official statistics body (ONS) revised its figures upwards. More than a fifth (21.8%) of people aged 16 to 64 were not in work nor looking for a job in the three months to January this year, this equates to roughly 9.2 million people. Economic inactivity in the UK has increased over the quarter and year to February 2024, with 22.2% of 16 to 64-year-olds now economically inactive. Long-term sickness is the most common reason. The trend of upwards of a fifth of the working population being out of the labour force has persisted since the outbreak of the COVID-19 pandemic with numbers exacerbated by some 2.6 million people being long-term sick and not having jobs because of their health. Recently, the Prime Minister Rishi Sunak claimed that Britain is suffering from a "sick-note" culture and warned of over-medicalising normal worries.

In last year's annual report, it was mentioned that Animals in Distress had continued to experience the impact of the 'Great Resignation' seeing a number of our staff leave the Charity's employment. The reasons were varied and included ill-health (including long-COVID), change of career, changing family/domestic circumstances, retirement, early retirement, reduction in working hours or to cease working at all and two compulsory redundancies. The Charity employed 67 members of staff just before the first lockdown in 2020, this reduced to 46 in the summer of 2023. We gradually increased our staffing level in the second half of last year and at the time of writing this report, we now have a staffing level of 53, made up of both full and part-time members of staff. This reduction in the workforce has assisted with overall payroll costs given the impact the annual National Minimum Wage increases have had. There are no immediate plans for further redundancies although this cannot be ruled out in the future.

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The challenge for employers and policymakers are the same. As we have found, recruitment has proved really difficult and that may be holding back the recovery. We do our best to create quality work with lots of flexibility which we hope will help attract, and crucially retain employees. We feel this is particularly important for our older workers who value flexibility, especially around hours worked. As mentioned, there has been a large increase in inactivity due to sickness and ill-health. As an employer, we must ensure we can facilitate the provision of reasonable adjustments for those with a disability or long-term health conditions.

Although we have continued to receive a number of applications for any vacancy we have advertised, these are far fewer than in years gone by. Also, the overall calibre of applicants has not always been great and we are often picking from a pool of people who we would not have even shortlisted for interview previously. It is with little surprise therefore that several of the candidates who have started with the Charity have not taken to their new roles and/or have failed their probation period, despite receiving additional support and training. That having been said, we have attracted and retained some very good new staff who have settled into their roles very well.

The UK Charities Report 2024 by Kreston Global shows that recruitment remains a real concern for the sector with 54% finding it hard to recruit and retain employees and 29% believing it has become harder in the last year. We are certainly not alone in our experience.

Recruitment is expensive and time-consuming and for the reasons above, has been incredibly tough and frustrating. One further reason for recruitment difficulties could be that many charities such as Animals in Distress are only able to offer pay increases to match the high levels of inflation and the significant National Minimum Wage increases of the last few years. To try to tackle the recruitment challenge, we endeavour to take steps, other than just financial ones, to make our Charity a more rewarding place to work. It remains to be seen whether this will be effective and aid retention or whether workers will continue to look elsewhere to gain a better financial package.

Pet Ownership and the Cost of Living Crisis

The Covid-19 pandemic saw rates of pet ownership increasing, with an estimated 3.2 million pets being bought during the pandemic. However, In general, the rising cost of living in the UK has meant that people are now less likely to either get their first or another pet in the next 12 months.

The resulting fall in disposable income for many people has led to concerns about the potential impact on pet welfare. All rehoming charities from the larger nationals such as the RSPCA, Cats Protection and the Dogs Trust to smaller local-based charities such as Animals in Distress, have experienced an increase in the number of people calling them and citing rising costs as a factor in the need to rehome their pets. At the same time, many organisations, including us, have seen a drop in the number of people coming forward to rehome animals, particularly the larger dog breeds and rabbits.

It is inevitable that the cost of living crisis is having a negative effect on the welfare of pets in the UK. Unsurprisingly, given the rising price of goods and services, owners are finding that the cost of owning their pet has increased. We receive calls on a daily basis from owners who say that owning a pet was more expensive than they expected. Interestingly, this is higher for rabbit owners than for dogs or cats. We know that people may view owning rabbits as a cheaper option to other species, especially if choosing a rabbit as a pet for the children and therefore do not understand the true cost of rabbit ownership. Rabbits are certainly a very popular choice for families who want to teach children about taking care of pets. They only make good first time pets for children as long as the adults in the house are prepared to put in time to help, or maybe even take over! It is essential that people understand the need to fully research the financial commitment of pet ownership before taking on a new pet.

As the cost of living crisis continues, the sheer number of individuals relinquishing ownership of their pets is placing a strain on our finances. We are consistently running with a wait list of 100+ animals but we do all we can to take in as many animals as possible. We are finding that an increasing number of

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the admitted animals have veterinary needs and in some cases, this has been quite extensive and expensive. It is a sad sign of the times that many owners simply cannot afford even the basic vet consultation fee let alone any treatment and medication.

However, we are reassured that the overriding feeling is that taking care of our pets remains a priority for UK households. Most people will not consider giving up their pets, despite the prospect of increased costs. It is true to say, that as owners, we remain strongly attached to our pets and will continue to rely on them for our wellbeing and all the benefits they provide.

There are some worrying trends, including the increased number of pets acquired from abroad. At Animals in Distress, we do not 'rescue' animals directly from abroad, although several animals which we have been asked to take on, care for and rehome have originated from Europe. These pets may undergo great stress during transport, sometimes in the important formative weeks of their early life. While many integrate into families with no concerns, a significant number suffer with behavioural issues. In these situations, post adoption support is invaluable, which may not be readily available if those pets have come from overseas. Additionally, the number of people specifically seeking their pets from abroad in order to obtain animals that have undergone cosmetic mutilation surgeries such as ear cropping is extremely concerning. We have also seen that many dogs acquired during the pandemic years seem to be struggling with separation related behaviours and will need support.

There are numerous benefits of pet ownership including a reduction in loneliness but as all rescue organisations will advise, the care of a pet is something that should not be considered lightly. We need to ensure both the welfare of the pet and wellbeing of the carer/owner is considered, especially when approaching pet welfare issues. Pet owners need support and at Animals in Distress, we are committed to giving prospective owners all the knowledge, guidance and support they need to adopt an animal from us. All organisations have a responsibility to drive positive change and continue to work towards understanding and overcoming the barriers owners have to providing the care that pets require. The veterinary profession and the wider animal welfare community have a vital role to play in using both empathy and evidence-based information to guide owners to help them improve their pet's wellbeing.

There are so many benefits for potential new owners of getting their animal from a rescue centre compared to the risks of buying from unscrupulous breeders or from unknown sources online. The rapid increase in interest in owning a dog or cat led to a surge in online buying. Acquiring a new pet should always require buyers to do their research and undertake the proper checks themselves to ensure they are buying a healthy animal. Rehoming a pet from a recognised rescue organisation such as Animals in Distress helps buyers avoid unscrupulous dealers, breeders and traders that pose such a threat to the health, welfare and happiness not only of the animal, but of the whole family. A rescue pet will be healthy, having received any necessary medical treatment and will be vaccinated and microchipped.

The Rescue Centre Post-COVID-19

The main challenge and concern for Animals in Distress, certainly in the medium term, continues to be fundraising and the uncertainty around income. Animals in Distress is typical of most other animal charities in that an important part of our income comes from legacies and those legacies are often dependent upon the sale of property to liquidate the bequest. The property market had been buoyant for a few years which had helped us realise the level of legacy income we could have hoped for, however, 2023 saw the property market struggling and house prices fall, predominantly because of the squeeze on household finances, caused mainly by the cost of living crisis and rising mortgage rates. It means that future for legacies linked to property sales is potentially less certain than it was.

We continued with our business continuity planning in 2023 by keeping animal numbers at the Rescue Centre to a level where we could comfortably cope. This remained crucial for many reasons, with the main ones being, firstly, the wellbeing of the animals, as issues such as separation anxiety meant that

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some animals stayed with us longer; secondly, working with a reduced staffing level, we still needed to deliver the same exceptional standards of care and thirdly, to ensure we lived within our means.

There continues to be an increased demand for our services post-COVID, including emergency admissions for all sorts of reasons including illness, bereavement, owners losing their jobs and/or no longer able to afford to look after their animals, the anticipated increases in approaches to take on more animals has certainly borne out and that continues to be the case.

During 2023, we continued to focus on leanness as a matter of approach - reduce our costs, strip out any waste and drive efficiencies. The challenge with a 'lean' approach is that it could leave the Charity less resilient. We looked for further ways of working better and more compatible with the changing world we now live in, including placing a greater reliance on digital customer journeys and experiences.

After careful consideration about how we can best serve our local community and the animals in our care, we decided that the admissions and rehoming of the animals should continue to be by appointment only, with the Rescue Centre animal departments remaining closed to general public access. Over the last four years the animals in our care have been used to the relative calm of being closed to the public and as a result, we have seen a marked decrease in the stress levels exhibited by the animals. We remain mindful that a sudden influx of daily visitors would cause certain welfare issues. We love having visitors to the Rescue Centre and our Reception is open, however, not only are there the welfare issues to consider, we now have fewer staff available each day to attend to a steady stream of people. We will continue to review this position periodically and may decide to re-open to general public access on a restricted basis at some point in the future.

Like most charities, it has been a challenging period for Animals in Distress and in the current financial climate we continue to be forced to operate with smaller teams than in previous years. The Rescue Centre team's priority, of course, remains caring for the animals. We will keep this decision under review as we continue to navigate through these continued difficult times.

The sustainability of the sector continues to be tested with the cost of living crisis and we know that there are many challenges ahead but we are as determined, as we ever were, to ensure Animals in Distress and the Rescue Centre remain as relevant as it always has been and continues to serve the community in a trusted and transparent way. It is too early to know for sure what the long-term impact of COVID, Brexit, the Ukraine war, the cost of living crisis and high inflation will have on the Not for Profit sector but, in the short term, that impact is certainly being felt. Let's hope that the global catastrophes will provide a catalyst for altruism that society desperately needs.

Government Business Support

Throughout 2023, the Charity benefitted again from the Government's Energy Bill Relief Scheme. The scheme provided energy bill relief for non-domestic customers in Great Britain. Discounts were applied to energy usage initially between 1 October 2022 and 31 March 2023. The scheme was available to everyone on a non-domestic contract including businesses, voluntary sector organisations, such as charities and public sector organisations such as schools, hospitals and care homes who were on existing fixed price contracts that were agreed on or after 1 December 2021, signing new fixed price contracts, on deemed/out of contract or variable tariffs or flexible purchase or similar contracts. The government provided a discount on gas and electricity unit prices. The scheme was replaced by the Energy Bills Discount Scheme which ran for 12 months from 1 April 2023 to 31 March 2024, so the Charity has continued to benefit from this additional help. This has been vital, as we have seen our energy costs at all of our premises rocket over the last couple of years.

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This has been acutely felt at the Rescue Centre where our average electricity bill for a winter month used to be around £4k, for the same month in 2024 we paid in excess of £8k and that was even with the extra Government help. Energy costs remain a key concern for us in the foreseeable future.

Retail Overview and Operation

There are about 10,200 charity shops in the UK raising over £363 million per year. The charity retail sector provides over 26,000 UK jobs and more than 187,000 people volunteer in its shops nationwide. Some volunteers simply want to make good use of their spare time by contributing to a worthwhile cause; some want to boost their confidence and employability skills; some may be there to combat social isolation and loneliness. The positive impact on mental health is a bonus for many.

There's a positive impact on the environment too. It's estimated that charity shops divert around 339,000 tonnes of textiles from landfill or incineration every year saving local authorities at least £31 million in waste disposal charges. There is a very good chance too that those who regularly shop in charity shops also donate to them. We certainly have many loyal customers in our shops who are regular donors too.

The value created by charity shops goes far beyond what can be captured in financial terms; however, the latter tends to be the only type of value that is measured and reported due to the complexity of capturing impacts that are not expressed in financial terms in real life. The biggest difference to people's lives is made by enabling people to "give back". It is suggested that almost half (49%) of the total social value is about giving back to others (29%) or the planet (20%). Giving back to others is the most important outcome in terms of the social value generated for all stakeholder groups, showing how incredibly important it is to staff, volunteers, customers, and donors to do something for others. For staff and volunteers, charity shops also significantly contribute to make them feel part of a community, our retail staff certainly feel that way. This is also important for customers and donors, although slightly less so, possibly due to shorter time spent by these groups in shops.

Customer shopping trends are still evolving with the buying of preloved goods becoming increasingly popular for a range of reasons including the growing cost of buying new, and the increasing desire to help the planet. These changes have boosted sales and grown the confidence for charities to grow and further develop their retail businesses. This has really helped the high streets, which continue to change with a shrinking number of traditional retailers and the growing move to online shopping.

The key for Animals in Distress is to ensure that we align our individual charity shops to what the local customers want. This requires a clear understanding of local trading patterns and the right stock package to support the right shop format, with the correct use of our retail space, pricing of donations based upon science rather than judgement to ensure that the ideal local customer offering and shopping experience is delivered. We are acutely aware that simply replicating the standard charity retail format and keeping the same retail offer is less likely to be as successful in the future. One solution is the differentiation of style of our charity shops as this is critically important to meet the local customer requirements now and in the future.

To address this changing environment and to take advantage of the market conditions there is a growing differentiation in high street strategies between charity retail shops. Whilst in the past most charity shops were similar in style, today there is a growing trend towards differentiation, our Totnes and Paignton shops are testament to this. Apart from a growing trend towards creative and sometimes unique charity shop styles, an increasing number of charities are upgrading their shops and the quality of shop fits. We have been gradually upgrading the fixtures and fittings in several of our shops. We believe that a well-designed and functional retail space can significantly improve the customer experience. Quality shop fitting involves creating an attractive and comfortable environment that is easy to navigate, with clear signage and ample space for our customers to move around in.

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We commenced a programme of significant improvements to the appearance of our Paignton Outlet shop in the autumn of 2023. Externally, this involved the forecourt being levelled, tarmacked and line-marked to make parking easier and safer for our customers. The entrance steps were removed and new stainless steel rope balustrade added to the existing ramp to make a safer entrance. The building had a fresh lick of paint and eye-catching more modern illuminated fascia signage was installed across the shop front and a new, very visible, illuminated monolith sign erected to advertise the Outlet to passing motorists. Internally, we have installed better lighting and new fixtures and fittings. The staff and volunteers have received multiple compliments from customers about the improvements we have made to the shop. It has made a significant difference to the footfall, trade and donations. Daily takings are up and the overall shopping experience has been enhanced. We are justly proud of what has been achieved at the Outlet.

We have just had CCTV installed at the Outlet for the safety of our staff and volunteers, as well as to deter shoplifting. Like most retailers at the moment, we are suffering from our fair share of thefts. According to the Office for National Statistics, [2023](#) was the worst year on record for shoplifting, with more than [430,000](#) cases recorded, an increase of more than a third from the year before. But that is probably just a fraction of the real number. The British Retail Consortium, the body representing almost all of the major retail chains, incorporating food and drink, fashion, DIY, health and beauty and more, recently [reported](#) that incidents of customer theft more than doubled from 8m to 16.7m in the period between 1 September 2022 and 31 August 2023. Losses reached [£1.8bn](#), up from £950m the year before.

Back in 2018, a [report](#) by the Centre for Social Justice stated that dependencies on heroin, crack cocaine and psychoactive substances drive 70% of all retail theft in the UK. The bulk of these prolific offenders are vulnerable, be it through substance abuse, extreme poverty or poor mental health. As time has moved on, this is still the case but a proportion of the thefts are deemed to be out of necessity due to the cost of living crisis and many are identified as organised criminals stealing for profit. Also, there are the opportunists, the swipers. It is believed that these people are actually driving the overall spike, not necessarily the gangs or the repeat offenders.

In order to minimise thefts at our shops, we have encouraged our staff and volunteers to greet customers as they enter our shops as this can put shoplifters off because it sends out a message that they are paying attention. We have also tried to work out where inside our shops the thefts are happening and what we can do to protect them. We consistently strive to have clean and tidy shops with clear visibility across the floor. This tells a thief that everything is shipshape and by keeping things security friendly, with uncluttered, wide aisles where possible, it makes it extremely difficult for them to steal unnoticed. Also, we try to ensure that the exterior and the buildings themselves are also well maintained and clean, to keep the space as visible as possible. We can't predict who is coming into our shops or how they will behave. Shoplifters could respond aggressively when challenged, so we have conducted a retail risk assessment in conjunction with Health and Safety directions. For as much of each day as possible, we try to ensure that our staff and/or volunteers are not alone. Thieves target shops where there is only one member of staff. More eyes in the store, means we are more likely to spot a thief, so having several staff or volunteers working is important and we have trained them how to spot shoplifters. We are already removing high value items from the shop/s and selling them online and if thefts continue to increase, we may have to think about tagging certain items with an anti-theft system. Sadly, these measures are indicative of the times we live in.

Data published by the Charity Retail Association (CRA) showed income from charity shops rose more than 15% in the first quarter of 2023 compared with the same period the year before. Stores also saw a 12.4% increase in average transactions each day compared with the same period in 2022. The survey also showed that charity shops were still struggling to fill staff and volunteer vacancies to cope with demand. One in three charities surveyed reported volunteer shortages, while nearly 40% said it was a challenge to make sure they had enough staff, something we have and are experiencing.

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Our charity shops remain incredibly important to our shoppers as they look for affordable shopping choices to help combat the effects of the cost-of-living crisis. We continue to work hard to provide our customers with the best shopping experiences that meet their needs. The main reason for our retail portfolio is to generate profit/unrestricted income that the Charity can use to help fund the work we do at the Rescue Centre and we must never lose sight of that.

We are living in a very traumatic period with high inflation, although this seems to have reached its peak in late 2023. It is unfortunately a perfect storm, with a war in Europe plus serious unrest in the Middle East, high interest rates and increased energy prices. Consumer spending therefore will remain under increasing pressure throughout 2024 and this is going to influence spending decisions. There is also a growing pressure to change behaviours to help the planet and buying pre-used items for charity retailers will continue to become not just acceptable but desirable. Purchasing online is continuing to grow and the high street will continue to evolve with many retailers potentially reducing their number of shops.

This combination of economic and politically influenced 'perfect storm' will help charity retailers. The sales from the end of 2022 and throughout 2023 saw over 10% year on year growth in most months and although it is slowing, it is clear evidence of the exceptional opportunity charity retailers have. The latest increases in the national minimum wage are having considerable effect on all charity retailers. This coupled with a levelling of year on year sales growth is most likely to reduce the profitability of charity retailers in 2024. This will influence the amount of focus charities give to retail, as for the past 18 months whilst costs have been high, the charity retail sales boom has tended to gloss over any retail problems and reduced the cost focus. Throughout 2023, we have reflected on our retail performance and reviewed our retail operations to understand its true potential before making any strategic decisions. If our retail operation is going to be fit for the future, we need to be sure that it is performing to its true potential.

Sadly, last year we saw the continued demise of high streets, hurt by the failure of chains such as Wilko and the retreat of pharmacies, banks and pubs. Almost 5,000 more chain stores were left empty last year, a rate of about 14 closures a day. While 9,138 new chain outlets opened, the highest level since before the pandemic, led by takeaways, cafes, discount supermarkets and petrol stations, the number of closures increased at a faster pace to 14,081.

We have no immediate plans to close any of our shops but we have to ensure that:

- Shop locations: are ours right for the future.
- Donations: are they being fully utilised. Pricing, merchandising, use of retail space and optimising the customer journey in our shops.
- People: including shop staffing levels and is our retail structure fit for the future.
- E-Commerce: could we do more and is it generating the profit it should.

As previously mentioned, like most charities, we are finding recruitment, including retail recruitment challenging. As a result, we are having to make commercial decisions to fill vacancies. We are investing in training our retail team as it makes commercial sense to do so. Shop managers within charity retail can make the competitive advantage so investing in the right training, should reap the long-term benefits.

We believe that 2024 is going to be defining for our retail operation. Our aim is to grasp every opportunity to grow our unrestricted income. We have to take the appropriate action to optimise our unrestricted income and measure it against its true potential rather than against budget or last year's sales.

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Rescue Centre Improvements

During the year, we continued our rolling programme of improvements to the facilities at our Rescue Centre in Ipplepen. Although no major projects were undertaken in 2023, we still maintained facilities where possible, in order to continue to provide a safe working environment for our staff and volunteers, excellent accommodation for the animals and to ensure that the site remained presentable at all times.

Adoption Fees

Our adoption fees remain broadly in line with other charities, both locally and nationally. At the start of each year, we apply a modest increase to the animal adoption fees which goes some way to offset some of the veterinary costs that we incur to give the animals the very best treatment and care.

However, it generally costs the Charity far more to look after and treat each animal than the adoption fee covers. Occasionally, we have charged an increased adoption fee for certain breeds, above our standard rates and this additional income, ensures that we can help more animals that come into our care. Facing rising costs, we applied an increase to our adoption fees for certain animals from the start of 2024 to help mitigate the situation.

When an adopter rehomes an animal from Animals in Distress, they take home a pet which has been fully assessed by our expert animal welfare staff, as well as our veterinary surgeon. Every pet at the Rescue Centre is examined by a vet, vaccinated, microchipped, neutered, wormed and flea treated (where appropriate for their species) and given any necessary treatments and where appropriate given a training plan designed to meet their specific needs.

Key Statistics

In 2023, we admitted 389 animals (382 in 2022) to the Rescue Centre (84 dogs, 192 cats/kittens, 37 rabbits and 76 guinea pigs) and rehomed 348 animals (352 in 2022) from the Rescue Centre (78 dogs, 162 cats/kittens, 29 rabbits and 79 guinea pigs). This represented a 2% increase in admissions and 1% decrease in rehoming compared to 2022. Finance and staff levels permitting, it is our aim to very gradually increase admissions and whenever possible rehoming year on year.

We continued to work with and develop the Open Paw Programme in the kennels, meaning that we were able to help many dogs find their forever homes. Open Paw is a programme specifically developed for dogs and cats in rescue centres, designed to provide animals with the enrichment, training and social skills they will need to make them more rehomeable, and to help them successfully settle into life in their new homes.

During 2023, Animals in Distress continued to assist the local Cats Protection by taking a number of pregnant queens, cats and kittens and the RSPCA by taking in several dogs, rabbits and guinea pigs. We will always do our best to help out other animal charities, both locally and nationally whenever there is a need and we have space.

Animals in Distress continues to ensure that all animals admitted and cared for at the Rescue Centre are healthy and receive all the necessary veterinary care that they need. The reduction in the number of animals on site during the pandemic resulted in fewer treatments required and a reduction in associated costs but this increased last year as, mentioned before, more and more animals are coming into us needing veterinary care, sometimes this is extensive in nature.

In 2023, a total of 3,475 (3,012 in 2022) consultations and combined treatments were administered (vaccinations, flea and worm treatments etc.) including operations performed (neutering, orthopaedic etc.). This represented a 15.4% increase compared to the previous year. Whenever possible, the vast majority of treatments and operations continue to be undertaken on site at the Rescue Centre.

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Total veterinary costs which include ancillary costs (i.e. lab fees, medical gas, medication, equipment etc.) were £95,343 (£75,470 in 2022). This represented a 26.3% increase in costs compared to the previous year.

We continue to benefit from being able to purchase discounted veterinary medicines through MWI Animal Health (AmerisourceBergen) which is a conglomeration of a best-in-class wholesale distributor Centaur Services, a practice management software innovator Vet Space, and two buying groups with relationships across the industry, St. Francis Group and Vetswest. We also purchase medicines through Veenak Veterinary Supplies who are a leading supplier that specialises in supplying human medicines at highly competitive prices. They have been serving the animal healthcare industry for several years, providing high quality products to veterinary practices and offer product solutions to cater for veterinary needs.

Veterinary Contract

Our veterinary provision at the Rescue Centre continues to be provided by Quarry House Vets, whose main practice is in Torquay. The Charity has maintained a good working relationship with this independent practice for over a decade now and our aim and requirement is the same as it always has been, to ensure that they provide the best and most up to date veterinary care for our animals. We will consider undertaking a retendering exercise for the contract when we feel that the time is right, however, we will continue to utilise the services of Quarry House as they meet our requirements at this time.

The UK competition regulator has launched formal investigation into the £2bn veterinary market, over concerns that pet owners could be overpaying for medicines and are not always aware of the best treatment options available. The Competition and Markets Authority (CMA) announced recently that it was pushing ahead with a review of the sector in a move that could result in prescription fees being capped and leading pet-care chains being forced to break up.

Many of the animals we take in are because their owners are struggling to pay their vet bills, potentially overpaying for medicines and they don't always know the best treatment options available to them. We also remain concerned about the potential impact of sector consolidation and the incentives for large, integrated vet groups to act in ways which reduce consumer choice.

The investigation will also look at whether profits earned by vets were "consistent" with the levels expected in competitive markets, and if there was any incentive or ability to limit customer choices when recommending treatments or services, particularly when vets were part of larger groups. We are fortunate that Quarry House remain an independent veterinary practice and that we can obtain our veterinary medicines etc. directly at a discount through MWI Animal Health (AmerisourceBergen).

Big Bark Kennel Build Project/Kennel Refurbishment

In April 2023, we wrote to all of our wonderful supporters who kindly donated to our Big Bark Appeal to update them on how we were progressing and to let them know about our future plans. As reported on last year, since we launched our Big Bark Appeal in 2019 so much has changed. The pandemic severely curtailed our fundraising efforts and with the ongoing cost of living crisis and soaring costs, our focus had and has to be on ensuring the sustainability of the Rescue Centre so we can continue to help as many animals as possible.

We advised our supporters that unfortunately we were not going to be able to afford the project we first envisioned in 2017 for a whole new kennel block. With material and labour costs rocketing, as well as what would be a substantial increase in the running costs associated with a larger kennel building, we had to be realistic about what we may be able to achieve. We made what we believe to be a pragmatic decision to focus on achieving a substantial refurbishment of our existing kennel building rather than a new larger one.

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Just about all of our supporters who kindly donated to the Big Bark campaign were happy for us to keep their donation to help towards our kennel refurbishment. We thank them for that and we will ensure their money goes exactly to where they intended, to help the homeless dogs for many years to come.

During the second half of 2023, we held a number of meetings with our architects, ACD Projects, to establish the details of what we would like to achieve. In addition to reconfiguring the layout of the existing kennel building, the discussions also included how we could develop the top area of the Rescue Centre site to incorporate isolation and boarding kennel blocks and a new veterinary building. These will serve the Charity well going forward but they also need to be constructed first before the main kennel building refurbishment, in order that we can still care for dogs during the work. Following a site drainage and topographical surveys being completed, in the first few months of 2024, ACD Projects produced a plan which our various internal stakeholders had input into.

The plan was revised several times ensuring that we came up with a potential design that works for the staff and the dogs, as well as being fit for purpose, hopefully for many years to come. At the time of writing this report, we are at a point of agreeing on a finalised plan and the next stage will be for a Quantity Surveyor to put some high-level costs against the proposal as it stands so that we have an order of magnitude. With material and labour costs having increased considerably over the last few years, we expect the costs to be high, so sadly, we may have to consider the future viability of this project as designed and how we move forward.

The kennel refurbishment and the associated buildings still remain a huge future project for the Charity. We know we have a long way to go and a significant amount of money to raise in order to deliver on it but we are more determined than ever, to achieve our dream for the dogs and kennel staff. We will keep our supporters updated periodically as to our plans to bring our dream to fruition.

Use of Volunteers

Animals in Distress has continued to benefit from the fantastic contribution that our wonderful volunteers made during 2023. Following the pandemic and the various lockdowns in 2020 and 2021, we found that that even when the shops re-opened, many of our volunteers were very wary of mixing in public so we had fewer volunteers to call upon. However, during 2022, we re-engaged with many of our volunteers and they returned to the shops and following a recruitment drive in 2023 for certain roles or support at certain locations, we had a number of new volunteers join us.

Our volunteers contributed at least 15,422 hours to the Charity during 2023 (14,385 hours in 2022) in our shops, at the Rescue Centre, fundraising in the community and in our Head Office. We continue to recognise the incredibly valuable part that our volunteers play in making this Charity such a success and we will continue to involve our volunteers more in other areas of our work such as administration, fundraising and events. The Charity considers the recruitment of volunteers in the same way as staff and carries out a thorough administrative process in their selection.

Fundraising Activity

2023 was another dynamic year, with a busy summer and autumn of active participation in numerous local community events. Once again, our devoted community supporters showed their unwavering dedication, organising impactful fundraising events and challenges on our behalf.

Our fundraising initiatives span trusts and grants, individual giving, event and challenge fundraising, social media appeals, community-driven projects and corporate sponsorships. We consider ourselves lucky to receive the incredible support of our local community and beyond, as well as that of some wonderful local businesses.

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We are fortunate enough to have remained a community partner for our two local Pets at Home stores, and their support throughout the year has been immeasurable. As well as running regular charity fundraisers in store they provide us with pallets of donated goods for the animals and VIP Lifelines, which allow us to receive food and other items we need for our animals throughout the year.

Every year we run a Summer Raffle, registered under our Small Society Lottery Licence with Teignbridge Council. We are also partnered with Your Charity Lottery, who run a lottery on our behalf which is well subscribed to.

We have a robust Supporter Care Charter in place which ensures that all of our staff and volunteers treat our supporters and potential supporters with the respect and gratitude they deserve. We are very grateful for every single donation and we always phone, email or send a personal card or letter to thank every person who donates or supports our work with South Devon's animals in need.

Our twice-yearly magazine and various social media channels continued to serve as popular avenues for connecting with supporters who couldn't attend events in person. This year for the first time since the pandemic, we also produced our Rescue Pets wall calendar which is popular with supporters and local businesses. Throughout the year, our social media outreach experienced continuous growth.

We are registered with the Fundraising Regulator, aligning with the Fundraising Promise and adhering to the Code of Fundraising Practice, and our GDPR policy ensures that we protect all our supporters' privacy and data.

A few highlights of 2023 include:

- We received £18,157 in regular giving
- Our Summer Raffle raised £3,751
- The lottery in partnership with Your Charity Lottery raised £3,973
- Our corporate friends raised £6,811
- Our supporters in the community raised £9,878 by walking, running, selling cakes and plants, and skydiving!
- Our collection boxes out in the local community raised £9,392
- Sponsorship of animal pens raised £3,455 for the animals in our care.

Staff Personal Development

The Charity continues to invest in the continuing professional development (CPD) of our staff. It remains a priority for the Charity in order to ensure that we have a constantly developing workforce so that staff have the knowledge and skills to perform their roles in a professional context. This ranges from honing current skills, developing them to a new level or learning new ones that will allow an employee's job role to expand or prepare them for potential promotion.

Several staff members undertook courses with the Centre of Excellence, including Level 3 - Leadership and Management, Feline Behaviour and Psychology Diploma, Canine Behaviour Training Diploma and a Rabbit Care, Behaviour and Welfare Diploma Course. Several staff also attended a new to management training course run by ACAS.

We continued our association with Battersea in 2023, with some of the courses held virtually. The Battersea Academy is a centre for professional development that trains animal welfare practitioners from across the UK and around the world. Delivered by Battersea's experts, Academy programmes are designed to equip participants with the knowledge and practical skills they need to operate their own rescue and rehoming centres effectively and to the highest possible standards.

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Their programmes cover up to date animal welfare principles, models and approaches to running a rescue centre. They work with participants before they attend to ensure each programme is tailored to the specific needs of the organisations attending. The Charity has received bursaries from Battersea in the past to attend the intensive programmes and the Charity and staff will take advantage of programmes in 2024.

New Telecommunications System

Our contracts with BT for our telecommunications system, broadband and mobiles etc. all ended in 2023 and the lease agreement we had with Shire Leasing for the Rescue Centre and Head office phone system and handsets came to an end in March 2024. As a result, we explored various options to improve our connectivity, enable better telecommunication links with the shops and save money.

We had multiple providers for our telecommunications including British Telecom for our broadband at the RC and mobiles, Cybertill for the broadband in the shops, Telecoms World for the landlines to the shops, Shire Leasing for the RC phone system and handsets. This meant multiple bills and a convoluted telecommunications system, often with one provider blaming the other if there was a problem or fault which often took too long to fix.

We met with several telecommunications companies during 2023 with the end of our contracts in mind, in order to see what was on offer with new equipment and with the aim to improve our telecommunications, bring the billing under one umbrella and ultimately save the Charity money in the process. We settled with a local company, Ubiquitous Communications Ltd (Ubi) who are based in Heathfield, Newton Abbot, who we believe will provide the telecommunications service and support we need going forward.

Ubi installed the new Voice over Internet Protocol (VOIP) system and equipment at the Rescue Centre and in the shops in late 2023 and early 2024. Also known as Digital Voice, it means our service is provided using our internet connection, instead of copper cables. The VoIP phone system allows us to make and receive calls through the IP telephony network without any limits. In time, the new system will reduce our overall expenditure on our telecommunications and importantly, it is future-proofed.

Information Technology

As mentioned in last year's annual report, it is increasingly important for all organisations to protect themselves online by implementing the latest cyber security techniques to keep devices, software and systems secure. It is no different for charities, so it may be reassuring to know that through our business IT support company, Electrowise, we continue to be satisfied that the cyber security measures we have in place are reasonable and proportionate.

The level of risk remains high, so it is vital and essential that our cyber-security measures are adequate, however, even with the best cyber security, it cannot guarantee protection from potential cyber-attacks or hackers. It is therefore prudent that we continue to have a cyber insurance policy in place to ensure we are covered should the worst happen.

We migrated over to Microsoft Office 365 (cloud based) in 2021 which was a positive move. As a Charity, we did not have to pay for it. Office 365 is Microsoft's productivity suite with tools like Word, Exchange, Excel, SharePoint, Teams and more. As it is cloud-based, it can be accessed from anywhere, on any device once online and is a totally secure environment with robust security measures in place, like two-factor authentication, which ensures unauthorised people can't access our files if they happen to get on our devices. Threat detection and anti-malware means security threats are identified and stopped immediately, which is particularly important for us as an organisation that deals with confidential data and information.

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Using Office 365 means our Charity is free to operate without any concerns for IT security. Other benefits include improved communication, business continuity as no matter what happens to our physical devices, our email, files and data are safely stored in the cloud, automatic upgrades and centralised collaboration.

Our servers were due for a replacement/upgrade in late 2022. By moving over to Office 365, it negated the need for our email server but we still had the main server to replace. Generally, it is expected that a server upgrade or replacement will need to happen every 5-10 years. If we were to wait until it 'died', we would risk downtime, lost productivity, and massive expense. It was therefore important that we established a plan for routine replacement to help avoid the issues that come along with failing servers. Ultimately, the main reasons to replace and upgrade our server was to reduce costs and drive operational efficiencies. As servers naturally age, they become costlier to maintain and support. The new server was installed in early 2023.

Animal Welfare Legislation

There are some positive changes to legislation which have or will bring about significant improvements to animal welfare which we very much approve of, these include:

- A ban on e-collars: This is a ban only on electronic collars which are used with remote control, not on all e-collars. The ban was effective from February 2024. Experts advise against shock collars and charities have welcomed this move to boost animal welfare.
- Microchipping regulations: the law on new microchipping regulations for England has now been passed. This now means that all pet cats will have to be microchipped. Any owners found not to have microchipped their pet will have 21 days to have one implanted, and face a fine of up to £500 if they don't comply. It is a requirement in England for cats to be chipped by 10 June 2024. This will help reuniting more cats with their owners.
- Fixed penalty notices: following on from the introduction of microchipping regulations for cats, the government is consulting on a proposal for the introduction of fixed penalty notices for specified offences in England. If this goes ahead, it will include enforcement of the microchipping regulations and the licensing of breeders. This doesn't replace the existing enforcement regime, however it will add to an enforcer's toolkit.
- Pet Abduction Act: In 2024 the Pet Abduction Bill passed the final hurdle to become law, changing the law to impose harsher penalties on pet thieves. It means that anyone found guilty of stealing a pet in England or Northern Ireland will face up to five years in prison, a fine, or both. It followed a huge rise in the number of pets stolen by thieves during lockdown. The so-called puppy boom that the nation experienced during the various lockdowns saw the average cost of a puppy double. This unprecedented demand put pet thieves on high alert. Security specialists ADT run a yearly Pet Theft Report which shows that dogs are the most frequently stolen pets at the top of the list, with a staggering 4,403 theft cases between 2019 and 2023. Charities have been concerned at the number of pets being stolen.
- Cruelty sentencing: In a win for animals, judges across England and Wales now have greater powers to increase prison sentences for animal cruelty offences. This follows a new set of guidelines issued by the Sentencing Council (SC). Judges will now be able to treat serious animal cruelty offences, such as dog fighting and badger baiting, with the seriousness they deserve. The maximum penalty for animal cruelty increased from six months to up to five years in prison, and the SC's guidelines for Animal Welfare Act offences gives courts in England and Wales a framework for dealing with these increased powers. It is welcome news that anyone found guilty of animal cruelty will be sentenced appropriately.
- Renters (Reform) Bill: This covers the housing rental market but includes the provision for a tenant to have a right to request to have a pet. The government has set out new regulation for tenants who own pets - plus more ways for landlords to recoup costs in case of damages. If the bill is passed, a landlord has to consider the request and can't unreasonably refuse.

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If the landlord does give consent, they can require the tenant to obtain specific insurance to cover any damage to the property. There is huge support for this bill but it is a weighty document and only two sections relate to animals, so there is concern that it might not go forward. The Renters (Reform) Bill must go through the parliamentary process and achieve Royal Assent before it becomes law.

Strict rules about ownership of American XL bully dogs are now in force in England, Wales and Scotland. They will be introduced in Northern Ireland later in 2024. However, there have been a number of attacks involving the dogs, some fatal, since the laws were put in place. An XL bully is the largest kind of American bully dog and are described as large dogs with a muscular body and blocky head, suggesting great strength and power for their size. Male XL dogs stand from 20in (51cm) high at the shoulder, with female XLs only slightly smaller. Dogs are considered XLs if they meet the minimum height and a substantial number of other characteristics.

Ownership of American bully XL dogs is restricted under the Dangerous Dogs Act 1991. Since 31 December 2023, it has been against the law to sell, give away, abandon or breed from an XL bully. Since 1 February 2024, it has been a criminal offence to own a XL bully without an exemption certificate. The government said it received 61,000 exemption applications before the deadline. Owners are subject to restrictions in place meaning their dogs must be neutered, and muzzled and kept on a lead in public. Police can seize unregistered prohibited dogs, and their owners face a criminal record and unlimited fine.

We believe that breed-specific bans do not work and are unfair on responsible dog owners and their pets. This is a view shared by the Dog Control Coalition, a body which includes Battersea, the Dogs Trust, the Kennel Club, the RSPCA and the British Veterinary Association. Four other breeds are banned in the UK under the Dangerous Dogs Act 1991, these are the American pit bull terrier, Japanese Tosa, Dogo Argentinos and Fila Brasileiro.

The ban on the American XL bully dog is controversial and it meant that many rescues which had XL bullies in their care at the time the ban came in were faced with having to euthanise perfectly healthy dogs. At Animals in Distress, we made the conscious decision a couple of years ago, to stop taking in XL bullies. This was primarily for the safety of our staff and the difficulty in rehoming them. When the ban came in, we didn't have any XL bullies in our kennels but had multiple requests from across the country from distraught owners wanting us to take their dogs, but this would have been illegal. Since the ban came in we have had one XL Bully come in as an alleged stray, the Police were contacted and the dog seized. Fortunately, we are not based in an area where XL bullies are common so we don't expect to see many.

Challenges

As 2024 progresses, the charitable landscape is undergoing a transformative journey, marked by technological advancements, evolving societal priorities, innovative approaches and the need for stronger relationships with supporters.

Impact on Charities

Amidst a global landscape of geopolitical events, war and climate change disasters, and on the home front a continuing cost of living crisis, extreme weather events and increased incidences of cyberattack, everything looks set to impact the charity sector even further as 2024 progresses. A combination of increased need for a charity's services, reduced donations and greater competition is likely to put greater strain than ever on the sector's resources.

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This year is certain to have more than its fair share of political, economic, and social change, but we've also entered a year of choices, challenges, and opportunities. An election year brings uncertainty but also opportunity. With the general election announced for 4th July, if we are to believe the current opinion polls, we are likely to see a change in government. This will have wide ranging implications for our sector, including the potential for a better relationship with government. Sir Keir Starmer told a voluntary sector audience that the sector is 'essential' to Labour's vision for Britain and for a 'society of service'.

The cost-of-living crisis continues to bite, with some forecasts suggesting it may continue until 2028, which means charities could well face a 'cost of giving' crisis in 2024 and beyond. Charities have to continue to balance increased demand on their services with reduced levels of income, calling for ever-increasing levels of resilience and creativity to manage the crisis.

Key Risks in 2024

There are a number of key risks that we are facing in this year and these include:

- Economic uncertainty - although inflation is now falling, the ongoing risk of potential recession is very real and could see charitable donations decline this year. This is where our reserves policy is vital to act as a contingency plan.
- Greater competition for donations - as the economic challenges persist, competition for charitable donations could well increase, requiring us to focus on supporter retention and stewardship.
- Rising costs - it is very likely that inflation will continue to drive up operating costs meaning we must continue to look for opportunities to cut our expenditure where possible.
- Public health issues - the continued risk of COVID, influenza and other public health concerns could further impact our charity operations and our fundraising, requiring us to include flexibility in their plans.
- Natural disasters - extreme weather events may well increase, diverting donations and money to disaster relief efforts, calling for us to have an emergency plan in place.
- Cybersecurity threats - we hold sensitive data on our supporters and staff, so it is essential that we maintain the highest levels of security against phishing and cyberattacks.
- Talent retention - in a challenging hiring environment, as we are experiencing, it's likely that staff turnover may rise, which means succession planning and employee development is essential.
- Compliance burdens - charities face ever more stringent regulatory requirements, so it is essential to ensure that all legal requirements are up to date and that our policies follow best practice.
- Reputational risks - any controversy or scandal could damage our charity's reputation and impact supporter trust, resulting in a drop in donations, so it's imperative we have a crisis management plan in place to navigate such issues.

It is key that at Animals in Distress we anticipate challenges and have strategies in place to manage events and uncertainties ahead. The continued growth of digital technology offers new ways for us to communicate with our supporters and create more personalised fundraising campaigns, along with the use of Artificial Intelligence to enhance the supporter experience, and this may well be key to our survival in the future.

Top Fundraising Trends

There are a number of fundraising trends which are set to define the charity sector in 2024:

- Donation Patterns - There is a trend of fewer people giving more, with some donors increasing the amount that they give to charities.

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- Economic Impact - The charity sector is suffering from the impact of the cost of living crisis, which has led to a reduction in donations and increased demand for services, posing challenges to the sector's resilience.
- Staffing and resourcing - Charities are experiencing struggles to recruit staff and facing rising costs and falling income, survivability is a real concern.
- Artificial intelligence - The expectation is that charities will embrace novel technologies such as artificial intelligence (A.I.). We have introduced an AI Chatbot on our website which is an online program that can simulate human-like customer interactions through the use of natural language processing (NLP) and Machine Learning. By employing an AI bot it enables us to provide 24/7 availability to give a customer or supporter an instant response to their enquiry.
- Adaption and innovation – It is vital that we adapt to these changes and continue to innovate in order to remain successful.

The charity sector is certainly facing significant challenges due to the cost of living crisis, changing donation patterns and the need to adapt to new technologies. At Animals in Distress, we have to ensure that we embrace innovation and flexibility in fundraising to navigate these challenges and remain resilient.

Financial Sustainability

Generating income and achieving financial sustainability is the main and constant challenge facing Animals in Distress. However, it is important to remain optimistic about the future of our organisation, with the level of optimism increasing in line with income. It is fair to say that we continue to be more optimistic about our own organisation rather than the sector as a whole.

Ensuring We Live Within Our Means

As the difficult times continue, it is inevitable that more and more charities are running out of options to continue to meet the high and protracted demand for their services becoming overwhelming. As charities face continued pressures on services and reduced capacity to deliver, it is unsurprising that many charities are now needing to use their reserves to cover core costs. We always endeavour to live within our means, none more so than over the last few difficult years. As a result, we have been fortunate that we have not had to dip into our reserves.

Although the demand for our services remains high, we continue to regulate our intake of animals based upon our ability to fund our work. This pragmatic decision has ensured that we have been able to maintain a good level of service without risking the financial position or future of the Charity. This way, we can be confident that we continue to have the funds to meet a demand that we can regulate and ensure that the Charity can still do its excellent work for many years to come.

Volunteer Retention

The best way to keep volunteers is to make sure what they do meets their motivation for giving their time. The most common motivations for volunteering include wanting to improve things or help people, having the spare time to do it and the charity or cause being important to the individual.

Each volunteer will have their own reasons for volunteering, which may change over time. We have to be flexible and open to meeting our volunteers' needs where possible but also be clear if we think a role won't be a good match and explain why. We have to make sure roles are meaningful, that volunteers should get some enjoyment or fulfilment from volunteering. We strive to make our volunteers feel welcome, able to be themselves. We have tried to make it as easy as possible to volunteer, removing any unnecessary barriers to getting and staying involved. We endeavour to give our volunteers the information they need to do their role and keep them updated in the way they prefer.

Giving time is a valuable donation and therefore, it is important that we continue to respect this. We encourage our staff to take an interest in our volunteers and get to know them, where this is possible.

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It is important that we continue to thank our volunteers and highlight their efforts as well as listen to and seek their thoughts, ideas and suggestions. Volunteers certainly have a voice in our organisation and can contribute to how it works.

What Can Charities Do?

The pandemic and the impact of the cost-of-living crisis have brought about two major realisations, how dependent society is on the contribution of civil society and civic spirit as well as the extent to which the external environment can have a long-term impact on the charity sector. There are areas which charities like Animals in Distress must make sure we have invested in sufficiently to balance the current need to deliver services with future preparedness and resilience. These considerations include increasing financial resilience and sustainability, managing costs and moving towards renewable energy sources, embracing the social economy and partnerships, and increasing engagement with donors.

We hope that the worst is over for charities but as the impact of the cost of living crisis is still being felt, there could be worse to come. The crisis is potentially both deeper and longer than COVID. This is due primarily to the huge funding gap, made worse by inflation driving costs and eating into the real value of income, the surge in demand and increasing people-related challenges. The funding landscape remains challenging but it is hoped that it has stopped worsening now. The charity sector is experiencing a period of unrelenting change driven by factors such as:

- the digitalisation of the economy
- growing demands for a demonstrable impact, transparency and integrity
- an increasingly complex regulatory environment
- environmental events

These factors are forcing us to adapt and to respond in ways that protect our operations, while continuing to focus on the needs of our beneficiaries. These challenges are reflected in risks related to governance and strategy, organisational change and reputation.

During 2023, we continued to actively take measures to cut our expenditure where we have been able to do so. We restricted spending to our core activities and any future projects have been put on hold. In the short term, the measures that we have taken and the funding we have been able to source will make sure we are in a strong position to continue to ride the waves during these uncertain times and recover when the various crises are over and eventually the global economy settles down.

The Trustees and CEO continue to discuss the issues and challenges, making decisions and then acting together to successfully implement those decisions. We endeavour to make timely decisions within shorter timescales. As income levels are threatened and additional costs arise, cash flow and reserves management inevitably demand our greatest attention. We are fortunate that we have a strong robust reserves policy, we have cash reserves that we would be able to draw on to manage our cash requirements. Fortunately, we did not have to draw on our reserves in 2023 but if we do need to going forward, the issue will be how the reduction in reserves is going to be managed going forwards. If the worst was to happen and we had to draw on our reserves, then we know that it would take time to build our reserves level up again and therefore we may have to consider selling investments to help with this.

There are a number of key areas we are focussing on for our planning, budgeting and re-forecasting:

- Staff and volunteer welfare and safety remains paramount
- Despite recent increases in interest rates, developing a more diverse and robust investment strategy to increase our investment income
- Fall in trading income arising from our retail operation post-COVID

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- Fall in a voluntary income from sources such as donations, fundraising and sponsorships as well as events cancelled or as individuals have less disposable income to donate (as a result of the increase in inflation and the global economy).
- Health and safety issues have been considered with the day to day needs catered for with different ways of working to protect staff.

We have and will continue to adapt and change our business model due to the post-pandemic world and the global economy. There have been extremely difficult times and no doubt there will be going forward. We continue to do all we can to mitigate the situation in the short-term in order to secure the medium to long-term sustainability of the Charity.

Investment Strategy

As reported on last year, the current Trustees and CEO recognised that the Charity was sitting on a large cash balance with little earnings potential. The cashflow of the Charity is quite unpredictable, and it is the donations that come through legacies which really make the difference. As a result, it was agreed in 2022 that the Charity had the capacity to invest a lump sum of £400k, aiming to generate the potential of greater long-term growth in order for the Charity to continue operating for years to come.

The Trustees and CEO met with Francis Clark Financial Planning to discuss our objectives. They considered a range of factors including our financial ambitions, our investment preferences and agreed risk profile to create a bespoke financial forecast that is adaptable to changing circumstances and maximises our return on investment.

Our main objective for these funds is that the portfolio avoids investment in or any direct involvement in any companies, governments or organisations which are associated in any way with animal testing, or any cruelty to animals whatsoever. The portfolio needs to ensure absolute screening and compliance with this area moving forward. The Trustees and CEO accept that in some cases there may be some residual exposure to animal testing in pharmaceutical sectors but wish to avoid animal testing on a best-efforts basis.

Following discussions with Francis Clark Financial Planning and based on our requirements and objectives, they recommended we invest the £400k in a new discretionary arrangement with RBC Brewin Dolphin. Whilst Brewin Dolphin were more expensive than the cheapest proposal, the following summarises the conclusions for their recommendation:

- Francis Clark already have an existing relationship in place with Brewin Dolphin
- They are experienced in working with South West based charities
- Their investment proposal provides clarity on information regarding screening in both direct and indirect investments
- The ability to tailor the investment proposition to the specific mandate of Animals in Distress

For long term investors Brewin Dolphin believed that our investment risk appetite is appropriate and should protect the capital value of the portfolio from inflation, while producing an attractive level of income. The closest match to the recommended DT 5 or 6 level was to use the RBC Brewin Dolphin's Intermediary Risk Level 6: High Medium Risk.

A 'high medium' risk profile shows that our willingness and ability to accept investment risk is slightly above average. A portfolio that matches this risk profile is likely to experience some significant rises and falls in value, most likely containing mainly medium and high-risk investments, including Sterling corporate bonds and global bonds including higher income types as well as Property and shares. The shares are expected to be held mainly in the UK and other developed markets, but there is also likely to be some in higher-risk emerging markets.

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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

There are a number of risk considerations that we continue to take into account:

- Past performance is no guarantee of future returns.
- If growth is low, charges may eat into the capital invested.
- Any ad-hoc or ongoing adviser charges being paid from an investment bond will count towards the 5% tax deferred allowance.
- The value of this investment is not guaranteed and on encashment we may not get back the full amount invested.
- If withdrawals are at a rate which exceeds the net growth of the fund, capital will be eroded.
- Before making any withdrawals in excess of the cumulative 5% allowance, we should seek advice in respect of the most appropriate and tax efficient method of achieving this.
- The price of units and the income from them can fall as well as rise.
- An early withdrawal charge may apply.
- The government may change the tax rules that currently apply to onshore bonds.
- There may be occasions when an individual fund or funds may have a higher risk rating than our overall stated attitude to risk. If this is the case, then the overall risk rating applied to all of the combined funds being recommended will still be designed to meet our stated tolerance.

RBC Brewin Dolphin's work in optimising portfolio structures to try and ensure that portfolios produce the best level of return for a given level of risk produces a slightly different structure. Over time, RBC Brewin Dolphin believes that an investment portfolio with this broad structure will produce a return in the region of CPI + 2.0%. (Using the Bank of England's targeted inflation rate of 2%.) RBC Brewin Dolphin is very conscious that these expected returns are significantly below historic returns reflecting that we are in a challenged world, low economic growth translates to lower investment returns.

The £400,000 was invested in April 2023 and is seen by the Trustees and CEO as a medium to long-term investment, the returns from which will help secure the financial future of the Charity and if appropriate, assist with funding larger projects, such as building work at the Rescue Centre.

We are pleased to report that our portfolio has performed well during its first 12 months, with a growth of approximately 12%. The ARC Charity Indices averaged a return of 9.38% for the same period. ARC Charity Indices is a set of indices compiled by the ARC Research and are used by charity trustees and their advisers to assess the performance of a discretionary charity portfolio. The ARC Charity Indices provide actual returns generated by discretionary charity portfolios net of fees, based on hundreds of charity portfolios submitted to ARC. We meet with RBC Brewin Dolphin regularly to review our portfolios performance.

Principal Risks

The Trustees and CEO recognise that through the nature of our activities, funding base, reserves and structure, the Charity is exposed to differing areas of risk and levels of exposure. There are many areas of potential risk and we undertake our own processes for risk identification. The following list is an indication of a few of the main areas of risk that are considered by the Trustees and CEO:

- Income and financial sustainability: Insufficient income and reserves for the charity to achieve its strategic objectives and maintain its operations. Dependency on income sources - such as legacies and retail could have a cash flow and budget impact if that income source is significantly reduced or lost.
- National minimum wage and living wage: Government actions have and potential future proposals will increase payroll substantially, so future staffing levels will have to be considered.
- Data Protection compliance and GDPR: An event or incident such as an external data breach or inadvertent internal error resulting in the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data.

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- Organisational change and digital transformation: The failure to execute organisational change and transformation programmes effectively and to achieve the intended benefits of these, resulting primarily in inefficient use of the Charity's resources.
- Safeguarding: Failure to safeguard the Charity's beneficiaries or associated vulnerable persons, including children, from abuse and maltreatment.
- People, leadership and culture: Weaknesses or failure of leadership, inability to develop and retain talent effectively and an organisational culture that is not an enabler in the pursuit of the Charity's strategy and objectives.
- Governance: The Charity does not achieve its strategic, charitable, regulatory and ethical objectives due to inadequate governance at board, senior management or operational levels.
- Regulatory: The Charity fails to comply with applicable regulatory requirements, leading to reputational damage and financial penalties.
- Post-Coronavirus (COVID-19): The global pandemic and the effects on the economy, demand for services, finances, fundraising etc.
- The Ukraine Crisis: The impact and effects the ongoing war is having on the global economy, the international supply of goods and inflation.
- Health, safety and environment: Failing to ensure a safe environment could result in injury to staff, volunteers or the public, breaking the law and rendering the Charity unable to operate.
- Cyber security: Cyber incidents (typically unauthorised or inappropriate access to our organisation's network) executed by external or internal parties that negatively impact the confidentiality, integrity and availability of the Charity's information systems and data.
- Business continuity incidents: The occurrence of incidents that limit the Charity's ability to operate as it normally would in business as usual situations.
- Reputation: A range of occurrences including incidents, events and outcomes that may consequently damage the Charity's reputation. Reputation risk is largely a consequence of other risk events materialising. Public perception and adverse publicity which could impact on voluntary income, use of our services, access to grants, loss of donor confidence or funding, impact on the morale of staff, loss of beneficiary confidence, relationship with funders etc.

FINANCIAL POSITION AND RESERVES

At 31 December 2023, the Charity had total reserves of £4,859,000, of which £4,852,000 were unrestricted.

The Charity has sought to separate those unrestricted reserves that are held in the form of property fund assets (£2,074,000) from those that are freely available for its general purposes. As well as providing a more informed view of the overall reserves it enables a more realistic assessment to be made of the Charity's strategy with regard to our level and future deployment.

The so-called free reserves are then demarcated into a separate category (building fund totalling £1,178,000) that accords with the Charity's medium and long-term plans to improve facilities at the Rescue Centre. This acknowledges and takes account of the fact that large scale capital projects require "saving for" over many years.

The balancing general reserve (£1,600,000) recognises that it is extremely difficult to predict income from legacies, so the Charity aims to hold at least £750,000 in reserve, which equates to 6 months average operating costs. Our reserves currently exceed this figure in order to cover future projects and eventualities. It is anticipated that our investment policy will match the spending and reserves policy.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Charity Trustees (who are also the directors of Animals in Distress (Torbay and Westcountry) for the purposes of Company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 charitable company and the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the U.K governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure to our Auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- The Trustees have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of relevant audit information and to establish that the auditor is aware of that information.

By order of the board of Trustees and signed on behalf of the Trustees:

G Dix (Chair)

C Paradine

Date: 2024

Report compiled for and on behalf of the Trustees by: Neil Thomas (CEO)

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Animals in Distress (Torbay and Westcountry) (the "charitable company") for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating 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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2023

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 24), 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 they 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor's responsibilities for the audit of the financial statements

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.

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:

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to fraudulent financial reporting, in particular to grant funding received.

Audit procedures performed by the engagement team include, but were not limited to, discussions and inquiries with management of compliance with laws and regulations, reviewing grant funding agreements, and reviewing board minutes and significant legal costs incurred in the year. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2023

Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Hobbs BSc ACA (Senior Statutory Auditor)

PKF Francis Clark, Statutory Auditor

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

Date: 2024

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Donations and legacies	3	726,021	455	726,476	822,348
Charitable activities	4	77,784	-	77,784	66,462
Other trading activities	5	909,817	-	909,817	857,169
Investments	6	46,021	-	46,021	21,629
Total income		<u>1,759,643</u>	<u>455</u>	<u>1,760,098</u>	<u>1,767,608</u>
Expenditure on:					
Raising funds	7	792,331	-	792,331	705,345
Charitable activities	8	692,970	28,672	721,642	615,383
Total expenditure		<u>1,485,301</u>	<u>28,672</u>	<u>1,513,973</u>	<u>1,320,728</u>
Net gains on investments	17	24,853	-	24,853	-
Net income/(expenditure)		299,195	(28,217)	270,978	446,880
Transfers between funds	22	-	-	-	-
Net movement in funds		<u>299,195</u>	<u>(28,217)</u>	<u>270,978</u>	<u>446,880</u>
Reconciliation of funds					
Total funds brought forward		<u>4,553,109</u>	<u>35,374</u>	<u>4,588,483</u>	4,141,603
Total funds carried forward	22	<u>4,852,304</u>	<u>7,157</u>	<u>4,859,461</u>	<u>4,588,483</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 33 to 45 form part of these financial statements.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income from:					
Donations and legacies	3	820,491	1,857	822,348	807,124
Charitable activities	4	66,462	-	66,462	45,386
Other trading activities	5	857,169	-	857,169	603,479
Investments	6	21,629	-	21,629	19,753
CJRS		-	-	-	197,519
Total income		<u>1,765,751</u>	<u>1,857</u>	<u>1,767,608</u>	<u>1,673,261</u>
Expenditure on:					
Raising funds	7	705,345	-	705,345	699,851
Charitable activities	8	610,799	4,584	615,383	591,622
Total expenditure		<u>1,316,144</u>	<u>4,584</u>	<u>1,320,728</u>	<u>1,291,473</u>
Net income/(expenditure)		449,607	(2,727)	446,880	381,788
Transfers between funds	22	-	-	-	-
Net movement in funds		<u>449,607</u>	<u>(2,727)</u>	<u>446,880</u>	<u>381,788</u>
Reconciliation of funds					
Total funds brought forward		<u>4,103,502</u>	<u>38,101</u>	<u>4,141,603</u>	3,759,815
Total funds carried forward	22	<u>4,553,109</u>	<u>35,374</u>	<u>4,588,483</u>	<u>4,141,603</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	15	-	-
Tangible assets	16	2,553,537	2,577,845
Investments	17	427,608	-
		<u>2,981,145</u>	<u>2,577,845</u>
Current assets			
Stocks	18	7,323	7,488
Debtors	19	228,162	341,034
Cash at bank and in hand		1,812,746	1,847,848
		<u>2,048,231</u>	<u>2,196,370</u>
Liabilities			
Creditors falling due within one year	20	77,335	72,982
Net current assets		<u>1,970,896</u>	<u>2,123,388</u>
Total assets less current liabilities		<u>4,952,041</u>	<u>4,701,233</u>
Creditors falling due after more than one year	21	92,580	112,750
Net assets		<u>4,859,461</u>	<u>4,588,483</u>
Restricted funds	23	7,157	35,374
General funds	23	1,600,682	1,301,487
Designated funds	23	3,251,622	3,251,622
Total charity funds		<u>4,859,461</u>	<u>4,588,483</u>

The notes on pages 33 to 45 form part of these financial statements.

The financial statements were approved by the trustees on 2024 and signed on their behalf by:

G Dix
Trustee

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Cash flows from operating activities	25	420,186	380,759
Cash flows from investing activities			
Rent received		22,900	19,150
Interest income		17,107	2,479
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		(85,956)	(15,975)
Proceeds on sale of tangible fixed assets		10,000	-
Purchase of investments		(400,000)	-
Cash flows from investing activities		(435,949)	14,655
Cash flows from financing activities			
Repayments of bank borrowings		(19,339)	(18,498)
Proceeds from bank and other borrowings		-	-
Cash flows from financing activities		(19,339)	(18,498)
(Decrease)/increase in cash and cash equivalents in the year		(35,102)	367,915
Cash and cash equivalents at the beginning of the year	26	1,847,848	1,479,933
Cash and cash equivalents at the end of the year	26	1,812,746	1,847,848

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting Policies

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements and assessment of going concern

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP (FRS 102)), FRS 102 and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Animals in Distress (Torbay and Westcountry) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income by way of donations, membership, sponsorship and collections, is accounted for when receivable. Income raised through the operation of the shops is taken into account at the time of receipt.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated goods relating to animal food are brought in to income and expenditure at the value they would have cost had they been purchased by the charity.

c) Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds received which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

d) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fundraising and shop costs and their associated support costs.
- Expenditure on charitable activities includes the costs of the Rescue Centre and its associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between costs of raising funds, expenditure on charitable activities and other expenditure, based on staff time.

f) Operating leases

Rental charges under operating leases are charged on a straight line basis over the term of the lease.

g) Intangible fixed assets

Intangible fixed assets are initially recorded at cost. Computer software is amortised on a straight line basis over its expected useful economic life of 4 years.

h) Tangible fixed assets

Individual tangible fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Freehold buildings	2% straight line
Equipment	20% reducing balance
IT equipment	25% straight line
Motor vehicles	25% reducing balance

i) Stocks

Stocks are included at the lower of cost and net realisable value.

j) Investments

Investments where they are publicly traded or their fair value can be measured reliably are measured at fair value through the statement of financial activities. The fair value has been measured at the quoted market price at the balance sheet date. Investments where the fair value cannot be measured reliably are measured at cost less impairment.

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is recognised where the criteria for recognising income has been met at the year-end but the claim or invoice has not been submitted/issued until after the year-end.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash held in current and savings accounts in UK banking institutions.

m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Pensions

The charity operates a defined contribution pension scheme and membership is open to all employees of the charity. The assets of the scheme are held separately from those of the charity. The charity matches employee contributions of 1-4% with an employer contribution of 3% and the contributions are paid into the fund on a monthly basis. The contributions made for the accounting period are treated as an expense and were £20,624 (2022: £18,221). Contributions totalling £1,937 (2022: £1,543) were payable to the fund at the balance sheet date and are included in creditors.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The Charity is incorporated in England and Wales. The address of its registered office is: Biltor, Edgelands Lane, Ipplepen, Newton Abbot, TQ12 5UF.

3 Income from donations and legacies

	2023 £	2022 £
Donations and gifts	269,511	155,406
Legacies	437,709	648,102
Grants	1,100	1,185
Memberships and sponsorship	18,156	17,655
Total income from donations and legacies	726,476	822,348

Donations and gifts include a £165,048 (2022: £23,070) donation from the old charity, Animals in Distress (Torbay and Westcountry) Incorporating Torbay Animal Welfare Sanctuary.

As noted in the trustees' report the charity benefits notably from the involvement and enthusiastic contributions of volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

4 Income from charitable activities

	2023 £	2022 £
Re-homing fees	61,873	56,978
Animal Boarding	9,811	6,333
South Hams Strays and Vet income	6,100	3,151
Total income from charitable activities	77,784	66,462

5 Income from other trading activities

	2023 £	2022 £
Memberships and sponsorships	3,455	3,287
Fundraising events	24,911	21,263
Shop income	868,754	819,727
Petplan commission	12,697	12,892
Total income from other trading activities	909,817	857,169

6 Investment income

	2023 £	2022 £
Rent	22,900	19,150
Interest	17,106	2,479
Investment income	6,015	-
Total investment income	46,021	21,629

7 Analysis of expenditure on raising funds

	2023 £	2022 £
Fundraising	9,692	9,244
Shop costs	593,823	552,992
Support costs	191,713	143,109
Total expenditure on raising funds	792,331	705,345

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****8 Analysis of expenditure on charitable activities**

	2023 £	2022 £
Rescue Centre	618,754	555,221
Support costs	102,888	60,162
Total expenditure on charitable activities	721,642	615,383

9 Analysis of support costs

All support costs are allocated based on the basis of staff time.

The analysis of support costs is as follows:

	Raising Funds £	Charitable Activities £	Total 2023 £	Total 2022 £
Salaries and other staff costs	134,469	68,469	202,938	163,473
Travel and subsistence	47	24	71	85
Professional fees	13,305	6,774	20,079	6,758
Finance costs and exchange losses	4,574	2,329	6,903	6,761
Investment management	3,260	-	3,260	-
Loss on disposal of assets	20,813	10,730	31,543	-
Office costs	5,888	2,998	8,886	9,244
Other costs	5,296	2,564	7,860	6,928
Governance	1,164	9,000	10,164	10,022
Total support costs	188,816	102,888	291,704	203,271

10 Analysis of governance costs

The analysis of governance costs is as follows:

	Total 2023 £	Total 2022 £
Salaries and other staff costs	849	864
Professional fees	9,000	9,000
Other costs	315	158
Total	10,164	10,022

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

11 Net income for the year

This is stated after charging:

	2023 £	2022 £
Operating leases - property	74,250	74,250
- equipment	18,026	13,262
Depreciation	74,357	72,978
Amortisation	-	219
Interest payable	5,510	6,350
Auditors' remuneration: audit fees	4,670	4,670
accounts	3,375	3,375
taxation	955	955

12 Analysis of staff costs, trustee remuneration and expenses, the cost of key management personnel and related party transactions

	2023 £	2022 £
Salaries and wages	883,720	766,972
Social security costs	55,409	47,053
Pension costs	20,624	18,221
	<u>959,753</u>	<u>832,246</u>

One employee had remuneration in excess of £80,000 and less than £90,000 (2022: one in excess of £70,000 and less than £80,000).

The charity trustees were not paid and did not receive any other benefits from the charity (2022: None). No travel or other expenses were reimbursed to the trustees during the year (2022: None).

The total remuneration, including employer's national insurance, of the key management personnel of the charity was £96,636 (2022: £89,103).

There were no related party transactions (2022: None).

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13 Staff numbers

The average monthly head count was as follows:

	2023	2022
Rescue Centre	19	18
Charity shops	24	25
Administration and support	6	5
Chief Executive	1	1
	<u>50</u>	<u>49</u>

14 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Intangible fixed assets

	Software £	Total £
Cost:		
As at 1 January 2023	13,100	13,100
As at 31 December 2023	<u>13,100</u>	<u>13,100</u>
Amortisation:		
As at 1 January 2023	13,100	13,100
Charge for the year	-	-
As at 31 December 2023	<u>13,100</u>	<u>13,100</u>
Net book value:		
As at 1 January 2023	-	-
As at 31 December 2023	<u>-</u>	<u>-</u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

16 Tangible fixed assets

	Freehold Property £	Equipment £	IT Equipment £	Motor Vehicles £	Total £
Cost:					
As at 1 January 2023	3,148,670	155,512	76,202	21,920	3,402,304
Additions	60,386	-	21,206	4,364	85,956
Disposals	(33,037)	-	-	(4,364)	(37,401)
As at 31 December 2023	3,176,019	155,512	97,408	21,920	3,450,859
Depreciation:					
As at 1 January 2023	600,619	139,271	66,550	18,019	824,459
Charge for the year	62,960	4,419	6,003	975	74,357
Eliminated on Disposal	(1,494)	-	-	-	(1,494)
As at 31 December 2023	662,085	143,690	72,553	18,994	897,322
Net book value:					
As at 1 January 2023	2,548,051	16,241	9,652	3,901	2,577,845
As at 31 December 2023	2,513,934	11,822	24,855	2,926	2,553,537

17 Investments

	Listed Securities £	Unlisted Securities £	Total £	2022 £
As at 1 January 2023	-	-	-	-
Additions at cost	-	400,000	400,000	-
Additions to shares	389,803	(389,803)	-	-
Revaluations	24,853	-	24,853	-
Income	-	6,015	6,015	-
Charges	-	(3,260)	(3,260)	-
As at 31 December 2023	414,656	12,952	427,608	-

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

18 Stocks

	2023	2022
	£	£
Goods for resale	670	642
Vet room supplies	5,710	5,710
Shop stationery stocks	943	1,136
	7,323	7,488

19 Debtors

	2023	2022
	£	£
Trade debtors	3,375	4,651
Other debtors	53,593	36,155
Prepayments and accrued income	171,194	300,228
	228,162	341,034

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

20 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	13,840	13,953
Other creditors	4,488	3,613
Accruals and deferred income	25,340	25,405
Social security and other taxes	13,497	10,672
Bank loan	20,170	19,339
	77,335	72,982

The bank loan is secured by a charge over one of the charity's properties.

21 Creditors: amounts falling due after one year

	2023 £	2022 £
Bank loan	92,580	112,750
	92,580	112,750

The bank loan is secured by a charge over one of the charity's properties.

22 Obligations Under Leases

The total of future minimum lease payments is as follows:

	Land and Buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Operating leases expiring:				
Within one year	31,500	31,500	9,615	20,813
Between one and five years	106,833	118,333	38,330	28,320
After more than five years	5,000	25,000	-	590
	143,333	174,833	47,945	49,723

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

23 Analysis of movements in funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains on investments £	Balance at 31 December 2023 £
General fund	1,301,487	1,759,643	(1,485,301)	-	24,853	1,600,682
Designated funds:						
Property fund	2,073,872	-	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	-	1,177,750
	3,251,622	-	-	-	-	3,251,622
Total unrestricted funds	4,553,109	1,759,643	(1,485,301)	-	24,853	4,852,304
Puppy Appeal (capital)	3,820	-	(3,534)	-	-	286
Charlie Appeal	2,362	-	(23)	-	-	2,339
Big Bark Appeal	28,349	-	(23,480)	(4,869)	-	-
Kennel Refurbishment	-	455	(1,250)	4,869	-	4,074
Other Appeals	843	-	(385)	-	-	458
Total restricted funds	35,374	455	(28,672)	-	-	7,157

The restricted funds shown above represent funds raised from appeals for specific projects. In the year the decision was made to pursue a kennel refurbishment rather than the new kennels on which the Big Bark Appeal was based. For this reason cash balances have been transferred to a new fund, with a minority of donations returned, and capitalised assets have been expensed as a disposal.

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
General fund	851,880	1,765,751	(1,316,144)	-	1,301,487
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	4,103,502	1,765,751	(1,316,144)	-	4,553,109
Puppy Appeal (capital)	7,358	-	(3,538)	-	3,820
Charlie Appeal	2,391	-	(29)	-	2,362
Big Bark Appeal	26,829	1,857	(337)	-	28,349
Other Appeals	1,523	-	(680)	-	843
Total restricted funds	38,101	1,857	(4,584)	-	35,374

The restricted funds for the year to 31 December 2022 represent funds raised from appeals for specific projects.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****24 Analysis of net assets between funds**

At 31 December 2023	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	2,551,821	1,716	2,553,537
Investments	427,608	-	427,608
Cash at bank and in hand	1,599,928	6,691	1,606,619
Other net current assets	363,996	-	363,996
Creditors more than one year	(92,580)	-	(92,580)
Total	4,850,773	8,407	4,859,180

At 31 December 2022	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	2,550,057	27,788	2,577,845
Cash at bank and in hand	1,840,262	7,586	1,847,848
Other net current assets	275,540	-	275,540
Creditors more than one year	(112,750)	-	(112,750)
Total	4,553,109	35,374	4,588,483

25 Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the reporting period	270,978	446,880
Adjustments for:		
Depreciation charges	74,357	72,978
Amortisation charges	-	219
Investment management fees	3,260	-
Returns on investment and servicing of finance	(6,015)	-
Loss on disposal of fixed assets	25,907	86
Revaluation of investments	(24,853)	-
Rent receivable	(22,900)	(19,150)
Interest income	(17,107)	(2,479)
(Increase)/Decrease in stocks	165	(41)
(Increase)/Decrease in debtors	112,872	(122,933)
Increase/(Decrease) in creditors	3,522	5,199
Net cash from operating activities	420,186	380,759

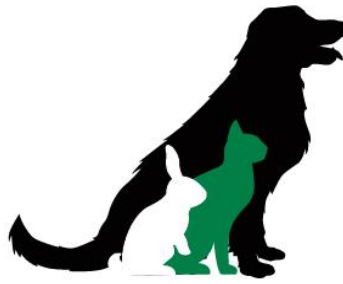
ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****26 Analysis of Changes in Net Debt**

	1 Jan 2023 £	Cash flows £	31 Dec 2023 £
Cash at bank and in hand	1,847,848	(35,102)	1,812,746
	<u>1,847,848</u>	<u>(35,102)</u>	<u>1,812,746</u>
Loans due within one year	(19,339)	(831)	(20,170)
Loans due after more than one year	(112,750)	20,170	(92,580)
	<u>(132,089)</u>	<u>19,339</u>	<u>(112,750)</u>
Total	<u><u>1,715,759</u></u>	<u><u>(15,763)</u></u>	<u><u>1,699,996</u></u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

England & Wales - Charity number 1105487

Accounts



Animals in Distress

(Torbay and Westcountry)

(A Company Limited by Guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 December 2022

Registered Charity Number 1105487
Company Number 05171505

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

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ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2015).

Trustees:

The Trustees of the Charity who served during the year were:

Meryl Brand (Retired 25 July 2022)
Geraldine Dix (Chair of Trustees from 13 December 2021)
Amy Cross-Webber
Alison Truscott
Chris Paradine
Jo Smith

Company Secretary and Chief Executive Officer:

Neil Thomas

Principal Address and Registered Office:

Biltor
Edgelands Lane
Ipplepen
Newton Abbot
Devon. TQ12 5UF

Registered Charity No: 1105487

Registered Company Number: 5171505

Professional Advisers:

Auditors: PKF Francis Clark
Sigma House
Oak View Close
Torquay
TQ2 7FF

Solicitors: Boyce Hatton LLP
58 The Terrace
Torquay
TQ1 1DE

Bankers: Lloyds Bank Plc
2 Palace Avenue
Paignton
TQ3 3ER

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Status

Animals in Distress (Torbay and Westcountry) is a company limited by guarantee (company number 5171505) and is registered as a charity (number 1105487) with the Charity Commission.

Governing Document

Animals in Distress (Torbay and Westcountry) is governed by its Memorandum and Articles of Association dated 4 July 2004

There is one class of member. The maximum number of members is 20 or such numbers as the members decide. The first members were the subscribers to the Memorandum; further members are such individuals or organisations as appointed by the Trustees. There are currently five members, each of whom is liable to contribute £10 in the event of the Charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the first Trustees were the subscribers to the Memorandum. Additional Trustees may be appointed by the Charity in a general meeting or by the other Trustees. A Trustee must be aged 18 or over, must be a member of the Charity and must not be disqualified by virtue of provisions of the Charities or Companies Acts. The number of Trustees may not be less than three, but is not subject to a maximum.

At the Annual General Meeting, one third of the Trustees must retire. The Trustees to retire shall be those who have been longest in office since their last appointment.

Trustee Induction and Training

New Trustees undergo an induction to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, governance, the Committee and the decision making process, the business plan and the recent financial performance of the Charity. During their induction, the Trustee will spend time with the Chief Executive and with the Rescue Centre Management in order to familiarise themselves with the day to day running of the Charity. Ongoing training is given as appropriate to their position.

Organisation Structure

The Charity is managed through the following areas:

- i) The Animal Welfare teams deliver the care, rehabilitation, training and rehoming of the dogs, cats, rabbits and guinea pigs at the Rescue Centre
- ii) The retail team manage and run the charity shops taking in and selling donated goods
- iii) The Fundraising and Communications team deal with income generation and communications through fundraising and media
- iv) Head Office deal with management and administration including HR, accounts, ICT, volunteering and maintenance of our estate

Governance and Management

The Board of Trustees administers the Charity and meets every three months. A Finance Committee was established by the Board to maintain an overview of and provide advice to it, regarding the financial affairs of the Charity. The Finance Committee meets every three months too and is attended by at least three Trustees and the CEO.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operating, the Chief Executive has written terms of delegation approved by the Trustees for operational matters including finance and employment.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Remuneration of key management personnel

The Charity aims to provide a reward package that is competitive enough to attract and retain high calibre staff who wish to be part of the Charity's work. The remuneration of key management personnel is reviewed annually by the Trustees following a review of performance for the previous year. Salaries are also benchmarked against similar positions both locally and nationally.

Related Parties

The "new" charity (charity number 1105487) incorporated the tangible and intangible assets of the original "old" charity, Animals in Distress (Torbay and Westcountry) (charity number 900234) on 31 October 2004. The only excluded assets were future bequests, cash at bank and the benefit of any insurance claims.

Risk Management

The Trustees actively review the major risks the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. A comprehensive risk analysis has been completed which has identified control and monitoring procedures to minimise any risk to the Charity and any impact they may have. The results are periodically reviewed.

STRATEGIC REPORT

The following sections comprise the Charity's strategic report for the year.

Objectives and Activities

Animals in Distress exists to alleviate pain, suffering and distress in animals as well as to promote animal welfare practices and responsible pet ownership across Teignbridge, Torbay and South Hams.

Furthermore,

- We at Animals in Distress undertake to care for and nurture any unwanted domestic pet that is brought to us, providing it is suitable for re-homing and there is accommodation available at the Rescue Centre.
- We will always provide shelter, food, exercise and veterinary care for the animals in our charge.
- We will never put an animal to sleep unless on the advice of our Veterinary Surgeon.
- We will endeavour to find suitable homes for our animals on the basis of a responsible home check or such similar precaution as is deemed necessary.
- We will at all times show respect, understanding and courtesy to our user groups together with an inherent sense of duty and helpfulness.
- We will always uphold the principles and objectives of our Charity and share with others the joy of helping Animals in Distress.

Our care is open to all regardless of an individuals' background or circumstances; the welfare of the animal is the primary concern of the Charity, not where the animal comes from or is going to. This includes the fostering of animals, when an animal has a chronic health issue requiring ongoing veterinary treatment which the Charity pays for, regardless of the individual's financial circumstances.

The activities carried out during the course of the year (as set out in the following section) demonstrate the level of Trustee and management commitment in ensuring that the Charity delivers real and tangible benefit to the public in all of its operations and thereby meets the public benefit requirements as set out by the Charity Commission in both spirit and word.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and Performance

With Britain in the midst of a cost of living crisis and a bleak economic outlook, charities are starting to feel the pinch. Whether it's a decrease in funding as donors grapple with their own soaring costs, an increase in demand or recruitment challenges, Animals in Distress, like most charities face an uncertain future. All of this comes not long after the Covid-19 pandemic, which in itself had a monumental impact on the charitable sector, seeing an increase in demand for services and a big impact on mental health.

Unsurprisingly, Animals in Distress is being affected by the current cost of living crisis facing the UK. We have seen costs rise over the past 12 months due in no small part to soaring energy bills and a steep hike in inflation.

Recruitment is a real concern which is mirrored across the charity and many other sectors. It has become more challenging to both recruit and retain staff since the Covid-19 pandemic. This has been an ongoing issue and was dubbed the 'Great Resignation', something which was mentioned in last year's report. It was a phrase that first appeared in May 2021 and has impacted employers ever since. Coined in the US, the term refers to the unprecedented rise in the numbers of workers resigning from their jobs following the pandemic. The theory goes that the pandemic has induced workers to re-evaluate what they want from work with a suggestion that people will no longer put up with bad work. Some are quitting their jobs, while others are quitting work entirely.

The way we live and work changes as we get older. People usually transition through stages such as education, employment, inactivity and eventually retirement, but the major disruption of the pandemic has interfered with these transition points. Perhaps they came sooner and were much more discrete than they might have been in smoother economic times. There has been a record numbers of young people attending higher education and an increase in an early exit from the workforce. The sheer length of the pandemic and its disruption put a lot of open water between the pre and post-pandemic world of work making the disjoint seem starker.

There is some evidence for a great resignation. The theory that the pandemic has shifted preferences around the type of work people want to do holds less water. Rates of job-to-job moves can be explained by the dynamics of furlough ending and the economy reopening. A combination of suppressed churn/turnover and a tight labour market and high rates of exit from the labour market, particularly for older workers, are not unusual in a recession.

Animals in Distress has and continues to experience the impact of the 'Great Resignation' seeing a number of our staff leave the Charity's employment. The reasons were varied and included ill-health (including long-COVID), change of career, changing family/domestic circumstances, retirement, early retirement, reduction in working hours or to cease working at all and the two compulsory redundancies. The Charity employed 67 members of staff just before the first lockdown in 2020, at the time of writing this report, we now have a staffing level of 48, made up of both full and part-time members of staff. This reduction in the workforce has meant a reduction in our overall payroll costs meaning that the prospect of future redundancies is, we hope, far less likely now.

Whether or not there has been a great rethink about work is less important. The challenge for employers, including Animals in Distress, and policymakers are the same. Recruitment has proved really difficult and that may be holding back the recovery. Creating quality work with lots of flexibility will help employers attract, and crucially retain employees. This is particularly important for older workers who value flexibility, especially around hours worked. There has also been a large increase in inactivity due to sickness and ill-health. As an employer, we must ensure we can facilitate the provision of reasonable adjustments for those with a disability or long-term health conditions.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

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Recruitment and retention has been tough. Although we have received a sizeable number of applicants for any role we have advertised, the overall calibre of applicants has not been great and we are often picking from a pool of people who we would not have shortlisted before. It is with little surprise therefore that several of the candidates who have started with the Charity have not taken to their new roles and/or have failed their probation period, despite additional support and training. That having been said, we have attracted and retained some very good new staff who have settled into their roles very well.

Interestingly in a recent UK Charities Report undertaken by Kreston Global, no charity said that recruitment is less of a challenge now than it was during the Covid-19 pandemic in 2020. 100% of charities said that it had either stayed the same, or become more challenging than it was during the pandemic with the majority (64%) finding it more difficult to recruit and retain staff now. We are certainly not alone in our experience.

Recruitment is expensive and time-consuming and for the reasons above, has been incredibly tough and frustrating. One further reason for recruitment difficulties could be that many charities such as Animals in Distress are only able to offer pay increases to match the high levels of inflation. To try to tackle the recruitment challenge, we are taking steps, other than financial, to make our charity a more rewarding place to work. It remains to be seen whether this will be effective or whether workers will continue to look elsewhere to gain a better financial package.

The Impact of Coronavirus (COVID-19) on Animal Wellbeing 2022

While pet populations have not risen dramatically as predicted by some, there is an increase in both the estimated dog population and the proportion of adults owning dogs. Additionally, there is the continued high level of pet acquisition by new owners, i.e. those who have not owned that species of pet before as an adult. This expansion of the pet owning population should be cautiously welcomed as pet ownership can lead to increasing awareness of and public concern for animal welfare and so help to protect their wellbeing. However, it is imperative that inexperienced owners are supported to ensure they understand how to provide for the needs of their pets.

There are some worrying trends, including the increased number of pets acquired from abroad. At Animals in Distress, we do not 'rescue' animals directly from abroad, although several animals which we have been asked to take on, care for and rehome have originated from Europe. These pets may undergo great stress during transport, sometimes in the important formative weeks of their early life. While many integrate into families with no concerns, a significant number suffer with behavioural issues. In these situations, post adoption support is invaluable, which may not be readily available if those pets have come from overseas. Additionally, the number of people specifically seeking their pets from abroad in order to obtain animals that have undergone cosmetic mutilation surgeries such as ear cropping is extremely concerning. We've also seen that many dogs acquired during the pandemic years seem to be struggling with separation related behaviours and will need support.

The PDSA's PAW Report indicated that preventative healthcare provision has not fully returned to pre-pandemic levels across all healthcare options, but uptake is largely unchanged from 2021. They also found that the proportion of rabbits living alone (42%) is now no different compared to immediately prior to the pandemic (42% in February 2020) which is reassuring given that the 2021 figure (48%) was higher, although improvements are still needed. However, we are still seeing a marked increase in the number of people wanting to give up their rabbits, something that was very apparent from the first lockdown.

There have been serious impacts on human wellbeing over the past two years, initially through the COVID-19 pandemic and now ongoing due to the cost of living crisis and other worldwide events. At Animals in Distress, we advocate that the welfare of our pets needs to start well before a new pet is brought home. Deciding to share our life with an animal should be thought about carefully, with consideration given to the pet's needs as well as our own. It is therefore surprising that 20% of owners do not research before acquiring their pet, and only 18% looked into the cost of owning a pet. Owning a pet takes commitment, finance, emotion and time. Nearly a third of owners admit that owning a pet is hard work and nearly half say it is expensive.

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There are numerous benefits of pet ownership including a reduction in loneliness but as all rescue organisations will advise, the care of a pet is something that should not be considered lightly. We need to ensure both the welfare of the pet and wellbeing of the carer/owner is considered, especially when approaching pet welfare issues. Pet owners need support and at Animals in Distress, we are committed to giving prospective owners all the knowledge, guidance and support they need to adopt an animal from us. All organisations have a responsibility to drive positive change and continue to work towards understanding and overcoming the barriers owners have to providing the care that pets require. The veterinary profession and the wider animal welfare community have a vital role to play in using both empathy and evidence-based information to guide owners to help them improve their pet's wellbeing.

There are so many benefits for potential new owners of getting their animal from a rescue centre compared to the risks of buying from unscrupulous breeders or from unknown sources online. The rapid increase in interest in owning a dog or cat led to a surge in online buying. Acquiring a new pet should always require buyers to do their research and undertake the proper checks themselves to ensure they are buying a healthy animal. Rehoming a pet from a recognised rescue organisation such as Animals in Distress helps buyers avoid unscrupulous dealers, breeders and traders that pose such a threat to the health, welfare and happiness not only of the animal, but of the whole family. A rescue pet will be healthy, having received any necessary medical treatment and will be vaccinated and microchipped.

The Rescue Centre Post-COVID-19

The main challenge and concern for Animals in Distress in the medium term continues to be fundraising and the uncertainty around income. Animals in Distress is typical of most other animal charities in that an important part of our income comes from legacies and those legacies are often dependent upon the sale of property to liquidate the bequest. With the property market having been so buoyant, we have realised the level of legacy income we could have hoped for during the last few years, however, with the property market now cooling somewhat, so the future for legacies linked to property sales is potentially less certain than it was.

We continued with our business continuity planning in 2022 by keeping animal numbers at the Rescue Centre to a level where we could comfortably cope. This was crucial for a number of reasons. Firstly, for the wellbeing of the animals as issues such as separation anxiety meant that some animals stayed with us longer and secondly, working with a reduced staffing level, we still needed to deliver the same exceptional standards of care. There continues to be an increased demand for our services post-COVID, including emergency admissions for all sorts of reasons including illness, bereavement, losing their jobs and/or no longer able to afford to look after their animals, the anticipated increases in approaches to take on more animals has certainly borne out.

During 2022, we continued to focus on leanness as a matter of approach, reduce our costs, strip out any waste and drive efficiencies. The challenge with a 'lean' approach is that it could leave the Charity less resilient. We looked for further ways of working better and more compatible with the changing world we now live in, including continuing to place a greater reliance on digital customer journeys and experiences.

At the time of writing this report and after careful consideration about how we can best continue to serve our local community and the animals in our care, we have decided that the admissions and rehoming of the animals will continue to be by appointment only, with the Rescue Centre remaining closed to general public access for the foreseeable future. Over the last three years the animals in our care have been used to the relative calm of being closed to the public and as a result, we have seen a marked decrease in the stress levels exhibited by the animals. We are mindful that a sudden influx of daily visitors would cause some welfare issues. We love having visitors to the Rescue Centre, however, not only are there the welfare issues to consider, we now have fewer staff available each day to attend to a steady stream of visitors. We will regularly review this position and may decide to re-open to general public access on a restricted basis at some point in the future.

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Like most charities, it has been a challenging period for Animals in Distress and in the current financial climate we continue to be forced to operate with smaller teams than in previous years. The Rescue Centre team's priority of course remains caring for the animals. We will keep this decision under review as we continue to navigate through these continued difficult times.

There was a need for Animals in Distress pre-COVID-19 and there is certainly going to be a need for the Charity going forward. The sustainability of the sector continues to be tested with the cost of living crisis and we know that there are many challenges ahead but we are as determined as we ever were to ensure Animals in Distress remains as relevant as it always has been and continues to serve the community in a trusted and transparent way. Only time will tell whether the long-term impact of COVID, the Ukraine crisis and increasing inflation will be felt across the Not for Profit sector. Let's hope that the global catastrophes will provide a catalyst for altruism that society desperately needs.

Government Business Support

As reported last year, the government announced a series of extraordinary business support measures in 2020 to protect businesses and to save as many jobs as possible during the COVID-19 pandemic. Fortunately, the Charity was able to take advantage of a number of these schemes in 2020 and 2021. The grants included Business Rate Grants, National Lockdown grants, Local Restrictions Support Grants (tiers 2 and 3), Closed Business Top-Up grants and Restart grants. The total awarded and received by the Charity was £318,792.39.

The Coronavirus Job Retention Scheme (CJRS) was a government wage support measure designed to protect jobs in the wake of the economic impacts of the COVID-19 pandemic, and to support employers who are facing difficulties to continue paying wages rather than making people redundant. The Charity was able to claim CJRS grants to help carry on paying furloughed staff. The Charity had nearly 5/6th of its workforce furloughed at times, functioning on just a core team of staff. The only staff members who were not on furlough or flexible furlough at any point were the Finance Officer and CEO. The scheme ended in September 2021 and the Charity was able to claim furlough pay, employers National Insurance and pension contributions (to July 2020) totaling £492,791.

As an employer, we were able to use the Coronavirus Statutory Sick Pay Rebate Scheme to reclaim up to two weeks' worth of Statutory Sick Pay (SSP) that we paid out to employees for COVID-19 related sickness absences. We had a number of staff members who had coronavirus or had to self-isolate. SSP was paid for absences from the first day off, rather than day four as is standard. The Charity was able to reclaim £2,208.84 on this scheme which ceased on 24 March 2022.

The government support we were able to access was an absolute godsend and we are eternally grateful for all of the financial assistance we have received as it has helped the Charity immensely during what has been an extremely challenging and difficult time. The various schemes and grants greatly assisted the Charity to continue functioning during the pandemic and beyond, certainly helping to replace some of the lost income in the shops and allowed the Charity to keep as many of our staff as possible in their jobs, something which we were determined to do from the outset.

In 2022 and so far in 2023, the Charity was also assisted by the Government's Energy Bill Relief Scheme. The scheme provided energy bill relief for non-domestic customers in Great Britain. Discounts were applied to energy usage initially between 1 October 2022 and 31 March 2023. The scheme was available to everyone on a non-domestic contract including businesses, voluntary sector organisations, such as charities and public sector organisations such as schools, hospitals and care homes who were on existing fixed price contracts that were agreed on or after 1 December 2021, signing new fixed price contracts, on deemed/out of contract or variable tariffs or flexible purchase or similar contracts.

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The government provided a discount on gas and electricity unit prices. The scheme was replaced by the Energy Bills Discount Scheme which will run for 12 months from 1 April 2023 to 31 March 2024, so the Charity will continue to benefit from the additional help. This is vital, having seen our energy costs at the Rescue Centre alone increase by 100%. Our average bill over a winter month used to be approximately £4k, this year we paid nearly £8k for the same month, even with the Government help. Energy costs remain a key concern for the foreseeable future.

Retail Operation

We are living in unprecedented challenging economic times with most of the economic pressure coming from external sources. The cost pressures for everyone and especially charities is considerable with most charities being very concerned if their unrestricted income from retail will be secure in the future.

Back in early 2022, it looked like the start of a post-pandemic high street revival. The Omicron wave of COVID had subsided, the weather was getting better and according to the polling firm Ipsos, traffic to urban shopping destinations had risen to 86% of pre-pandemic levels. But by the end of the same month a new, energy-related crisis had replaced the old, once again keeping shoppers away.

In October 2022, research from the retail analytics firm Springboard showed that the post-COVID retail recovery had been gradually slowing down for three consecutive months and analysts are no more than cautiously optimistic about the future. But against all odds, there's a corner of the high street that seems to be thriving, namely charity shops.

Data from the Charity Retail Association (CRA) and their combined 9,000 shops shows that charity shop sales were up by 10% in 2022 compared to the same period in 2021. According to the latest figures, charity shops are now estimated to raise around £360m a year for charities.

There are several factors contributing to the current popularity of charity shops. A recent YouGov opinion poll suggests that financial concerns is the primary factor, with 38% of respondents stating that they have bought a used item from a charity shop instead of a new one in the past three months because it was more cost effective. But this is not the only reason people choose charity shops, people want their money to stretch further due to the cost of living but they also want to shop more sustainably. The third factor is just the increased popularity of buying second hand as people are becoming more enthusiastic about it.

While this newfound enthusiasm for charity shops might be taking off, videos tagged #charityshop have more than 350 million views on TikTok, it does not benefit all charity shops equally, with several having to close permanently over the past few years attributable to leases coming to an end or poor financial viability. With regards to shop numbers, there is a lot of churn in terms of closures and openings, part of that has to do with rental issues and increasingly now with things like energy and insurance fees, but most importantly, it is to do with the charity retail sector responding to change in consumer behaviour.

Since working from home has become an integral part of the traditional working model, office-adjacent areas that were previously very successful for retail have become virtually deserted. Fortunately, the Animals in Distress shops are located in more traditional high street locations, which has helped them survive. It does not mean that bricks and mortar retail is over, simply that different areas are now more popular shopping destinations. There is an increasing trend of shops moving towards bigger premises like our Outlet, where they can offer a variety of products and consumer experiences.

Charity shops are becoming more diversified, so that there is something for everyone, from the more discounted type of product to things that target a more high-end consumer. The CRA hopes to support these efforts to reach a wide range of shoppers with the launch of the first national charity shop gift card.

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Accepted and sold in over 800 shops including the likes of YMCA, Shelter, Marie Curie and The Children's Society, the card is the first of its kind and is something that we are considering at Animals in Distress. It is a way of introducing charity shopping to a whole new audience.

It is right to be optimistic about the future and be confident that bricks-and-mortar charity shops will endure. Part of the joy of buying second-hand is searching through items and touching and feeling them and examining them as well as the human connection with the staff and volunteers. Something that is really difficult to fully replicate online.

The current economic climate combined with the changing consumer shopping habits is already having a growing effect on retail in 2023. The trend is already clear within traditional retail based on national statistics with retail sales down significantly during the last quarter of last year and the first quarter of this year. We are seeing some traditional retailers contracting their retail businesses in 2023 and some will sadly go out of business. However, most charity retailers are doing very well when comparing year on year performance against 2021 based upon the BDO Charity Retail Sales Tracker.

It does seem that the high street will continue to change with less traditional retailers and some charity shops thriving and opening more shops to build on their success. Some charity retailers will struggle badly and there might already be signs today if a charity retailer is behind the market average performance. There is already clear evidence of what the four main factors are that will strongly influence performance within charity shops in 2023:

- Price - Optimise the sales of donations by pricing them to best practice is a key factor. The most successful charities use four brand pillars for clothing and accessories.
- Space - Scientific use of retail space including hot spots to influence the customer journey within the shops and the shop ambience to improve the customer experience.
- People - Having the right Shop Managers is the universally recognised aspect where charities should focus. However, it is very challenging to recruit so developing our shop managers to be the best possible is a key element.
- Estate - Reviewing our retail estate and considering all relevant aspects of each location to produce a shop-by-shop action plan to ensure the best performance possible is achieved from each location.

It is important that we do all four of the above otherwise we could find our sales slipping behind the market trend and we are highly likely to struggle. Our overall aim is to grow our unrestricted income despite the rising costs.

2023 is going to be very important and defining for all charity retailers. Some will struggle with the additional costs from utilities and wages, yet some will have their best ever year and most likely expand their retail business taking full advantage of the economic climate. The good news is that we are already taking a range of actions to help our retail operation perform better in 2023 and beyond.

The Trustees, CEO and our Retail Support Manager regularly review our retail strategy. The risk of not having an up-to-date retail strategy is considerable and while it can be useful to have an agile approach to retail development, it is far more likely to be successful as part of a retail strategy. A future proofed retail strategy sets out the direction for the retail business and considers all the options.

We frequently ask ourselves whether our retail operation could generate greater unrestricted income. Like most charities, the answer is 'yes'. We are always operationally looking at our shops to generate more income. The key to unlock some further unrestricted income tends to be strategic enhancements to the retail business rather than operational changes.

Having a well-balanced shop portfolio is a key ingredient. We believe that we have this with our largest store, the Outlet and a range of different format charity shops. Whilst this sounds easy, getting the right balance is the key, and it needs careful planning due to the changing retail landscape.

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Rescue Centre Improvements

During the year, we continued our rolling programme of improvements to the facilities at our Rescue Centre in Ipplepen. Although no major projects were undertaken in 2022, we still maintained facilities, where possible, in order to continue to provide a safe working environment for our staff and volunteers, excellent accommodation for the animals and to ensure that the site remained presentable at all times. We kept COVID-secure measures in place for most of the year, including the provision of hand sanitiser stations, cough guard screens, suitable signage and ensuring our staff and volunteers had suitable PPE.

Although not a major project in itself, we did carry out the refurbishment of the on-site bungalow accommodation during early 2022 and in July 2022, one of the staff members moved in. This provides the Charity with a rental income and means that there is someone generally on site overnight.

Adoption Fees

Our adoption fees remain broadly in line with other charities, both locally and nationally. At the start of each year, we apply a modest increase to the adoption fees for the animals which goes some way to offset some of the veterinary costs that the Charity incurs to give the animals the very best treatment and care. However, generally it costs the Charity far more to look after and treat each animal than the adoption fee covers. Occasionally, we have charged an increased adoption fee for certain breeds, above our standard rates and this additional income, ensures that we can help more animals that come into our care. Facing rising costs, we decided in October 2022 to apply a second increase to our adoption fees to help mitigate the situation.

When an adopter rehomes an animal from Animals in Distress, they take home a pet which has been fully assessed by our expert animal welfare staff as well as our veterinary surgeon. Every pet at the Rescue Centre is: vaccinated, microchipped, neutered, wormed and flea treated (where appropriate for their species), examined by a vet and given any necessary treatments and where appropriate given a training plan designed to meet their specific needs.

Key Statistics

In 2022, we admitted 382 animals (364 in 2021) to the Rescue Centre (89 dogs, 180 cats/kittens, 41 rabbits and 72 guinea pigs) and rehomed 352 animals (332 in 2021) from the Rescue Centre (76 dogs, 167 cats/kittens, 44 rabbits and 65 guinea pigs). This represented an increase of 5% in admissions and 6% in rehoming compared to 2021. Our aim, finance and staffing levels permitting, is to continue to very gradually increase admissions and rehoming year on year.

We continued to work with and develop the Open Paw Programme in the kennels meaning that we were able to help many dogs find their forever homes. Open Paw is a programme specifically developed for dogs and cats in rescue centres, designed to provide animals with the enrichment, training and social skills they will need to make them more rehomeable, and to help them successfully settle into life in their new homes.

During 2022, Animals in Distress continued to assist Redditch Cat Rescue with taking on a number of cats and kittens from the North Worcestershire based, voluntary run charity to assist them when they are overrun. More locally, we also assisted Cats Protection by taking a number of pregnant queens, cats and kittens. We will always do our best to help out other animal charities, both locally and nationally including Cats Protection and the RSPCA, when there is a need.

Animals in Distress continues to ensure that all animals admitted and cared for at the Rescue Centre are healthy and receive all the necessary veterinary care that they need. The reduction in the number of animals on site during the pandemic resulted in fewer treatments required and a reduction in associated costs.

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In 2022, a total of 3,012 (2,910 in 2021) consultations and combined treatments were administered (vaccinations, flea and worm treatments etc.) including operations performed (neutering, orthopaedic etc.). Whenever possible, the vast majority of treatments and operations continue to be undertaken on site at the Rescue Centre. Total veterinary costs which include ancillary costs (i.e. lab fees, medical gas, medication, equipment etc.) were £75,470 (£67,301 in 2021).

We continue to benefit from being able to purchase discounted veterinary medicines through MWI Animal Health which is a conglomeration of a best-in-class wholesale distributor Centaur Services, a practice management software innovator Vet Space, and two buying groups with relationships across the industry, St. Francis Group and Vetswest. We are also purchasing medicines through Veenak Veterinary Supplies who are a leading supplier that specialises in supplying human medicines at highly competitive prices. They have been serving the animal healthcare industry for several years, providing high quality products to veterinary practices and offer product solutions to cater for veterinary needs.

Veterinary Contract

Our veterinary provision at the Rescue Centre continues to be provided by Quarry House Vets, whose main practice is in Torquay. The Charity has maintained a good working relationship with this practice for over a decade now and our aim and requirement is the same as it always has been, to ensure that they provide the best and most up to date veterinary care for our animals. We will consider undertaking a retendering exercise for the contract when we feel that the time is right, however, we will continue to utilise the services of Quarry House as they meet our requirements at this time.

Big Bark Kennel Build Project Update

Since we launched our Big Bark Appeal in 2019 so much has changed. The pandemic severely curtailed our fundraising efforts and now with rising inflation and soaring costs, our focus had to be and continues to be on ensuring the sustainability of the Charity.

Due to the events of the last three years it has become clear that unfortunately we are simply not going to be able to afford the project we first envisioned for a whole new kennel block. The build based on the original plans was costed at approximately £1.2m but with material and labour cost increases over the last few years, the approximate cost could easily be at least £1.5m. In addition there would be a substantial increase in the running and staffing costs associated with a larger kennel building. For these reasons we have to be realistic about what we can now achieve.

Rather than a complete rebuild we are now looking at a substantial refurbishment of our existing kennels. We feel this is a sensible decision given the uncertainty of the economic climate in which we all find ourselves. We are having discussions with our architects to establish the details of what we will be able to achieve and once we have a firmer plan in place we will hold consultation with all supporters who have donated to our Big Bark Appeal. We will keep all stakeholders updated at every stage of the works to ensure that they are happy with how their kind donations are being spent.

Use of Volunteers

Despite the ongoing pandemic, Animals in Distress has continued to benefit from the fantastic contribution that our wonderful volunteers made during 2022. The Rescue Centre was closed to general public access from March 2020, throughout 2021 and 2022, however, once the government restrictions were relaxed to allow volunteering, we brought back a number of our volunteers to assist at the centre.

Following the pandemic and the various lockdowns in 2020 and 2021, we found that that even when the shops re-opened, many of our volunteers were very wary of mixing in public so we had fewer volunteers to call upon. However, during 2022, we re-engaged with many of our volunteers and they returned to the shops and following a recruitment drive for certain roles or support at certain locations, we had a number of new volunteers join us.

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Our volunteers contributed at least 14,385 hours to the Charity during 2022 (5,680 hours in 2021) in our shops, at the Rescue Centre, fundraising in the community and in our Head Office. We continue to recognise the incredibly valuable part that our volunteers play in making this Charity such a success and we will continue to involve our volunteers more in other areas of our work such as administration, fundraising and events. The Charity considers the recruitment of volunteers in the same way as staff and carries out a thorough administrative process in their selection.

Fundraising Activity

2022 has been a very busy year as our fundraising team began to resume our normal activities after the pandemic. We had a full summer and autumn of attending external events and reconnecting with our local community. Our wonderful community supporters were also out in force, holding their own fundraising events and challenges on our behalf.

Our bi-annual magazine and our social media channels remained a popular way of reaching out to those of our supporters who did not attend events, and our social media reach continued to grow this year.

Our fundraising covers trusts and grants, individual giving, events and challenge fundraising, social media appeals, community-led fundraising and corporate sponsorship. We are so lucky to have the tireless and incredible support of our local community and beyond, as well as wonderful relationships with local businesses. We are committed to always ensuring that we provide our supporters and potential supporters with the respect and gratitude they deserve. We are very grateful for every single donation and we always phone, email or send a personal card or letter to thank every person who donates.

We are registered with the Fundraising Regulator. We are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice and have a robust GDPR policy to ensure that we protect all our supporters' privacy and data.

A few highlights of 2022 include:

- We received £17,655 in regular giving
- The lottery in partnership with Your Charity Lottery raised £2,906
- We received £12,580 in online donations
- Our corporate friends raised £11,794
- Our supporters in the community raised £11,775 by walking, running, selling cakes and plants, and skydiving!
- Sponsorship of animal pens raised £3,287 for the animals.

Staff Personal Development

The Charity continues to invest in the continuing professional development (CPD) of our staff. It remains a priority for the Charity in order to ensure that we have a constantly developing workforce so that staff have the knowledge and skills to perform their roles in a professional context. This ranges from honing current skills, developing them to a new level or learning new ones that will allow an employee's job role to expand or prepare them for potential promotion.

Several staff members completed a Blue Cross Bereavement Support Skills course and undertook courses with the Centre of Excellence, including Level 3 - Leadership and Management, Feline Behaviour and Psychology Diploma, and the Canine Behaviour Training Diploma.

We continued our association with Battersea in 2022, with some of the courses held virtually. The Battersea Academy is a centre for professional development that trains animal welfare practitioners from across the UK and around the world.

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Delivered by Battersea's experts, Academy programmes are designed to equip participants with the knowledge and practical skills they need to operate their own rescue and rehoming centres effectively and to the highest possible standards. Their programmes cover up to date animal welfare principles, models and approaches to running a rescue centre.

They work with participants before they attend to ensure each programme is tailored to the specific needs of the organisations attending. The Charity has received bursaries from Battersea in the past to attend the intensive programmes and it is hoped that the Charity and staff will be able to take advantage of future programmes in 2023.

New EPOS System

Following a number of EPOS providers being approached in 2019 for quotations to replace our current till system, we decided that we would remain with our current provider, Cybertill, and invest in a new system which is compatible with Windows 10 and is also future-proofed in that it is guaranteed to be upgradeable or be replaced up to 2032 in the event of further operating system changes. It was due to be installed in our retail premises and the Rescue Centre just after Easter 2020 but due to the first National Lockdown, this was postponed. With the shops being closed for much of the year, it was decided that this was unnecessary expenditure and that we would revisit the upgrade during 2021. With the shops only being allowed to re-open in mid-April 2021, we decided to postpone the installation to Q1 2022 to delay the expenditure.

The hardware eventually arrived in late February 2022 and the installation in the shops and the Rescue centre was complete by early March. Unfortunately, the supply of the Worldpay Integrated Pin Pad devices was delayed due to the global shortage of semi-conductors (microchips). Cybertill advised an initial delay of some 6-8 weeks so they had to put into place an interim solution of standalone pin pad devices. The integrated devices were eventually delivered and installed in June 2022.

The new tills and card machines are a significant investment for the Charity. They are quicker, more reliable, have more functions and are future-proofed meaning that the Charity should reap the benefits of the new system for many years to come.

Information Technology

It is increasingly important for all organisations to protect themselves online by implementing the latest cyber security techniques to keep devices, software and systems secure. It is no different for charities, so it may be reassuring to know that through our business IT support company, Electrowise, we are satisfied that the cyber security measures we have in place are reasonable and proportionate.

The level of risk is high, so it is vital and essential that our cyber-security measures are adequate, however, even with the best cyber security, it can't guarantee protection from potential cyber-attacks or hackers. It is therefore prudent that we have a cyber insurance policy in place to ensure we are covered should the worst happen.

We migrated over to Microsoft Office 365 (cloud based) in 2021 which was a positive move. As a Charity, we did not have to pay for it. Office 365 is Microsoft's productivity suite with tools like Word, Exchange, Excel, SharePoint, Teams and more.

As it is cloud-based, it can be accessed from anywhere, on any device once online and is a totally secure environment with robust security measures in place, like two-factor authentication, which ensures unauthorised people can't access our files if they happen to get on our devices. Threat detection and anti-malware means security threats are identified and stopped immediately, which is particularly important for us as an organisation that deals with confidential data and information.

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Using Office 365 means our Charity is free to operate without any concerns for IT security. Other benefits include improved communication, business continuity as no matter what happens to our physical devices, our email, files and data are safely stored in the cloud, automatic upgrades and centralised collaboration.

Our servers were due for a replacement/upgrade in late 2022. By moving over to Office 365, it negated the need for our email server but we still had the main server to replace. Generally, it is expected that a server upgrade or replacement will need to happen every 5-10 years. If we were to wait until it 'died', we would risk downtime, lost productivity, and massive expense. It was therefore important that we established a plan for routine replacement to help avoid the issues that come along with failing servers. Ultimately, the main reasons to replace and upgrade our server was to reduce costs and drive operational efficiencies. As servers naturally age, they become costlier to maintain and support. The new server was eventually installed in early 2023.

Challenges

Cost of living crisis

With inflation rising to over 10% and the cost of everyday essentials rising the current crisis is taking a toll on everyone's finances. As a result, charities are experiencing increased demand as people struggle to meet the cost of everyday life. According to research by the Charities Aid Foundation (CAF) 86% of charitable organisations are worried about the effect the cost of living crisis will have on those that depend on their services, while a further 71% expressed concern over managing increased demand to their services.

However, this isn't the only challenge. The running costs of charities are increasing but their income is falling as people have less to give. In fact, CAF research highlighted that between January and April 2022, an estimated 4.9million fewer people said they donated to charity when compared with the same months in 2019. Smaller charities, such as Animals in Distress are particularly vulnerable to the decrease in donations and without government funding, like many, we are likely to be the worst affected by the crisis.

New data on giving in November and Christmas 2022 showed that recovery post-COVID has not materialised. Nearly four million fewer people were donating during the peak pre-Christmas period, a crucial fundraising time for all charities. This comes on top of inflation eroding the value of donations in real terms. A recent analysis with Pro Bono Economics estimates that a monthly charity donation of £20 started in 2017 will be worth just £14.90 by 2024.

The most common way people report giving to charity is through a Direct Debit or standing order, which has increased year-on-year from 33% in 2018 to 38% in 2021 and 2022. This is generally good news for charities, since it provides a steady income flow, and can be easier to use and is cheaper than other methods.

But there is also little indication that individuals might adjust their Direct Debits to account for inflation eroding the value of their giving. Charities are generally reluctant to ask supporters to change Direct Debits when facing hard times and the fear is that donors could cancel payments if prompted. However, there can be a positive outcome as it is often a way of creating opportunities for engaging with existing and new permanent supporters.

While cash is still a popular way for people to donate, the pandemic seems to have accelerated the digitalisation of giving. Online giving reduced slightly in 2022 compared to the pandemic, but remains higher than pre-COVID. Whereas cash giving has stayed subdued. We have to find the right balance between online and offline approaches in our fundraising and how we engage with supporters. The continued investment in digital capacity to deliver services and fundraise remains relevant.

As demographic change advances in the UK, charities will also have to continue to find new ways to bring younger supporters on board, while keeping older donors engaged in ways that suit them. It is still older people who are more likely to be regular givers compared to younger people.

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Younger donors are also less likely to give in general. The proportion of those aged 16-24 who never give to charity has significantly increased, from 6% in 2020 to 9% in 2021, with the proportion of those aged 25-34 following a similar pattern (6% in 2020; 8% in 2021). In contrast, there have been no significant changes among those aged 55-64 or 65 and above. However, there may be a distinction between willingness to support and ability to give. A survey from Barclays showed that 90% of individuals in the 18-24 demographic said that they donated to charity over the last 12 months, compared with 80% overall.

Financial sustainability

Generating income and achieving financial sustainability is the main and constant challenge facing Animals in Distress. However, it is important to remain optimistic about the future of our organisation, with the level of optimism increasing in line with income. It is fair to say that we are probably more optimistic about our own organisation rather than the sector as a whole.

Meeting demand for services

Over the past couple of years the COVID-19 pandemic, and now the cost of living crisis, has resulted in charities including ourselves, experiencing overwhelming demand for their services. We expect this demand to continue as the country's economy recovers. People are struggling to pay their bills, rising energy prices mean people are struggling to heat their homes and the rocketing cost of food means it is more expensive to put meals on the table. People's wages aren't stretching as far as they used to meaning that many are struggling to feed themselves, let alone their animals, causing more people than ever to reach out for help and support.

As the difficult times continue, it is inevitable that more and more charities are running out of options to continue to meet the high and protracted demand for their services becoming overwhelming. As charities face continued pressures on services and reduced capacity to deliver, it is unsurprising that many charities are now needing to use their reserves to cover core costs. Over the last few years, we have ensured that Animals in Distress has lived within its means so we have been fortunate that we have not had to dip into our reserves. Although the demand for our services has been high, we took the sensible decision to regulate our intake of animals based on our ability to fund our work. This has ensured that we continue to maintain a good level of service without risking the financial position of the Charity. This way, we can be confident that we continue to have the funds to meet a demand that we can regulate and ensure that the Charity can still do its excellent work for many years to come.

Volunteer retention

The NCVO Civil Society Almanac 2022 reported that 16.3 million people volunteered through a group, club or organisation in 2020/21 but that levels of formal volunteering fell significantly between 2019/20 to 2020/21, although this can largely be attributed to the pandemic. Volunteers are vital to third sector organisations and trying to maintain volunteer numbers (as well as recruit new volunteers) is a constant challenge for charities.

As we move forward, we need to adjust our volunteering offering to respond to what appears to be a growing 'participation premium' – that is, people wanting to feel that they are actively doing something to cause change, instead of 'just' giving money. In normal times, events and other activities that could be done collectively would be suitable options. But we could find ourselves competing for people's time with other activities that are now possible post-COVID. There could also be an increased opportunity to bridge the volunteer gap through corporate giving, with payroll giving and volunteering opportunities potentially appealing to younger and more socially conscious employees.

It is suggested that there could be a volunteer boom in 2023 driven by younger people, with research by Pro Bono Economics showing that charities could benefit from up to 2.5 million new volunteers aged 18-34 in the next year. We have just seen the Big Help Out on the Coronation Bank Holiday which is something to build on.

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What can charities do?

The pandemic and the impact of the cost-of-living crisis have brought about two major realisations – how dependent society is on the contribution of civil society and civic spirit, and the extent to which the external environment can have a long-term impact on the charity sector. There are areas which charities like Animals in Distress must make sure we have invested in sufficiently to balance the current need to deliver services with future preparedness and resilience. These considerations include increasing financial resilience and sustainability, managing costs and moving towards renewable energy sources, embracing the social economy and partnerships, and increasing engagement with donors.

The concern is that the worst is yet to come for charities as the full impact of the cost of living crisis is yet to be felt and there is every indication that the sector may not begin to recover until mid-2024. The crisis is potentially both deeper and longer than COVID. This is due primarily to the huge funding gap, made worse by inflation driving costs and eating into the real value of income, the surge in demand and increasing people[related] challenges. The funding landscape remains challenging but it is hoped that it has stopped worsening now.

The charity sector is experiencing a period of unrelenting change driven by factors such as:

- the digitalisation of the economy
- growing demands for a demonstrable impact, transparency and integrity
- an increasingly complex regulatory environment
- environmental events

These factors are forcing us to adapt and to respond in ways that protect our operations, while continuing to focus on the needs of our beneficiaries. These challenges are reflected in risks related to governance and strategy, organisational change and reputation.

During 2022, we continued to actively take measures to cut our expenditure where we have been able to do so. We restricted spending to our core activities and any future projects have been put on hold. In the short term, the measures that we have taken and the funding we have been able to source will make sure we are in a strong position to ride the waves during these uncertain times and recover when the various crises are over and the global economy settles down.

The Trustees and CEO continue to discuss the issues and challenges, making decisions and then acting together to successfully implement those decisions. We endeavour to make timely decisions within shorter timescales. As income levels are threatened and additional costs arise, cash flow and reserves management inevitably demand our greatest attention. We are fortunate that we have a strong robust reserves policy, we have cash reserves that we would be able to draw on to manage our cash requirements. Fortunately, we did not have to draw on our reserves in 2022 but if we do need to going forward, the issue will be how the reduction in reserves is going to be managed going forwards. We know that it takes time to build our reserves level up again and therefore we may have to consider selling investments to help with this.

There are a number of key areas we are focussing on for our planning, budgeting and re-forecasting:

- Staff and volunteer welfare and safety remains paramount
- Despite recent increases in interest rates, developing a more diverse and robust investment strategy to increase our investment income
- Fall in trading income arising from our retail operation post-COVID
- Fall in a voluntary income from sources such as donations, fundraising and sponsorships as well as events cancelled or as individuals have less disposable income to donate (as a result of the increase in inflation and the global economy).
- Health and safety issues have been considered with the day to day needs catered for with different ways of working to protect staff.

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We have had issues to consider during the pandemic and have and will continue to adapt and change our business model due to the post-pandemic world and the global economy. There are extremely difficult times ahead as we feel the true economic impact of the pandemic, the Ukraine crisis and inflation is yet to be fully felt, but we will continue to do all we can to mitigate the situation in the short-term in order to secure the medium to long-term sustainability of the Charity.

Investment Strategy

The current Trustees and CEO recognise that the Charity is sitting on a large cash balance with little earnings potential. The cashflow of the Charity is quite unpredictable, and it is the donations that come through legacies which really make the difference. As a result, it was agreed in 2022 that the Charity has the capacity to invest a lump sum of £400,000, aiming to generate the potential of greater long-term growth in order for the Charity to continue operating for many years to come.

The Trustees and CEO met with Francis Clark Financial Planning to discuss our objectives. They considered a range of factors including our financial ambitions, our investment preferences and agreed risk profile to create a bespoke financial forecast that is adaptable to changing circumstances and maximises our return on investment.

Our main objective for these funds is that that the portfolio avoids investment in or have any direct involvement in any companies, governments or organisations which are associated in any way with animal testing, or any cruelty to animals whatsoever. The portfolio needs to ensure absolute screening and compliance with this area moving forward. The Trustees and CEO accept that in some cases there may be some residual exposure to animal testing in pharmaceutical sectors but wish to avoid animal testing on a best-efforts basis.

Following discussions with Francis Clark Financial Planning and based on our requirements and objectives, they recommended we invest the £400k in a new discretionary arrangement with RBC Brewin Dolphin. They are one of the largest British wealth management firms with over 30 offices throughout the UK, Jersey and Ireland, and c. 2,000 employees. It provides investment management and financial planning services to individuals, companies, intermediaries and charities.

Whilst Brewin Dolphin were more expensive than the cheapest proposal, the following summarises the conclusions for their recommendation:

- Francis Clark already have an existing relationship in place with Brewin Dolphin
- They are experienced in working with South West based charities
- Their investment proposal provides clarity on information regarding screening in both direct and indirect investments
- The ability to bespoke the investment proposition to the specific mandate of Animals in Distress

For long term investors Brewin Dolphin believed that our investment risk appetite is appropriate and should protect the capital value of the portfolio from inflation, while producing an attractive level of income. The closest match to the recommended DT 5 or 6 level was to use the RBC Brewin Dolphin's Intermediary Risk Level 6: High Medium Risk.

A 'high medium' risk profile shows that our willingness and ability to accept investment risk is slightly above average. A portfolio that matches this risk profile is likely to experience some significant rises and falls in value, most likely containing mainly medium and high-risk investments, including Sterling corporate bonds and global bonds including higher income types as well as Property and shares. The shares are expected to be held mainly in the UK and other developed markets, but there is also likely to be some in higher-risk emerging markets.

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There are a number of risk considerations that we have taken into account:

- Past performance is no guarantee of future returns.
- If growth is low, charges may eat into the capital invested.
- Any ad-hoc or ongoing adviser charges being paid from an investment bond will count towards the 5% tax deferred allowance.
- The value of this investment is not guaranteed and on encashment you may not get back the full amount invested.
- If withdrawals are made at a rate which exceeds the net growth of the fund, capital will be eroded.
- Before making any withdrawals in excess of the cumulative 5% allowance, we should seek advice in respect of the most appropriate and tax efficient method of achieving this.
- The price of units and the income from them can fall as well as rise.
- An early withdrawal charge may apply.
- The government may change the tax rules that currently apply to onshore bonds.
- There may be occasions when an individual fund or funds may have a higher risk rating than our overall stated attitude to risk. If this is the case, then the overall risk rating applied to all of the combined funds being recommended will still be designed to meet our stated tolerance.

RBC Brewin Dolphin's work in optimising portfolio structures to try and ensure that portfolios produce the best level of return for a given level of risk produces a slightly different structure. Over time, RBC Brewin Dolphin believes that an investment portfolio with this broad structure will produce a return in the region of CPI + 2.0%. (Using the Bank of England's targeted inflation rate of 2%.) RBC Brewin Dolphin is very conscious that these expected returns are significantly below historic returns reflecting that we are in a challenged world, low economic growth translates to lower investment returns.

The £400,000 was invested in April 2023 and is seen by the Trustees and CEO as a medium to long-term investment, the returns from which will help secure the financial future of the Charity and if appropriate, assist with funding larger projects, such as Rescue Centre building work.

Principal Risks

The Trustees and CEO recognise that through the nature of our activities, funding base, reserves and structure, the Charity is exposed to differing areas of risk and levels of exposure. There are many areas of potential risk and we undertake our own processes for risk identification. The following list is an indication of a few of the main areas of risk that are considered by the Trustees and CEO:

- **Income and financial sustainability:** Insufficient income and reserves for the charity to achieve its strategic objectives and maintain its operations. Dependency on income sources - such as legacies and retail could have a cash flow and budget impact if that income source is significantly reduced or lost.
- **National minimum wage and living wage:** Government actions and proposals have and will increase payroll substantially, so future staffing levels will have to be considered.
- **Data Protection compliance and GDPR:** An event or incident such as an external data breach or inadvertent internal error resulting in the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data.
- **Organisational change and digital transformation:** The failure to execute organisational change and transformation programmes effectively and to achieve the intended benefits of these, resulting primarily in inefficient use of the Charity's resources.
- **Safeguarding:** Failure to safeguard the Charity's beneficiaries or associated vulnerable persons, including children, from abuse and maltreatment.
- **People, leadership and culture:** Weaknesses or failure of leadership, inability to develop and retain talent effectively and an organisational culture that is not an enabler in the pursuit of the Charity's strategy and objectives.

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- Governance: The Charity does not achieve its strategic, charitable, regulatory and ethical objectives due to inadequate governance at board, senior management or operational levels.
- Regulatory: The Charity fails to comply with applicable regulatory requirements, leading to reputational damage and financial penalties.
- Post-Coronavirus (COVID-19): The global pandemic and the effects on the economy, demand for services, finances, fundraising etc.
- The Ukraine Crisis: The impact and effects the war is having on the global economy, the international supply of goods and inflation.
- Health, safety and environment: Failing to ensure a safe environment could result in injury to staff, volunteers or the public, breaking the law and rendering the Charity unable to operate.
- Cyber security: Cyber incidents (typically unauthorised or inappropriate access to our organisation's network) executed by external or internal parties that negatively impact the confidentiality, integrity and availability of the Charity's information systems and data.
- Business continuity incidents: The occurrence of incidents that limit the Charity's ability to operate as it normally would in business as usual situations.
- Reputation: A range of occurrences including incidents, events and outcomes that may consequently damage the Charity's reputation. Reputation risk is largely a consequence of other risk events materialising. Public perception and adverse publicity which could impact on voluntary income, use of our services, access to grants, loss of donor confidence or funding, impact on the morale of staff, loss of beneficiary confidence, relationship with funders etc.

FINANCIAL POSITION AND RESERVES

At 31 December 2022, the Charity had total reserves of £4,588,000, of which £4,553,000 were unrestricted.

The Charity has sought to separate those unrestricted reserves that are held in the form of property fund assets (£2,074,000) from those that are freely available for its general purposes. As well as providing a more informed view of the overall reserves it enables a more realistic assessment to be made of the Charity's strategy with regard to our level and future deployment.

The so-called free reserves are then demarcated into a separate category (building fund totaling £1,178,000) that accords with the Charity's medium and long-term plans to improve facilities at the Rescue Centre. This acknowledges and takes account of the fact that large scale capital projects require "saving for" over many years. The balancing general reserve (£1,301,000) recognises that it is extremely difficult to predict income from legacies, so the Charity aims to hold at least £650,000 in reserve, which equates to 6 months average operating costs. Our reserves currently exceed this figure in order to cover future projects and eventualities.

It is anticipated that the Charity's investment policy will match the spending and reserves policy.

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TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Charity Trustees (who are also the directors of Animals in Distress (Torbay and Westcountry) for the purposes of Company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 charitable company and the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the U.K governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure to our Auditors

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- Each Trustees has taken all steps that he/she is obliged to take as a director in order to make themselves aware of relevant audit information and to establish that the auditor is aware of that information.

By order of the board of Trustees and signed on behalf of the Trustees:

G Dix (Chair of Trustees)

C Paradine

Date: 2023

Report compiled for and on behalf of the Trustees by: Neil Thomas (CEO)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Animals in Distress (Torbay and Westcountry) (the "charitable company") for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating 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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

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Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 24), 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 they 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's responsibilities for the audit of the financial statements

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.

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:

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to fraudulent financial reporting, in particular to grant funding received.

Audit procedures performed by the engagement team include, but were not limited to, discussions and inquiries with management of compliance with laws and regulations, reviewing grant funding agreements, and reviewing board minutes and significant legal costs incurred in the year. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2022

Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Hobbs BSc ACA (Senior Statutory Auditor)

PKF Francis Clark, Statutory Auditor

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

Date:

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income from:					
Donations and legacies	3	820,491	1,857	822,348	807,124
Charitable activities	4	66,462	-	66,462	45,386
Other trading activities	5	857,169	-	857,169	603,479
Investments	6	21,629	-	21,629	19,753
CJRS		-	-	-	197,519
Total income		<u>1,765,751</u>	<u>1,857</u>	<u>1,767,608</u>	<u>1,673,261</u>
Expenditure on:					
Raising funds	7	705,345	-	705,345	699,851
Charitable activities	8	610,799	4,584	615,383	591,622
Total expenditure		<u>1,316,144</u>	<u>4,584</u>	<u>1,320,728</u>	<u>1,291,473</u>
Net income/(expenditure)		449,607	(2,727)	446,880	381,788
Transfers between funds	22	-	-	-	-
Net movement in funds		<u>449,607</u>	<u>(2,727)</u>	<u>446,880</u>	<u>381,788</u>
Reconciliation of funds					
Total funds brought forward		<u>4,103,502</u>	<u>38,101</u>	<u>4,141,603</u>	3,759,815
Total funds carried forward	22	<u>4,553,109</u>	<u>35,374</u>	<u>4,588,483</u>	<u>4,141,603</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 29 to 40 form part of these financial statements.

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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Donations and legacies	3	779,572	27,552	807,124	993,541
Charitable activities	4	45,386	-	45,386	38,992
Other trading activities	5	603,479	-	603,479	310,113
Investments	6	19,753	-	19,753	21,411
CJRS		193,839	3,680	197,519	295,272
Total income		<u>1,642,029</u>	<u>31,232</u>	<u>1,673,261</u>	<u>1,659,329</u>
Expenditure on:					
Raising funds	7	689,399	10,452	699,851	726,907
Charitable activities	8	561,972	29,650	591,622	713,719
Total expenditure		<u>1,251,371</u>	<u>40,102</u>	<u>1,291,473</u>	<u>1,440,626</u>
Net income/(expenditure)		390,658	(8,870)	381,788	218,703
Transfers between funds	22	-	-	-	-
Net movement in funds		<u>390,658</u>	<u>(8,870)</u>	<u>381,788</u>	<u>218,703</u>
Reconciliation of funds					
Total funds brought forward		<u>3,712,844</u>	<u>46,971</u>	<u>3,759,815</u>	<u>3,541,112</u>
Total funds carried forward	22	<u>4,103,502</u>	<u>38,101</u>	<u>4,141,603</u>	<u>3,759,815</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	15	-	219
Tangible assets	16	2,577,845	2,634,934
		<u>2,577,845</u>	<u>2,635,153</u>
Current assets			
Stocks	17	7,488	7,447
Debtors	18	341,034	218,101
Cash at bank and in hand		1,847,848	1,479,933
		<u>2,196,370</u>	<u>1,705,481</u>
Liabilities			
Creditors falling due within one year	19	72,982	66,942
Net current assets		<u>2,123,388</u>	<u>1,638,539</u>
Total assets less current liabilities		<u>4,701,233</u>	<u>4,273,692</u>
Creditors falling due after more than one year	20	112,750	132,089
Net assets		<u>4,588,483</u>	<u>4,141,603</u>
 Restricted funds	22	35,374	38,101
General funds	22	1,301,487	851,880
Designated funds	22	3,251,622	3,251,622
Total charity funds		<u>4,588,483</u>	<u>4,141,603</u>

The notes on pages 29 to 40 form part of these financial statements.

The financial statements were approved by the trustees on and signed on their behalf by:

G Dix
Trustee

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Cash flows from operating activities	24	380,759	328,550
Cash flows from investing activities			
Rent received		19,150	16,200
Interest income		2,479	1,236
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		(15,975)	(2,781)
Cash flows from investing activities		5,654	14,655
Cash flows from financing activities			
Repayments of bank borrowings		(18,498)	(17,675)
Proceeds from bank and other borrowings		-	-
Cash flows from financing activities		(18,498)	(17,675)
(Decrease)/increase in cash and cash equivalents in the year		367,915	325,530
Cash and cash equivalents at the beginning of the year	25	1,479,933	1,154,403
Cash and cash equivalents at the end of the year	25	1,847,848	1,479,933

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting Policies

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements and assessment of going concern

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP (FRS 102)), FRS 102 and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Animals in Distress (Torbay and Westcountry) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income by way of donations, membership, sponsorship and collections, is accounted for when receivable. Income raised through the operation of the shops is taken into account at the time of receipt.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated goods relating to animal food are brought in to income and expenditure at the value they would have cost had they been purchased by the charity.

Coronavirus Job Retention Scheme grant income is accounted for using the accruals method in line with the costs with which the grant relates to are recognised.

c) Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds received which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

d) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fundraising and shop costs and their associated support costs.
- Expenditure on charitable activities includes the costs of the Rescue Centre and its associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between costs of raising funds, expenditure on charitable activities and other expenditure, based on staff time.

f) Operating leases

Rental charges under operating leases are charged on a straight line basis over the term of the lease.

g) Intangible fixed assets

Intangible fixed assets are initially recorded at cost. Computer software is amortised on a straight line basis over its expected useful economic life of 4 years.

h) Tangible fixed assets

Individual tangible fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Freehold buildings	2% straight line
Equipment	20% reducing balance
IT equipment	25% straight line
Motor vehicles	25% reducing balance

i) Stocks

Stocks are included at the lower of cost and net realisable value.

j) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is recognised where the criteria for recognising income has been met at the year-end but the claim or invoice has not been submitted/issued until after the year-end.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash held in current and savings accounts in UK banking institutions.

l) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

n) Pensions

The charity operates a defined contribution pension scheme and membership is open to all employees of the charity. The assets of the scheme are held separately from those of the charity. The charity matches employee contributions of 1-4% with an employer contribution of 3% and the contributions are paid into the fund on a monthly basis. The contributions made for the accounting period are treated as an expense and were £18,221 (2021: £19,535). Contributions totalling £1,543 (2021: £1,415) were payable to the fund at the balance sheet date and are included in creditors.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The Charity is incorporated in England and Wales. The address of its registered office is: Biltor, Edgelands Lane, Ipplepen, Newton Abbot, TQ12 5UF.

3 Income from donations and legacies

	2022 £	2021 £
Donations and gifts	155,406	134,016
Legacies	648,102	527,569
Grants	1,185	129,078
Memberships and sponsorship	17,655	16,461
Total income from donations and legacies	822,348	807,124

Donations and gifts include a £23,070 (2021: £nil) donation from the old charity, Animals in Distress (Torbay and Westcountry) Incorporating Torbay Animal Welfare Sanctuary.

As noted in the trustees' report the charity benefits notably from the involvement and enthusiastic contributions of volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****4 Income from charitable activities**

	2022 £	2021 £
Re-homing fees	56,978	43,739
Animal Boarding	6,333	-
South Hams Strays and Vet income	3,151	1,647
Total income from charitable activities	66,462	45,386

5 Income from other trading activities

	2022 £	2021 £
Memberships and sponsorships	3,287	3,995
Fundraising events	21,263	17,501
Shop income	819,727	568,436
Petplan commission	12,892	13,547
Total income from other trading activities	857,169	603,479

6 Investment income

	2022 £	2021 £
Rent	19,150	16,200
Interest	2,479	3,553
Total investment income	21,629	19,753

7 Analysis of expenditure on raising funds

	2022 £	2021 £
Fundraising	9,244	14,584
Shop costs	552,992	488,262
Support costs	143,109	197,005
Total expenditure on raising funds	705,345	699,851

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8 Analysis of expenditure on charitable activities

	2022 £	2021 £
Rescue Centre	555,221	564,664
Support costs	60,162	26,958
Total expenditure on charitable activities	615,383	591,622

9 Analysis of support costs

All support costs are allocated based on the basis of staff time.

The analysis of support costs is as follows:

	Raising Funds £	Charitable Activities £	Total 2022 £	Total 2021 £
Salaries and other staff costs	120,194	43,279	163,473	188,364
Travel and subsistence	62	23	85	6
Professional fees	4,969	1,789	6,758	3,496
Finance costs and exchange losses	4,971	1,790	6,761	5,290
Office costs	6,797	2,447	9,244	8,513
Other costs	5,094	1,834	6,928	8,539
Governance	1,022	9,000	10,022	9,755
Total support costs	143,109	60,162	203,271	223,963

10 Analysis of governance costs

The analysis of governance costs is as follows:

	Total 2022 £	Total 2021 £
Salaries and other staff costs	864	709
Professional fees	9,000	8,950
Other costs	158	96
Total	10,022	9,755

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022****11 Net income for the year**

This is stated after charging:

	2022	2021
	£	£
Operating leases - property	74,250	75,787
- equipment	13,262	13,531
Depreciation	72,978	61,680
Amortisation	219	875
Interest payable	6,350	7,173
Auditors' remuneration: audit fees	4,670	4,150
accounts	3,375	3,000
taxation	955	850

12 Analysis of staff costs, trustee remuneration and expenses, the cost of key management personnel and related party transactions

	2022	2021
	£	£
Salaries and wages	766,972	809,798
Social security costs	47,053	46,428
Pension costs	18,221	19,535
	<u>832,246</u>	<u>875,761</u>

One employee had remuneration in excess of £70,000 and less than £80,000 (2021: one in excess of £80,000 and less than £90,000).

The charity trustees were not paid and did not receive any other benefits from the charity (2021: None). No travel or other expenses were reimbursed to the trustees during the year (2021: None).

The total remuneration, including employer's national insurance, of the key management personnel of the charity was £89,103 (2021: £91,583).

There were no related party transactions (2021: None).

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13 Staff numbers

The average monthly head count was as follows:

	2022	2021
Rescue Centre	18	23
Charity shops	25	26
Administration and support	5	5
Chief Executive	1	1
	<u>49</u>	<u>55</u>

14 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Intangible fixed assets

	Software £	Total £
Cost:		
As at 1 January 2022	13,100	13,100
As at 31 December 2022	<u>13,100</u>	<u>13,100</u>
Amortisation:		
As at 1 January 2022	12,881	12,881
Charge for the year	219	219
As at 31 December 2022	<u>13,100</u>	<u>13,100</u>
Net book value:		
As at 1 January 2022	219	219
As at 31 December 2022	<u>-</u>	<u>-</u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16 Tangible fixed assets

	Freehold Property £	Equipment £	IT Equipment £	Motor Vehicles £	Total £
Cost:					
As at 1 January 2022	3,142,149	155,512	66,967	21,920	3,386,548
Additions	6,521	-	9,454	-	15,975
Disposals	-	-	(219)	-	(219)
As at 31 December 2022	3,148,670	155,512	76,202	21,920	3,402,304
Depreciation:					
As at 1 January 2022	537,746	133,930	63,219	16,719	751,614
Charge for the year	62,873	5,341	3,464	1,300	72,978
Eliminated on Disposal	-	-	(133)	-	(133)
As at 31 December 2022	600,619	139,271	66,550	18,019	824,459
Net book value:					
As at 1 January 2022	2,604,403	21,582	3,748	5,201	2,634,934
As at 31 December 2022	2,548,051	16,241	9,652	3,901	2,577,845

17 Stocks

	2022 £	2021 £
Goods for resale	642	767
Vet room supplies	5,710	5,710
Shop stationery stocks	1,136	970
	7,488	7,447

18 Debtors

	2022 £	2021 £
Trade debtors	4,651	3,065
Other debtors	36,155	30,140
Prepayments and accrued income	300,228	184,896
	341,034	218,101

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

19 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	13,953	11,176
Other creditors	3,613	5,728
Accruals and deferred income	25,405	19,444
Social security and other taxes	10,672	12,096
Bank loan	19,339	18,498
	72,982	66,942

The bank loan is secured by a charge over one of the charity's properties.

20 Creditors: amounts falling due after one year

	2022 £	2021 £
Bank loan	112,750	132,089
	112,750	132,089

The bank loan is secured by a charge over one of the charity's properties.

21 Obligations Under Leases

The total of future minimum lease payments is as follows:

	Land and Buildings		Other	
	2022 £	2021 £	2022 £	2021 £
Operating leases expiring:				
Within one year	31,500	31,500	20,813	11,283
Between one and five years	118,333	146,000	28,320	49,723
After more than five years	25,000	28,833	590	-
	174,833	206,333	49,723	61,006

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22 Analysis of movements in funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
General fund	851,880	1,765,751	(1,316,144)	-	1,301,487
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	4,103,502	1,765,751	(1,316,144)	-	4,553,109
Puppy Appeal (capital)	7,358	-	(3,538)	-	3,820
Charlie Appeal	2,391	-	(29)	-	2,362
Big Bark Appeal	26,829	1,857	(337)	-	28,349
Other Appeals	1,523	-	(680)	-	843
Total restricted funds	38,101	1,857	(4,584)	-	35,374

The restricted funds shown above represent funds raised from appeals for specific projects.

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
General fund	461,222	1,642,029	(1,251,371)	-	851,880
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	3,712,844	1,642,029	(1,251,371)	-	4,103,502
Puppy Appeal (capital)	10,900	-	(3,542)	-	7,358
Charlie Appeal	2,428	-	(37)	-	2,391
Big Bark Appeal	31,385	6,232	(10,788)	-	26,829
Other Appeals	2,258	25,000	(25,735)	-	1,523
Total restricted funds	46,971	31,232	(40,102)	-	38,101

The restricted funds for the year to 31 December 2021 represent funds raised from appeals for specific projects.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****23 Analysis of net assets between funds**

At 31 December 2022	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	2,550,057	27,788	2,577,845
Cash at bank and in hand	1,840,262	7,586	1,847,848
Other net current assets	275,540	-	275,540
Creditors more than one year	(112,750)	-	(112,750)
Total	4,553,109	35,374	4,588,483

At 31 December 2021	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible fixed assets	219	-	219
Tangible fixed assets	2,602,562	32,372	2,634,934
Cash at bank and in hand	1,474,204	5,729	1,479,933
Other net current assets	158,606	-	158,606
Creditors more than one year	(132,089)	-	(132,089)
Total	4,103,502	38,101	4,141,603

24 Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the reporting period	446,880	381,788
Adjustments for:		
Depreciation charges	72,978	61,680
Amortisation charges	219	875
Loss on disposal of fixed assets	86	-
Rent receivable	(19,150)	(16,200)
Interest income	(2,479)	(1,236)
(Increase)/Decrease in stocks	(41)	1,925
(Increase) in debtors	(122,933)	(109,607)
Increase in creditors	5,199	9,325
Net cash from operating activities	380,759	328,550

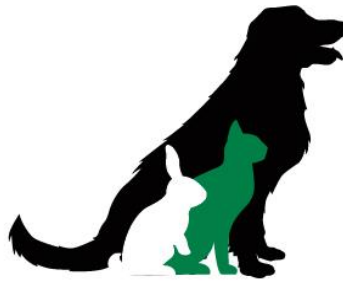
ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****25 Analysis of Changes in Net Debt**

	1 Jan 2022 £	Cash flows £	31 Dec 2022 £
Cash at bank and in hand	1,479,933	367,915	1,847,848
	<u>1,479,933</u>	<u>367,915</u>	<u>1,847,848</u>
Loans due within one year	(18,498)	(841)	(19,339)
Loans due after more than one year	(132,089)	19,339	(112,750)
	<u>(150,587)</u>	<u>18,498</u>	<u>(132,089)</u>
Total	<u>1,329,346</u>	<u>386,413</u>	<u>1,715,759</u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

England & Wales - Charity number 1105487

Accounts



Animals in Distress

(Torbay and Westcountry)

(A Company Limited by Guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 December 2021

Registered Charity Number 1105487
Company Number 05171505

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

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ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2015).

Trustees:

The Trustees of the Charity who served during the year were:

Meryl Brand
Geraldine Dix (Chair of Trustees from 13 December 2021)
Amy Cross-Webber
David Turner (Chair of Trustees - resigned 2 September 2021)
Alison Truscott
Chris Paradine
Jo Smith

Company Secretary and Chief Executive Officer:

Neil Thomas

Principal Address and Registered Office:

Biltor
Edgelands Lane
Ipplepen
Newton Abbot
Devon. TQ12 5UF

Registered Charity No: 1105487

Registered Company Number: 5171505

Professional Advisers:

Auditors: PKF Francis Clark
Sigma House
Oak View Close
Torquay
TQ2 7FF

Solicitors: Boyce Hatton LLP
58 The Terrace
Torquay
TQ1 1DE

Bankers: Lloyds Bank Plc
2 Palace Avenue
Paignton
TQ3 3ER

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Status

Animals in Distress (Torbay and Westcountry) is a company limited by guarantee (company number 5171505) and is registered as a charity (number 1105487) with the Charity Commission.

Governing Document

Animals in Distress (Torbay and Westcountry) is governed by its Memorandum and Articles of Association dated 4 July 2004

There is one class of member. The maximum number of members is 20 or such numbers as the members decide. The first members were the subscribers to the Memorandum; further members are such individuals or organisations as appointed by the Trustees. There are currently seven members, each of whom is liable to contribute £10 in the event of the Charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the first Trustees were the subscribers to the Memorandum. Additional Trustees may be appointed by the Charity in a general meeting or by the other Trustees. A Trustee must be aged 18 or over, must be a member of the Charity and must not be disqualified by virtue of provisions of the Charities or Companies Acts. The number of Trustees may not be less than three, but is not subject to a maximum.

At the Annual General Meeting, one third of the Trustees must retire. The Trustees to retire shall be those who have been longest in office since their last appointment.

Trustee Induction and Training

New Trustees undergo an induction to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, governance, the Committee and the decision making process, the business plan and the recent financial performance of the Charity. During their induction, the Trustee will spend time with the Chief Executive and with the Rescue Centre Management in order to familiarise themselves with the day to day running of the Charity. Ongoing training is given as appropriate to their position.

Organisation Structure

The Charity is managed through the following areas:

- i) The Animal Welfare teams deliver the care, rehabilitation, training and rehoming of the dogs, cats, rabbits and guinea pigs at the Rescue Centre
- ii) The retail team manage and run the charity shops taking in and selling donated goods
- iii) The Fundraising and Communications team deal with income generation and communications through fundraising and media
- iv) Head Office deal with management and administration including HR, accounts, ICT, volunteering and maintenance of our estate

Governance and Management

The Board of Trustees administers the Charity and meets every three months. A Finance Committee was established by the Board to maintain an overview of and provide advice to it, regarding the financial affairs of the Charity. The Finance Committee meets every three months too and is attended by at least three Trustees and the CEO.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operating, the Chief Executive has written terms of delegation approved by the Trustees for operational matters including finance and employment.

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Remuneration of key management personnel

The Charity aims to provide a reward package that is competitive enough to attract and retain high calibre staff who wish to be part of the Charity's work. The remuneration of key management personnel is reviewed annually by the Trustees following a review of performance for the previous year. Salaries are also benchmarked against similar positions both locally and nationally.

Related Parties

The "new" charity (charity number 1105487) incorporated the tangible and intangible assets of the original "old" charity, Animals in Distress (Torbay and Westcountry) (charity number 900234) on 31 October 2004. The only excluded assets were future bequests, cash at bank and the benefit of any insurance claims.

Risk Management

The Trustees actively review the major risks the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. A comprehensive risk analysis has been completed which has identified control and monitoring procedures to minimise any risk to the Charity and any impact they may have. The results are periodically reviewed.

STRATEGIC REPORT

The following sections comprise the Charity's strategic report for the year.

Objectives and Activities

Animals in Distress exists to alleviate pain, suffering and distress in animals as well as to promote animal welfare practices and responsible pet ownership across Teignbridge, Torbay and South Hams.

Furthermore,

- We at Animals in Distress undertake to care for and nurture any unwanted domestic pet that is brought to us, providing it is suitable for re-homing and there is accommodation available at the Rescue Centre.
- We will always provide shelter, food, exercise and veterinary care for the animals in our charge.
- We will never put an animal to sleep unless on the advice of our Veterinary Surgeon.
- We will endeavour to find suitable homes for our animals on the basis of a responsible home check or such similar precaution as is deemed necessary.
- We will at all times show respect, understanding and courtesy to our user groups together with an inherent sense of duty and helpfulness.
- We will always uphold the principles and objectives of our Charity and share with others the joy of helping Animals in Distress.

Our care is open to all regardless of an individuals' background or circumstances; the welfare of the animal is the primary concern of the Charity, not where the animal comes from or is going to. This includes the fostering of animals, when an animal has a chronic health issue requiring ongoing veterinary treatment which the Charity pays for, regardless of the individual's financial circumstances.

The activities carried out during the course of the year (as set out in the following section) demonstrate the level of Trustee and management commitment in ensuring that the Charity delivers real and tangible benefit to the public in all of its operations and thereby meets the public benefit requirements as set out by the Charity Commission in both spirit and word.

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Achievements and Performance

The Impact of Coronavirus (COVID-19)

During the COVID pandemic, a number of welfare issues arose relating to pets, especially dogs, such as theft, smuggling, breeding conditions, a surge in unwanted animals and funding for rescue centres. Reports in the press and from animal organisations highlighted an increase in pet ownership and this increased demand for pets inevitably resulted in an increase in animal welfare issues. Dog theft, and puppy smuggling had reportedly gone up to meet the growing demand although exact figures for these crimes are hard to pin down as animal theft is not recorded as a distinct crime. However, in October 2020, the BBC reported statistics obtained from freedom of information requests that showed five police forces had seen more reported dog thefts between January and July 2020 than in the whole of the previous year. In September 2020, the BBC reported figures from Pets4Homes, that showed the average price for puppies had risen to £1,883 between March and September 2020 compared to £888 for the same period in 2019. In August 2020, the Kennel Club reported that 42% of new owners didn't see the environment their puppy was raised in (in person or via video) and 83% weren't asked any questions by the breeder about their suitability as owners. Whilst one in four admitted impulse buying during the pandemic.

The economic impacts of the pandemic have affected animal welfare organisations with over half of animal rescue centres seeing their income drop by over 50% since March 2020 according to Battersea. These highlighted issues led experts to warn that the country faced an imminent animal welfare crisis. Government advisors concluded that animal welfare and increased pet ownership are the two areas where there is the two greatest risks to animal welfare as a result of COVID-19 pandemic.

The main concern for businesses and charities involved in animal welfare such as Animals in Distress, was the ability to continue to maintain required levels of service and standards given the severity of the effects of the various lockdown and restrictions. Early concerns that COVID-19 restrictions would have a severe effect on animal welfare were not borne out in the short term. The effect of the self-isolation and social distancing restrictions on staffing and cash flow was a repeated concern determining our ability to provide the animal welfare services, in both the short and longer terms.

Throughout the pandemic, we have been able to undertake our core operations as far as possible, whilst maintaining compliance with the social distancing rules and the need for hygiene precautions to help prevent the spread of coronavirus. Throughout this period, we ensured that admissions and rehoming could continue in accordance with COVID-19 secure guidance and that staff and volunteers could continue to work and tend to the animals in our care.

In 2021, we saw an increase in enquiries and applications for the animals in our care. It was not unusual for us to receive over 40-70 applications for an individual animal. A significant number of people who were interested in rehoming an animal had not considered being pet owners before the lockdowns.

As mentioned in last year's report, many people bought pets in response to social isolation, but there were concerns about animal welfare, with the potential risk of health and behaviour problems. These included animals bought on impulse, often poorly-bred from low welfare breeders or from overseas breeders as these became a more significant source of puppies and kittens to meet the spike in UK demand. In addition, many first time pet owners had little or no knowledge of pet care and for many puppies, there was reduced opportunities for socialisation during the lockdowns.

Sadly, the link between domestic violence and animal abuse is now well established and again in 2021, we were contacted more than usual to help pets caught up in difficult situations. Pets, especially dogs

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and cats are at high risk of harm in abusive households, as perpetrators direct their anger at them and use them to manipulate and control their human victims.

We always help when we can as this often enables the victim to escape an abusive or violent household knowing their pet is safe with us.

Throughout the pandemic, dog thefts became more prevalent and we saw increased media coverage of this. We took more calls than normal in 2021 from people trying to locate their pets. In addition, it was reported that microchipping rates dropped significantly. When vets stopped providing non-emergency treatment during the first lockdown and with lower than normal numbers of veterinary consultations since, this suggests that microchipping rates may not recover quickly as pet owners have chosen to visit vets only for urgent care. This will potentially impact on the ability to reunite stray or stolen dogs with their owners quickly in the future, resulting in additional costs to the welfare charities and Local Authorities.

Along with many other animal charities, we continued to feel the impact of COVID-19 on our work throughout 2021 and so far in 2022. It has been busier than normal, but without the same number of staff and volunteers onsite, it has hampered our ability to carry out our work as normal. We were also concerned about how COVID-19 has and will impact animals and our pets in the longer term.

We have also seen the impact of the lockdowns on dogs in a variety of ways. More people than ever have purchased dogs during the various lockdowns as more people are at home. The price of puppies more than doubled during lockdown with dogs costing almost £1,900 on average, with popular breeds often selling for £3,000 or more. This has led to greedy breeders, puppy farmers, backyard breeders and third-party puppy sellers all trying to cash in on this trend.

Over the last couple of years, we have taken in puppies bought in haste from third party puppy sellers that were no longer wanted when people have returned to work, sick puppies abandoned by breeders at the vets, breeding bitches that can no longer produce litters and older dogs who have been found surplus to requirement when people have bought a 'lockdown' puppy. The surge in demand and high prices also created an increase in dog theft, with dogs being stolen to order to be re-sold as pets or to be used as breeding machines to create more puppies. As always, we encouraged owners to look after and neuter their dogs.

We have been worried about the dog welfare crisis as people returned to work away from the home and the impact of separation anxiety, both to new puppies who have never been left and adult dogs who have got used to having company most, if not all of the time. Many of the dogs that have come into the Rescue Centre over the last couple of years have separation anxiety and have taken some additional work, by the staff and volunteers, to deal with this issue at a pace each dog was comfortable with, before they were ready to be rehomed.

It was reported that a guesstimate of 84,000 extra kittens were born in 2020 due to fewer vets carrying out neutering procedures during the various lockdowns! We have definitely felt the impact of this 'kitten crisis' and continue to be worried about the long-term impact on the number of feral and unwanted cats, which then go on to breed in the years to come. We have been doing our best to continue to neuter as many cats as we can throughout the crisis.

Our smaller furry friends have also suffered. During the lockdowns and restrictions, people have bought rabbits and guinea pigs to keep themselves or their children amused, not appreciating the amount of care they need, and they are now surrendering them to rescue centres or even worse, dumping them. We have had a constant demand from owners wanting to give up and sign over their small furries to

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the Charity. Many of the rabbits come in unneutered, some are already pregnant and we have taken in as many as we could comfortably cope with before trying to find them their forever homes.

There was a real and valid concern that for many smaller rescues in particular, who perform such a vital social and welfare function, the pressure of increased demand and reduced incomes will prove too great. This was something that we were acutely aware of right from the start of the pandemic and something that shaped our strategy throughout and continues to do so.

There are so many benefits for potential new owners of getting their animal from a rescue centre compared to the risks of buying from unscrupulous breeders or from unknown sources online. The rapid increase in interest in owning a dog or cat led to a surge in online buying. Acquiring a new pet should always require buyers to do their research and undertake the proper checks themselves to ensure they are buying a healthy animal. Rehoming a pet from a recognised rescue organisation such as Animals in Distress helps buyers avoid unscrupulous dealers, breeders and traders that pose such a threat to the health, welfare and happiness not only of the animal, but of the whole family. A rescue pet will be healthy, having received any necessary medical treatment and will be vaccinated and microchipped.

The main challenge and concern in the medium term continues to be fundraising and the uncertainty around income. Animals in Distress is typical of most other animal charities in that an important part our income comes from legacies and those legacies are often dependent upon the sale of property to liquidate the bequest. With the property market having been so buoyant, we have realised the level of legacy income we could have hoped for during the last couple of years.

We continued with our business continuity planning over the last year by keeping animal numbers at the Rescue Centre to a level where we could comfortably cope. This was crucial for a number of reasons. Firstly, for the wellbeing of the animals as issues such as separation anxiety meant that some animals stayed with us longer and secondly, to reduce the number of staff needed to deliver the same exceptional standards of care and finally to make room for a sudden and increased demand for our services. There are always emergency admissions but with people getting ill with COVID-19 or passing away, losing their jobs and/or no longer able to afford to look after their animals, we anticipated that we would be approached to take on more animals.

During 2021, we continued to focus on leanness as a matter of approach, reduce our costs, strip out any waste and drive efficiencies. The challenge with a 'lean' approach is that it could leave the Charity less resilient. We looked at ways of working that are more compatible with a population maintaining social distancing over a sustained period and placed a greater reliance on digital customer journeys and experiences.

Operational guidance was produced and frequently updated for the animal welfare sector by the Canine and Feline Support Group/DEFRA. This covered how we could bring in, look after and rehome animals within the framework of the government restrictions around social distancing and non-essential travel, in the context of the government saying, where possible businesses should continue operating, but in a responsible way that manages risk very carefully.

Our traditional rehoming model included an online or hard application, one or more visits to the Rescue Centre, meeting the animals and then hopefully adopting a new one. During the early part of the pandemic, we developed a new model to replace the visit with an interview on the telephone where we discussed the potential adopter's preferences and the sort of animal they were looking for, and then introduced them to an animal which might be suitable on a video call. If the person was interested, the adoption paperwork was completed online where possible and we delivered the animal to the adopter's doorstep. If it was a cat, the cat was transferred on the doorstep in a carrier with a conversation from a

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safe distance. If a dog, the introductions were done off site or in the adopters garden. Although, not as efficient as our pre-COVID-19 model, it was more customer orientated and allowed us to continue rehoming through the lockdowns.

The updated guidance in 2021 allowed rehoming to continue, limiting it to one member of the family to deal with any administration. The Rescue Centre was kept closed to general public access throughout 2021, with all admissions and rehoming done by appointment only. This helped manage workload with a reduced staffing level and continued to protect the staff and volunteers.

At the time of writing this report and after careful consideration about how we can best continue to serve our local community and the animals in our care, we have decided that the admissions and rehoming of the animals will continue to be by appointment only, with the Rescue Centre remaining closed to general public access for the foreseeable future.

Over the last two years the animals in our care have been used to the relative calm of being closed to the public and as a result, we have seen a marked decrease in the stress levels exhibited by the animals. We are mindful that a sudden influx of daily visitors would cause some welfare issues.

We love having visitors to the Rescue Centre, however, not only are there the welfare issues to consider, we now have fewer staff available each day to attend to a steady stream of visitors. Like most charities, it has been a challenging period for Animals in Distress and in the current financial climate we are now forced to operate with smaller teams than in previous years. The Rescue Centre team's priority of course remains caring for the animals. We will keep this decision under review as we continue to navigate through these continued difficult times.

We know that as there was a need for Animals in Distress pre-COVID-19, then as we gradually see the light at the end of the tunnel, there is certainly going to be a need for the Charity going forward. The sustainability of the sector is being tested by this crisis and we know that there are challenges ahead but we are as determined as ever to ensure Animals in Distress remains as relevant as it always has been and continues to serve the community in a trusted and transparent way. Only time will tell whether the long-term impact of COVID, the Ukraine crisis and increasing inflation will be felt across the Not for Profit sector. Let's hope that the global catastrophes will provide a catalyst for altruism that society desperately needs.

Government Coronavirus Business Support

In response to the crisis, the government announced a series of extraordinary business support measures in 2020 to protect businesses and to save as many jobs as possible during the COVID-19 pandemic. Fortunately, the Charity was able to take advantage of a number of these schemes in 2020 and 2021, many of which were administered by the three councils in which our premises are located. The majority of the grants the Charity was able to apply for were in relation to our shops being non-essential retail as together with hospitality and tourism, these were the main sectors being supported. The application process for each of the grants administered by Torbay Council, South Hams District Council or Teignbridge District Council was different, even for the same grant. Each Council and grant required varying information and financial evidence which we were able to provide. The grants awarded and received by the Charity in 2020 and 2021 totalled £318,792.39.

The grants included Business Rate Grants, National Lockdown grants, Local Restrictions Support Grants (tiers 2 and 3), Closed Business Top-Up grants and Restart grants. Unfortunately, animal rescue centres were not eligible for the majority of the grants and we did not meet the criteria for some of the

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discretionary grants available because we are not a small business or sought any of the business interruption loan schemes available.

As an employer, we were able to use the Coronavirus Statutory Sick Pay Rebate Scheme to reclaim up to two weeks' worth of Statutory Sick Pay (SSP) that we paid out to employees for COVID-19 related sickness absences. We have had a number of staff members who had coronavirus or had to self-isolate. SSP was paid for absences from the first day off, rather than day four as is standard. The Charity was able to reclaim £2,208.84 on this scheme which ceased on 24 March 2022.

The Coronavirus Job Retention Scheme (CJRS) was a government wage support measure. It was designed to protect jobs in the wake of the economic impacts of the COVID-19 pandemic, and to support employers who are facing difficulties to continue paying wages rather than making people redundant. As an employer, with the shops and the Rescue Centre closed during the various lockdowns and the number of animals on site reduced, there was either less or no work for quite a number of our staff because of coronavirus. By agreement, we were able to put these staff members on furlough or on flexible furlough meaning that they stopped working and they received 80% of their normal pay. The Charity was able to claim CJRS grants to help carry on paying furloughed staff. The Charity had nearly 5/6th of its workforce furloughed at times, functioning on just a core team of staff. The only staff members who were not on furlough or flexible furlough at any point were the Finance Officer and CEO.

The Coronavirus Job Retention Scheme (CJRS) was extended until the end of September 2021. Until the end of June 2021, the UK government paid 80% of employees' usual wages for the hours not worked, up to a cap of £2,500 per month. For periods in July this reduced to 70% and for August and September 2021, the contribution reduced to 60%. The grants are not classed as state aid. The Charity was able to claim furlough pay, employers National Insurance and pension contributions (to July 2020) totalling £493,756.38.

As mentioned in the last Annual Report, the government support we were able to access was an absolute godsend and we are eternally grateful for all of the financial assistance we have received as it has helped the Charity immensely during what has been an extremely challenging and difficult time. The various schemes and grants have greatly assisted the Charity to continue functioning during the pandemic and have certainly helped replace some of the lost income in the shops and although sadly we have had to make two roles redundant, it has kept as many of our staff as possible in their jobs, something which we were determined to do from the outset.

Redundancies

As mentioned in last year's report, it was with great sadness and much regret that Animals in Distress faced a very difficult situation where there was the real prospect of having to make some of our staff redundant. The pandemic triggered yet another recession in an economy that was already turbulent. Some sectors such as travel and hospitality were worse hit than others, but a swift decline in consumer confidence and spending meant that most industries, including the third sector, experienced huge challenges incurring reactive redundancies. We were not immune to what was happening and the spring and summer months of 2020 were particularly difficult for the Charity. We knew tougher times were likely to be ahead and therefore changes had to take place to ensure the sustainability and survival of the Charity.

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Despite the CJRS ending on 30 September 2021, as an employer, throughout the pandemic, we have had to consider how our workforce might look following the end of subsidised furlough and a return to more normal working patterns. We have always placed a high priority on maintaining job security for all our staff. However, the pandemic has caused financial constraints, funding shortages, re-organisation and changes in working methods which resulted in the requirement to reduce our number of staff.

Throughout the pandemic, we made changes in the way work was organised and we adapted our working practices and procedures to function with far fewer staff. This meant we were doing things in different ways with some work being absorbed by other members of staff. After careful and thorough consideration of all possible options, the Trustees and CEO concluded that we may have no alternative but to make redundancies.

The risk (that we worked hard to try and avoid), related to the likely inability to provide work for all of our employees and therefore certain jobs may not be needed. We reviewed roles in our Retail and Rescue Centre animal department operations and decided that they would remain largely unaffected. Initially, the Receptionists and the Administrator and Human Resources Coordinator roles were put at risk of redundancy. We actively explored alternatives to compulsory redundancies such as considering offering voluntary redundancy, temporary reduction in working hours, flexible working, restrictions on recruitment and retraining employees to do other jobs for the Charity. Unfortunately, redundancies were unavoidable, so we worked hard to minimise the number of employees affected. We communicated clearly with all affected employees and ensured that any selection for compulsory redundancy was undertaken fairly and reasonably. We undertook a thorough consultation process with staff affected together with any recognised trade unions and/or employee representatives as appropriate. It was concluded that there was a diminished requirement for the Administrator and Human Resources Coordinator role as a significant number of staff were furloughed and the work was being done by others. The role and the position holder was made redundant towards the end of October 2020.

Following a further extension of the CJRS, it was decided to keep the Receptionists on furlough as the Rescue Centre remained closed to public access. No further redundancies were made in 2020. During the first quarter of 2021, one further staff member was dismissed by way of redundancy. With the continued reduced number of animals on site and therefore fewer veterinary treatments being carried out, the Veterinary Nurse Assistant role was also made redundant as there was a diminished requirement for the role.

It was a very difficult decision to make two of our employees redundant. We do not underestimate the impact that this has had on them as individuals and how unsettling this has been for other members of staff. No other roles were put at risk of redundancy in 2021 and although we cannot rule out further redundancies in the future, we will continue to do all we can to avoid this and endeavour to maintain job-security for our employees.

The Great Resignation, fact or fiction?

The 'Great Resignation' was a phrase that first appeared in May 2021 and has impacted employers ever since. Coined in the US, the term refers to the unprecedented rise in the number of workers resigning from their jobs following the pandemic. There has since been a huge amount of research trying to work out why this has happened. Were workers quitting work entirely, as the pandemic made employees re-evaluate their priorities? Or are they quitting to pursue their dreams in a different career?

The theory goes that the pandemic has induced workers to re-evaluate what they want from work with a suggestion that people will no longer put up with bad work. Some are quitting their jobs, while others are quitting work entirely. But what did the evidence suggest?

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The way we live and work changes as we get older. People usually transition through stages such as education, employment, inactivity and eventually retirement, but the major disruption of the pandemic has interfered with these transition points.

Perhaps they came sooner and were much more discrete than they might have been in smoother economic times. There has been a record numbers of young people attending higher education and an increase in an early exit from the workforce. The sheer length of the pandemic and its disruption put a lot of open water between the pre and post-pandemic world of work making the disjoint seem starker.

There is some evidence for a great resignation. The theory that the pandemic has shifted preferences around the type of work people want to do holds less water. Rates of job-to-job moves can be explained by the dynamics of furlough ending and the economy reopening.

A combination of suppressed churn/turnover and a tight labour market and high rates of exit from the labour market, particularly for older workers, are not unusual in a recession.

Animals in Distress has experienced the impact of the 'Great Resignation' over the last couple of years seeing a number of our staff leave the Charity's employment. The reasons were varied and included ill-health (including long-COVID), change of career, changing family/domestic circumstances, retirement, early retirement, reduction in working hours or to cease working at all and the two compulsory redundancies. The Charity employed 67 members of staff just before the first lockdown in 2020, at the time of writing this report, we now have a staffing level of 48, made up of both full and part-time members of staff. This reduction in the workforce has meant a reduction in our overall payroll costs meaning that the prospect of future redundancies is, we hope, far less likely now.

Whether or not there has been a great rethink about work is less important. The challenge for employers, including Animals in Distress, and policymakers are the same. Recruitment has proved really difficult and that may be holding back the recovery. Creating quality work with lots of flexibility will help employers attract, and crucially retain employees. This is particularly important for older workers who value flexibility, especially around hours worked. There has also been a large increase in inactivity due to sickness and ill-health. As an employer, we must ensure we can facilitate the provision of reasonable adjustments for those with a disability or long-term health conditions.

The high churn and record vacancies experienced in 2021 and early 2022, appears to be dying down. Longer-term skills shortages will remain. To combat 'The Great Resignation' and in order to attract and retain talent, as an employer, we are looking to the future by introducing new policies and practices which demonstrate that we continue to value our employees and their needs. Research indicates that the second most important benefit, after salary and bonuses, for an employer to attract workers who are looking for a new job is flexible or remote working (30%), followed by extra holidays and days off (25%).

Retail Operation

The first lockdown forced the closure of non-essential retail on 24th March 2020 and our shops then remained closed over the summer months until we undertook a phased reopening during September and October 2020. The shops then had to close again from 5th November as the country went into a second lockdown, reopening four weeks later on 2nd December. We were open for 3 weeks on the run up to Christmas, closing the shops over the festive and New Year period with the plan to reopen again on 5th January 2021. However, the third lockdown was announced and commenced on that day so we kept our doors shut as non-essential retail had to be closed again.

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In line with the government's roadmap out of lockdown, we reopened our shops on 12 April 2021 when we were allowed to do so. We were so pleased to see the return of our staff and volunteers and to welcome back our wonderful customers who we certainly missed. The wellbeing and safety of our customers, staff and volunteers has remained paramount and we have undertaken COVID-secure measures throughout the pandemic to ensure a safe and secure environment in which our customers can have the reassurance and confidence to shop with us.

The lockdowns, including the first few months of 2021 resulted in our shops having a huge amount of donations left outside their doorways. As people spent time clearing out their attics, wardrobes and drawers, we received a huge amount of donations. Sadly, much was damaged, soiled or of poor quality and in some cases, simply household rubbish and as a Charity, this commercial waste cost the Charity a lot of money to simply dispose of other people's waste.

It is with much sadness and regret that following protracted discussions with our landlord, the Trustees and CEO decided that our Dawlish shop would be closed at the end of 2021. The lease expired in 2018 and we had been holding over in line with the terms of the lease ever since. The previous landlord was happy with this arrangement and even agreed to reduce the rent for us.

However, when he sold the shop to the new landlord, it was clear from the outset that the new landlord wanted Animals in Distress to sign up to a new long-term lease with increased rent and a maintenance contribution to fund the repairs on the whole building. Our CEO and Retail Support Manager met with the landlord in February 2020 to try to seek an agreement that would suit both parties. Unfortunately, we were poles apart on what the landlord wanted to charge and what we would be willing to pay to carry on as a tenant in the shop. With the shop closed due to lockdown in March 2020 and then further restrictions and lockdowns that year and in the first quarter of 2021, it meant that it would have been difficult for the landlord to justify an increased rent, however, we knew that it would only be a matter of time before the new landlord would revert to us to discuss new terms which he did in July 2021. Unfortunately, he wanted us to sign a new 9 year lease with a 67% increase in rent plus a monthly maintenance payment to build a fund up for external repairs to the whole building.

Unfortunately, despite trying to negotiate with the landlord, he refused to make the terms much more favourable. In addition, he had the café next door wishing to go into our shop premises to create a delicatessen and they were willing to pay him what he wanted. The landlord made it clear that he would rather have a deli than a charity shop in one of his properties.

Sadly, there was not the level of profit in the shop to agree to the new terms as this would have rendered the shop unprofitable. Also, we would certainly not sign a lease of significant length without break clauses, something the landlord was unwilling to offer. As a result, the Trustees and CEO reluctantly made the decision that we would have to close and vacate the shop.

We agreed with the landlord that we would continue trading until the end of the 2021 and have a couple of weeks into the start of 2022 to clear and vacate the premises. Our CEO served the landlord with a Tenant's Notice to Terminate Protected Terms Lease (Section 27 Landlord and Tenants Act 1954).

Our two shop staff members and the volunteers were informed of the decision and as you can imagine, they were devastated. They were provided with re-deployment opportunities so that they could remain employed by the Charity and both staff members chose to move to our Newton Abbot shop in January 2022. We would like to express our thanks for the hard work and efforts that all of the Dawlish staff and volunteers put in to make the shop as successful as it has been over the years. Leaving the town was certainly never part of our retail strategy and it has been incredibly frustrating that through factors out of our control, that ultimately, we had to make the decision to do so.

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We looked for alternative premises but there were very few vacant and suitable premises in the town. Our CEO made a formal tender for a Teignbridge District Council (TDC) building (ex-Tourist Information centre) that was on offer. Unfortunately, we were not successful which came as no surprise in the end as the feedback during the tendering process from the agent was that TDC didn't want yet another charity shop or café going in there. Unfortunately, at the time of writing this report, there are no other suitable premises available but we will keep searching.

We are hugely grateful to our supporters and customers who have either donated to or been a customer in our Dawlish shop over some eight years. Closing any shop has huge knock on effects for the staff and volunteers, customers, supporters, the retail department, the Rescue Centre and the Charity overall. The Trustees and CEO are hugely saddened that our Dawlish shop had to close but we hope that in the future, we will find a suitable premises to be able to return and trade in the town again.

Looking forward, irrespective of the size of our current retail operation, it remains vital that we have an up-to-date retail strategy if we are going to continue to grow our unrestricted income. It remains important that we frequently revisit and update our retail strategy because market conditions and consumer shopping habits are changing fast. We are currently in a challenging economic period within an uncertain world, with rising costs plus soaring inflation. Although this seems horrendous, it can be a massive opportunity for the Charity to take full advantage of the market conditions. Shopping habits such as online shopping have grown 42% in the last 30 months from 19% to 27% of all retail sales.

The Trustees, CEO and our Retail Support Manager regularly review our retail strategy. The risk of not having an up-to-date retail strategy is considerable and while it can be useful to have an agile approach to retail development, it is far more likely to be successful as part of a retail strategy. A future proofed retail strategy sets out the direction for the retail business and considers all the options.

We frequently ask ourselves whether our retail operation could generate greater unrestricted income. Like most charities, the answer is 'yes'. We are always operationally looking at our shops to generate more income. The key to unlock some further unrestricted income tends to be strategic enhancements to the retail business rather than operational changes. There are three main areas that benefit from strategic enhancements:

A well-balanced shop portfolio: We believe that we have this with our largest store, the Outlet and a range of different format charity shops. Whilst this sounds easy, getting the right balance is the key, and it needs careful planning due to the changing retail landscape.

A fully integrated retail business: Most charity retailers are currently struggling to fully integrate the online and retail shops. Ideally all the sales related data from all online channels including Gift Aid should be available on the EPOS, and there should be no need to exclusively move donations to a central point to try to sell online. The manual process, as far as possible, should be replaced with automation to improve efficiency.

A fully optimised retail shop estate: Mainstream retailers generally have a team of specialists to support their retail team, charities, depending on their size, will have something similar if a national organisation but on a more local level, just a senior retail manager as we do with our Retail Support Manager RSM). To optimise a charity retail shop, the RSM needs to ensure that these two main aspects are in place:

- Using the science and data to decide shop layouts, and use of retail space including hot spots to ensure the customer journey within each shop generates optimum sales.

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- Using the shop format, local demographics and data to scientifically decide the pricing of donations. This normally requires training of the shop manager as it is very difficult and can be complicated, however the benefits can be considerable with a sales increase of 8% being normal.

Like most charities, we are extremely concerned by the economic impact that rising costs are going to have on our services, either directly or indirectly. With the low consumer confidence, coupled with changing consumer shopping, we have growing concerns if our planned unrestricted income from our retail operation is secure. Whilst there is no such thing as a silver bullet within charity retail, we continue to evolve and develop our retail strategy to secure the maximum unrestricted income from our shops. Although our shops are yet to fully see footfall and income return to pre-COVID levels, we remain extremely optimistic that our retail operation will continue to perform incredibly well during these continued unprecedented times. We remain in the best possible position to maximise our return from our shops and to continue to give our customers a shopping experience that we can be proud of.

Rescue Centre Improvements

During the year, we continued our rolling programme of improvements to the facilities at our Rescue Centre in Ipplepen. Although no major projects were undertaken in 2021, we still maintained facilities, where possible, in order to continue to provide a safe working environment for our staff and volunteers, excellent accommodation for the animals and to ensure that the site remained presentable at all times. COVID-secure measures remained in place, including hand sanitiser stations, cough guard screens, suitable signage and ensuring our staff and volunteers had suitable PPE.

Adoption Fees

Our adoption fees remain broadly in line with other charities, both locally and nationally. At the start of each year, we apply a modest increase to the adoption fees for the animals which goes some way to offset some of the veterinary costs that the Charity incurs to give the animals the very best treatment and care. It generally costs the Charity far more to look after and treat each animal than the adoption fee covers. Occasionally, we have charged increased adoption fees above our standard rates for certain breeds and this additional income, ensures that we can help more animals that come into our care.

When an adopter rehomes an animal from Animals in Distress, they take home a pet which has been fully assessed by our expert animal welfare staff as well as our veterinary surgeon. Every pet at the Rescue Centre is: vaccinated, microchipped, neutered, wormed and flea treated (where appropriate for their species), examined by a vet and given any necessary treatments and where appropriate given a training plan designed to meet their specific needs.

Key Statistics

In 2021, we admitted 364 animals (388 in 2020) to the Rescue Centre (64 dogs, 167 cats/kittens, 54 rabbits and 79 guinea pigs) and rehomed 322 animals (400 in 2020) from the Rescue Centre (59 dogs, 149 cats/kittens, 45 rabbits and 69 guinea pigs). This represented a decrease of 6% in admissions and 19.5% in rehoming compared to 2020. The reduction in numbers was purely down to the impact of the pandemic, the various national lockdowns and local restrictions as well as the restrictions placed on rescues throughout regarding admissions and rehoming.

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We continued to work with and develop the Open Paw Programme in the kennels meaning that we were able to help many dogs find their forever homes. Open Paw is a programme specifically developed for dogs and cats in rescue centres, designed to provide animals with the enrichment, training and social skills they will need to make them more rehomeable, and to help them successfully settle into life in their new homes.

During 2021, Animals in Distress continued to assist Redditch Cat Rescue with taking on a number of cats and kittens. We took a number of cats and kittens from the North Worcestershire based voluntary run charity to assist them when overrun. More locally, we also assisted Cats Protection by taking a number of pregnant queens, cats and kittens. We will always do our best to help out other animal charities, both locally and nationally including Cats Protection and the RSPCA, when there is a need.

According to a survey of just over 5,000 people by the Pet Food Manufacturers' Association (PFMA), it was reported that a total of 3.2 million households in the UK got a pet since the start of the coronavirus pandemic. It said that the country now has 17 million pet-owning homes. Young people were the main cause behind this trend, with more than half of new owners aged 16 to 34. Many brought pets in response to social isolation but this raised animal welfare concerns.

People under 35 make up 59% of new pet owners, while over half of those buying a pet for the first time had children at home. Unfortunately, introducing a pet to a household in COVID times did cause repercussions and create some unexpected difficulties for some. A third of new owners said it was like having a baby while about a fifth of families with children said training their pet proved challenging. As a result, one in twenty of those who bought a pet during the pandemic gave it up. On a positive side, nearly three quarters said their pet helped them with their mental health while they were coping with the various coronavirus restrictions.

Animals in Distress continues to ensure that all animals admitted and cared for at the Rescue Centre are healthy and receive all the necessary veterinary care that they need. The reduction in the number of animals on site during the pandemic resulted in fewer treatments required and a reduction in associated costs. A total of 2,910 (3,496 in 2020) consultations and combined treatments were administered (vaccinations, flea and worm treatments etc.) including operations (neutering, orthopaedic etc.) were performed in 2021. Whenever possible, the vast majority of treatments and operations continue to be undertaken on site at the Rescue Centre. Total veterinary costs which include ancillary costs (i.e. lab fees, medical gas, medication, equipment etc.) were £67,301 (£93,875 in 2020).

We continue to benefit from being able to purchase discounted veterinary medicines through MWI Animal Health which is a conglomeration of a best-in-class wholesale distributor Centaur Services, a practice management software innovator Vet Space, and two buying groups with relationships across the industry, St. Francis Group and Vetswest.

Veterinary Contract

Our veterinary provision at the Rescue Centre continues to be provided by Quarry House Vets, whose main practice is in Torquay. The Charity has maintained a good working relationship with this practice for nearly a decade now and our aim and requirement is the same as it is always has been, to ensure that they provide the best and most up to date veterinary care for our animals. We will consider undertaking a retendering exercise for the contract when we feel that the time is right, however, we will continue to utilise the services of Quarry House as they meet all of our requirements at this time.

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Big Bark Kennel Build Project Update

We launched our fundraising campaign to build our new kennels in October 2018. We continued to fundraise for the project in 2019 and at the start of 2020. We knew it was always going to be a mammoth task but we continued to be blessed by the generosity of so many of our supporters and corporate contacts as we started the long road to our then target of £1.2m.

In December 2019, we received the fantastic news that Teignbridge District Council (TDC) had granted conditional planning permission for the development of the Rescue Centre site, including the kennels. It gave everyone a boost and meant that we could move onto the next phase of the project in 2020.

The Coronavirus (COVID-19) pandemic then hit and with the various lockdowns and restrictions, it severely curtailed our ability to fundraise for the new kennels. General fundraising became increasingly difficult and our focus had to be and still is in raising general funds to ensure the sustainability of the Charity. The project therefore inevitably took a back seat throughout 2020 and as the pandemic continued, throughout in 2021 and so far in 2022.

Our initial target of £1.2m was based on cost-estimates. With labour and material costs having increased substantially in recent months, that figure could be much nearer £1.5m to £1.6m now, making the challenge to raise the money necessary, virtually impossible. However, we remain determined to provide our dogs with the improved facilities they deserve and as a result, the Trustees and CEO are now considering the possibility of a scaled down version of our original plans or a refurbishment of our current kennels which would be far more financially feasible in the current climate. Any change of plans would be in consultation with our supporters who have already donated towards the project and we will keep them informed every step of the way.

Use of Volunteers

Despite the ongoing pandemic, Animals in Distress continued to benefit from the fantastic contribution that our wonderful volunteers made during 2021. The Rescue Centre was closed to general public access from March 2020 and throughout 2021, however, once the government restrictions were relaxed to allow volunteering, we brought back a number of our volunteers to assist at the centre.

The pandemic and the lockdown forced the closure of our shops for much of 2020 and until mid-April 2021. It is therefore with no surprise, that the number of volunteers and the hours that our volunteers were able to contribute in 2021 was far less than pre-COVID but by no means, any less significant. Understandably, even when the shops re-opened, many of our volunteers were very wary of mixing in public so we had fewer volunteers to call upon during the year.

Our volunteers contributed at least 5,680 hours to the Charity during 2021 (6,235 hours in 2020) in our shops, at the Rescue Centre, fundraising in the community and in our Head Office. We continue to recognise the incredibly valuable part that our volunteers play in making this Charity such a success and we will continue to involve our volunteers more in other areas of our work such as administration, fundraising and events. The Charity considers the recruitment of volunteers in the same way as staff and carries out a thorough administrative process in their selection.

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Fundraising Activity

Our aim as always is to continue to be financially resilient and sustainable. 2021 proved to be yet another challenging year for the fundraising team. We continued to look at creative ways to engage and involve our supporters, whilst continuing to increase our reach, build our supporter base and develop enduring relationships with our community supporters, corporate partners and other charity partners. During the year we resumed the printing of our bi-annual magazine, enabling us to re-connect with valued long-term supporters whom we could not reach with our e-magazines and e-newsletters in the first lockdowns.

Our social media reach also grew this year as social media continued to be a preferred method of communication for many new and existing supporters.

Our fundraising efforts covered trusts and grants, individual giving, events and challenge fundraising, social media appeals, community-led fundraising and corporate sponsorship. We are grateful to every single supporter for every gift we receive. We pride ourselves on being supporter focused and we will always phone, email or send a personal card to thank every person who donates.

Donors can be assured that we comply with the regulatory standards for fundraising. We are a member of the Institute of Fundraising and are registered with the Fundraising Regulator. We are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice, which can be found at: <https://www.fundraisingregulator.org.uk/code>

We have several controls in place to ensure we protect our supporters' privacy and data and to provide our supporters and potential supporters with the respect and gratitude they deserve. We have a robust GDPR policy and staff from across the Charity have received training to ensure it is applied properly.

We are signed up to the Fundraising Preference Service to enable people to opt out of receiving fundraising communications from us. We received no requests from this service last year. A few highlights of 2021 include:

- Regular Giving was up 18% on the previous year from £14k to £16.5k.
- The lottery in partnership with Your Charity Lottery raised £2,276
- We received £14,900 in online donations
- Our corporate friends raised £11k
- Our supporters in the community raised £11.5k by walking, running, selling cakes and plants, and skydiving!
- Sponsorship of animal pens raised £4K for the animals.

Staff Personal Development

The Charity continues to invest in the continuing professional development (CPD) of our staff. It remains a priority for the Charity in order to ensure that we have a constantly developing workforce so that staff have the knowledge and skills to perform their roles in a professional context. This ranges from honing current skills, developing them to a new level or learning new ones that will allow an employee's job role to expand or prepare them for potential promotion.

As in the previous year, several staff members completed a Blue Cross Bereavement Support Skills course and undertook courses with the Centre of Excellence, including Level 3 - Leadership and Management, Feline Behaviour and Psychology Diploma, and the Canine Behaviour Training Diploma.

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We continued our association with Battersea in 2021, although due to the pandemic, the majority of courses were cancelled. The Battersea Academy is a centre for professional development that trains animal welfare practitioners from across the UK and around the world. Delivered by Battersea's experts, Academy programmes are designed to equip participants with the knowledge and practical skills they need to operate their own rescue and rehoming centres effectively and to the highest possible standards. Their programmes cover up to date animal welfare principles, models and approaches to running a rescue centre.

They work with participants before they attend to ensure each programme is tailored to the specific needs of the organisations attending. The Charity has received bursaries from Battersea in the past to attend the intensive programmes and it is hoped that the Charity and staff will be able to take advantage of future programmes later in 2022 and 2023.

New EPOS System

Following a number of EPOS providers being approached in 2019 for quotations to replace our current till system, we decided that we would remain with our current provider, Cybertill, and invest in a new system which is compatible with Windows 10 and is also future-proofed in that it is guaranteed to be upgradeable or be replaced up to 2032 in the event of further operating system changes. It was due to be installed in our retail premises and the Rescue Centre just after Easter 2020 but due to the first National Lockdown, this was postponed. With the shops being closed for much of the year, it was decided that this was unnecessary expenditure and that we would revisit the upgrade during 2021. With the shops only being allowed to re-open in mid-April 2021, we decided to postpone the installation to Q1 2022 to delay the expenditure.

The hardware eventually arrived in late February 2022 and the installation in the shops and the Rescue centre was complete by early March. Unfortunately, the supply of the Worldpay Integrated Pin Pad devices was delayed due to the global shortage of semi-conductors (micro-chips). Cybertill advised an initial delay of some 6-8 weeks so they had to put into place an interim solution of standalone pin pad devices. The integrated devices have now been delivered and will be installed in June 2022.

The new tills and card machines are a significant investment for the Charity. They are quicker, more reliable, have more functions and are future-proofed meaning that the Charity should reap the benefits of the new system for many years to come.

Information Technology

The global Microsoft Exchange Server Hack in the first quarter of 2021 resulted in Electrowise, our business IT support, carrying out a number of security patches on our email server due to security issues potentially caused by it. As we had Microsoft Exchange, we were potentially vulnerable and despite the security patches, it was possible that hackers were already in our system. As far as could be ascertained, this had not happened to our email server, but we couldn't be sure. We were looking at the prospect of moving over to Microsoft Office 365 (cloud based) at some point this year as our servers are due for replacement/upgrade in 2022. Due to the potential server hack, it made sense to do this sooner rather than later, negating the need to have our email server. As a Charity, we did not have to pay for Microsoft Office 365 so we made the decision to migrate across to Microsoft Office 365.

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Office 365 is Microsoft's productivity suite with tools like Word, Exchange, Excel, SharePoint, Teams and more. As it is cloud-based, it can be accessed from anywhere, on any device once online and is a totally secure environment with robust security measures in place, like two-factor authentication, which ensures unauthorised people can't access our files if they happen to get on our devices. Threat detection and anti-malware means security threats are identified and stopped immediately, which is particularly important for us as an organisation that deals with confidential data and information.

Using Office 365 means our Charity is free to operate without any concerns for IT security. Other benefits include improved communication, business continuity as no matter what happens to our physical devices, our email, files and data are safely stored in the cloud, automatic upgrades and centralised collaboration.

Challenges

The Coronavirus pandemic, the Ukraine crisis and the impact on the global economy mean that these continue to be challenging times for everyone, and the charity sector is no exception. During the pandemic, we have revisited our top risks in an effort to understand how they were evolving, thereby determining what impact coronavirus was having on the likelihood and impact of our top risks. These risks reflect the shared nature of risks across the charity sector.

The top challenges are generating income and achieving financial sustainability, followed by meeting demand for our services. The third most pressing challenge was the ceasing of government support. We had always planned to use our reserves to cover income shortfalls rather than for capital expenditure, but it is pleasing to report that we have not had to do that over the last couple of years. Making the most of our investments has to be a priority and remains a challenge.

Pre-COVID, we would have said the raising awareness of our charity/cause and competition across the sector was a major challenge but we have managed to raise our profile as a result of COVID.

Strategy: The charity sector is experiencing a period of unrelenting change driven by factors such as:

- the digitalisation of the economy
- growing demands for a demonstrable impact, transparency and integrity
- an increasingly complex regulatory environment
- environmental events

These factors are forcing us to adapt and to respond in ways that protect our operations, while continuing to focus on the needs of our beneficiaries. These challenges are reflected in risks related to governance and strategy, organisational change and reputation.

Operational: If there is an organisational focus area that has become undeniably more challenging due to the effects of coronavirus, it was the charity's operations. Furloughing employees up to the end of September 2021 required a significant management effort extending beyond human resources functions, diverting focus from other operational activities. Business continuity, people and the wider organisational risks are very much our top risks.

Income and financial sustainability: Like many organisations within the charity sector, we reduced our forecasted income in 2021. We had to cancel all of our traditional fundraising events for a couple of years and many events had to be postponed due to social-distancing requirements and the uncertainty that coronavirus created. Even before the pandemic, we were revisiting how diverse and sustainable our sources of income were and are continuing to do so.

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Compliance: Over the last few years, a key regulatory area of focus for the charity sector has been the General Data Protection Regulation (GDPR). The complex regulation will require management attention as the expectations of the Information Commissioner's Office (ICO) continue to evolve, particularly in relation to the technical measures required for personal data protection. In addition, there have been other recent and important changes in the regulatory landscape and expectations of regulators.

In October 2019, a new Code of Fundraising Practice was released by the Fundraising Regulator and the Charity Commission. The code has advocated increasingly, the need for robust charity governance in the wake of some high profile news stories and the need for trustees to have effective oversight of their charities. Furthermore, the Charity Governance Code, updated in December 2020, focuses on integrity (principle 3) and equality, diversity and inclusion (principle 6). Equality, diversity and inclusion, in particular, is an area that all charities will be focussing on and investing in.

Technology: Digital transformation is a common trend across the charity sector. We are already in the middle of and continue to plan our digital transformation programme to enable more effective engagement with donors and beneficiaries, as well as streamlined ways of working. As a result, technology is becoming ever more pervasive within our operating model. This increases the need to focus on cyber security and the resilience of IT systems and infrastructure, which is relied upon to safeguard information and data, and to maintain business continuity. We continue to make sure that our IT service supplier is managed well, that our contractual arrangements are fit for purpose and that they adhere to the key policies of the charity, such as data protection, where non-compliance may result in reputational damage.

During 2021, we continued to actively take measures to cut our expenditure where we have been able to do so. We restricted spending to our core activities and any future projects have been put on hold. In the short term, the measures that we have taken and the funding we have been able to source will make sure we are in a strong position to ride the waves during these uncertain times and recover when the various crisis are over and the global economy settles down.

The Trustees and CEO continue to discuss the issues and challenges, making decisions and then acting together to successfully implement those decisions. We endeavour to make timely decisions within shorter timescales. As income levels are threatened and additional costs arise, cash flow and reserves management inevitably demand our greatest attention. We are fortunate that we have a strong robust reserves policy, we have cash reserves that we would be able to draw on to manage our cash requirements. Fortunately, we did not have to draw on our reserves in 2021 but if we do need to going forward, the issue will be how the reduction in reserves is going to be managed going forwards. We know that it takes time to build our reserves level up again and therefore we may have to consider selling investments to help with this.

There are a number of key areas we are focussing on for our planning, budgeting and re-forecasting:

- Staff and volunteer welfare and safety remains paramount
- Despite a recent increase in interest rates, developing a more diverse and robust investment strategy to increase our investment income
- Fall in trading income arising from our retail operation post-COVID
- Fall in a voluntary income from sources such as donations, fundraising and sponsorships as well as events cancelled or as individuals have less disposable income to donate (as a result of the increase in inflation and the global economy).
- We implemented remote working policies and suspended all gatherings or meetings. This helped protect staff and as far as we can ensure continuity of operations. In line with Charity Commission guidance, Board meetings and AGMs were able to be carried out virtually using

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secure technology rather than being face to face, but during 2021 and so far in 2022, a combination of the two was employed as guidance changed.

- Health and safety issues have been considered as the disease unfolded and we have ensured that decisions are made to correctly safeguard our staff. We have been clear about the need to self-isolate when appropriate and follow social distancing guidelines set by the government. We have considered the day to day needs as well as different ways of working to protect staff.

We have had issues to consider during the pandemic and have and will continue to adapt and change our business model due to the pandemic and the global economy. There are extremely difficult times ahead as we feel the true economic impact of the pandemic, the Ukraine crisis and inflation is yet to be fully felt, but we will continue to do all we can to mitigate the situation in the short-term in order to secure the medium to long-term sustainability of the Charity.

Plans for Future Periods

The Coronavirus (COVID-19) pandemic and global economic crisis meant that any specific plans that we had for 2021 and beyond were either postponed or shelved. This has been an incredibly challenging time for all charities and we are not immune from the effects that the pandemic, the Ukraine war, inflation and global economy has and is having on the sector. No business or charity will come out of the current situation the same as it was at the start of 2020. Meeting those challenges that we will inevitably have to face is very much our focus now to ensure that the Charity can emerge as strong as possible.

Planning ahead

We don't know what the future holds, but we can plan to make our Charity more resilient in the face of uncertainty. From scenario planning to digital investment, there is plenty we can do to plan for future uncertainty. Here are a few areas we will be focusing on:

The Future's Hybrid

Over the last couple of years, there has been a huge boom in digital fundraising, working, service delivery and communications, basically digital everything. It here to stay but live operations are back too meaning that the future's hybrid, giving the best of both worlds. Many events going forward will be held in person but also live-streamed and recorded, with added digital components to engage online audiences. Hybrid working has become the norm for many office workers. Some charity shops are becoming increasingly hybrid which means that our operation will need to be more tech-enabled to appeal to younger shoppers, data-driven and less reliant on our bricks and mortar trading as we look to develop alternative income streams and grow our multichannel operation.

Giving is becoming cashless

The days of pound coins and loose change being put in buckets or collection pots are almost behind us. Fewer people carry cash these days, so we need to continue to invest in tech for cashless donations. Having a donation button on our website, QR codes, tap and donate payments, text to donate and online fundraising platforms are all vital tools for our supporters to use.

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Focus on the environment

As the COVID pandemic eases, we are all more alert to the other huge threats facing our world. Climate change, nature conservation and other environmental issues are becoming a priority for philanthropists and the public alike. Charities will be expected to improve their carbon accountability and move towards carbon neutrality. This is a challenge we will need to rise to.

TikTok, the route to Gen Z

TikTok, the short video platform has been downloaded two billion times worldwide in just five years with 41% of users aged 16-24. Keeping an eye on emerging social media platforms such as TikTok is vital as we reach out to the next generation of our supporters.

Building resilience

The pandemic caused a seismic shockwave throughout the third sector. The charities that survived or even thrived were those that adapted quickly, switching much of what we did online, pretty much overnight. We need to ensure that we continue to build agility into our business planning for 2022 and beyond. Diversifying our income streams has never been more crucial.

Supporting the wellbeing of staff and volunteers

We continue to recognise that the pandemic and restrictions caused increased anxiety for some of our staff and volunteers. It has taken time to adapt to the gradual resumption of 'normality'. We have staff and volunteers who have felt the direct impact of coronavirus including experiencing the loss of a family member or loved one. Others, we know have been and are struggling to cope after a prolonged period of furlough or working from home. In addition, for those whom have been working throughout, with the ongoing demand for our services, some staff have felt overwhelmed and/or burnt out.

Throughout the pandemic, we have endeavoured to support our staff and volunteers. We have continued making the time to have open conversations with staff and volunteers to talk through any concerns they may have as well as carefully managing their workloads.

Re-engaging with and retaining volunteers

Volunteers have played a vital role during the pandemic. We have relied on them to help meet increased demand and respond to the changing needs of our beneficiaries. With the easing of lockdowns and with the Coronavirus Job Retention Scheme ending in the autumn of 2021, there was concern that some of our existing volunteers would be less available to offer support. This was borne out to a degree and we also had many of our volunteers shielding throughout with some making the decision not to return due to the ongoing pandemic.

Going forward, we need to think how we can balance the changing needs of our volunteers with our need for volunteers to carry out particular roles which will require a degree of flexibility. We frequently review our volunteer roles and think about whether these roles could be done in a different way, particularly when people have less time.

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Supporting staff, volunteers and customers to stay safe

Creating a safe working environment for our staff, volunteers and customers has been and remains a top priority for the Charity. We have been clear about the practical implications and adhered to the government guidance throughout to ensure that we work safely during coronavirus.

In 2021, whilst the vaccination programme provided a route out of the pandemic, our understanding of the impact of the vaccine on transmission of COVID-19 is developing. We started to think about our approach to COVID-19 vaccines and testing. Vaccines were and are not a mandatory requirement and it was not appropriate to make it a requirement for staff. We were able to take advantage of the government's workplace testing scheme and have provided rapid lateral-flow tests for our staff until these became free for the public to access themselves.

On 5 April 2021, the Government announced that everyone in England was able to take a free rapid coronavirus test twice a week. They were able to do this via a home ordering service, community testing which is offered by all local authorities or by collecting tests from a local PCR test site during specific test collection time windows and we have encouraged staff to continue with home testing going forward.

Staff remain obliged to inform the Charity if they test positive whether that was through workplace or home testing. As an employer, we have little visibility as to whether staff have carried out the tests but we continued to advise staff to do so and to be honest in their reporting to protect themselves, families, colleagues and the public.

As an employer, we could not force staff to test themselves for COVID-19 at home, all we can do was ask and encourage it and provide information on the importance of regular testing to help prevent the spread of the virus. We hope that staff were reassured that as an employer, we took steps throughout the pandemic to protect the health of staff in the workplace and therefore staff accept that the testing was a necessary precaution. Testing formed a crucial part of everyday life until the Government ended this to enable society to fully reopen. We believed that regular testing made the difference between our workplaces being able to stay open and operational, or needing to close due to a COVID-19 outbreak.

Funding

The financial impact of COVID-19 and the global economy on the sector is striking. Ensuring that we continue to fund our core costs remains a priority.

Principal Risks

The Trustees and CEO recognise that through the nature of our activities, funding base, reserves and structure, the Charity is exposed to differing areas of risk and levels of exposure. There are many areas of potential risk and we undertake our own processes for risk identification. The following list is an indication of a few of the main areas of risk that are considered by the Trustees and CEO:

- **Income and financial sustainability:** Insufficient income and reserves for the charity to achieve its strategic objectives and maintain its operations. Dependency on income sources - such as legacies and retail could have a cash flow and budget impact if that income source is significantly reduced or lost.
- **National minimum wage and living wage:** Government proposals for the next few years will increase payroll substantially so future staffing levels will have to be considered.
- **Data Protection compliance and GDPR:** An event or incident such as an external data breach or inadvertent internal error resulting in the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data.

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- Organisational change and digital transformation: The failure to execute organisational change and transformation programmes effectively and to achieve the intended benefits of these, resulting primarily in inefficient use of the Charity's resources.
- Safeguarding: Failure to safeguard the Charity's beneficiaries or associated vulnerable persons, including children, from abuse and maltreatment.
- People, leadership and culture: Weaknesses or failure of leadership, inability to develop and retain talent effectively and an organisational culture that is not an enabler in the pursuit of the Charity's strategy and objectives.
- Governance: The Charity does not achieve its strategic, charitable, regulatory and ethical objectives due to inadequate governance at board, senior management or operational levels.
- Regulatory: The Charity fails to comply with applicable regulatory requirements, leading to reputational damage and financial penalties.
- Coronavirus (COVID-19): The global pandemic and the effects on the economy, demand for services, finances, fundraising etc.
- The Ukraine Crisis: The impact and effects the war is having on the global economy, the international supply of goods and inflation.
- Health, safety and environment: Failing to ensure a safe environment could result in injury to staff, volunteers or the public, breaking the law and rendering the Charity unable to operate.
- Cyber security: Cyber incidents (typically unauthorised or inappropriate access to our organisation's network) executed by external or internal parties that negatively impact the confidentiality, integrity and availability of the Charity's information systems and data.
- Business continuity incidents: The occurrence of incidents that limit the Charity's ability to operate as it normally would in business as usual situations.
- Reputation: A range of occurrences including incidents, events and outcomes that may consequently damage the Charity's reputation. Reputation risk is largely a consequence of other risk events materialising. Public perception and adverse publicity which could impact on voluntary income, use of our services, access to grants, loss of donor confidence or funding, impact on the morale of staff, loss of beneficiary confidence, relationship with funders etc.

FINANCIAL POSITION AND RESERVES

At 31 December 2021, the Charity had total reserves of £4,142,000, of which £4,104,000 were unrestricted.

The Charity has sought to separate those unrestricted reserves that are held in the form of property fund assets (£2,074,000) from those that are freely available for its general purposes. As well as providing a more informed view of the overall reserves it enables a more realistic assessment to be made of the Charity's strategy with regard to our level and future deployment.

The so-called free reserves are then demarcated into a separate category (building fund totalling £1,178,000) that accords with the Charity's medium and long-term plans to improve facilities at the Rescue Centre. This acknowledges and takes account of the fact that large scale capital projects require "saving for" over many years. The balancing general reserve (£852,000) recognises that it is extremely difficult to predict income from legacies, so the Charity aims to hold at least £750,000 in reserve, which equates to 6 months average operating costs. Our reserves currently exceed this figure in order to cover future projects and eventualities.

It is anticipated that the Charity's investment policy will match the spending and reserves policy.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Charity Trustees (who are also the directors of Animals in Distress (Torbay and Westcountry) for the purposes of Company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 charitable company and the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the U.K governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure to our Auditors

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- Each Trustees has taken all steps that he/she is obliged to take as a director in order to make themselves aware of relevant audit information and to establish that the auditor is aware of that information.

By order of the board of Trustees and signed on behalf of the Trustees:

G Dix (Chair of Trustee)

Date:

Report compiled for and on behalf of the Trustees by: Neil Thomas (CEO)

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of Animals in Distress (Torbay and Westcountry) (the "charitable company") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating 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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 20), 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 they 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor's responsibilities for the audit of the financial statements

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.

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:

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to fraudulent financial reporting, in particular to grant funding received.

Audit procedures performed by the engagement team include, but were not limited to, discussions and inquiries with management of compliance with laws and regulations, reviewing grant funding agreements, and reviewing board minutes and significant legal costs incurred in the year. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2021

Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Hobbs BSc ACA (Senior Statutory Auditor)

PKF Francis Clark, Statutory Auditor

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

Date:

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Donations and legacies	3	779,572	27,552	807,124	993,541
Charitable activities	4	45,386	-	45,386	38,992
Other trading activities	5	603,479	-	603,479	310,113
Investments	6	19,753	-	19,753	21,411
CJRS		193,839	3,680	197,519	295,272
Total income		<u>1,642,029</u>	<u>31,232</u>	<u>1,673,261</u>	<u>1,659,329</u>
Expenditure on:					
Raising funds	7	689,399	10,452	699,851	726,907
Charitable activities	8	561,972	29,650	591,622	713,719
Total expenditure		<u>1,251,371</u>	<u>40,102</u>	<u>1,291,473</u>	<u>1,440,626</u>
Net income/(expenditure)		390,658	(8,870)	381,788	218,703
Transfers between funds	22	-	-	-	-
Net movement in funds		<u>390,658</u>	<u>(8,870)</u>	<u>381,788</u>	<u>218,703</u>
Reconciliation of funds					
Total funds brought forward		<u>3,712,844</u>	<u>46,971</u>	<u>3,759,815</u>	<u>3,541,112</u>
Total funds carried forward	22	<u>4,103,502</u>	<u>38,101</u>	<u>4,141,603</u>	<u>3,759,815</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 29 to 40 form part of these financial statements.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income from:				
Donations and legacies	976,801	16,740	993,541	468,715
Charitable activities	38,992	-	38,992	61,807
Other trading activities	310,113	-	310,113	932,082
Investments	21,411	-	21,411	21,178
CJRS	287,425	7,847	295,272	-
Total income	<u>1,634,742</u>	<u>24,587</u>	<u>1,659,329</u>	<u>1,483,782</u>
Expenditure on:				
Raising funds	709,652	17,255	726,907	786,965
Charitable activities	709,047	4,672	713,719	818,611
Total expenditure	<u>1,418,699</u>	<u>21,927</u>	<u>1,440,626</u>	<u>1,605,576</u>
Net income/(expenditure)	216,043	2,660	218,703	(121,794)
Transfers between funds	-	-	-	-
Net movement in funds	<u>216,043</u>	<u>2,660</u>	<u>218,703</u>	<u>(121,794)</u>
Reconciliation of funds				
Total funds brought forward	<u>3,496,801</u>	<u>44,311</u>	<u>3,541,112</u>	<u>3,662,906</u>
Total funds carried forward	<u>3,712,844</u>	<u>46,971</u>	<u>3,759,815</u>	<u>3,541,112</u>

The statement of financial activities includes all gains and losses recognised in the year

All income and expenditure is derived from continuing activities.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****BALANCE SHEET****AS AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	15	219	1,094
Tangible assets	16	2,634,934	2,693,833
		<u>2,635,153</u>	<u>2,694,927</u>
Current assets			
Stocks	17	7,447	9,372
Debtors	18	218,101	108,494
Cash at bank and in hand		1,479,933	1,154,403
		<u>1,705,481</u>	<u>1,272,269</u>
Liabilities			
Creditors falling due within one year	19	66,942	56,794
Net current assets		<u>1,638,539</u>	<u>1,215,475</u>
Total assets less current liabilities		<u>4,273,692</u>	<u>3,910,402</u>
Creditors falling due after more than one year	20	132,089	150,587
Net assets		<u>4,141,603</u>	<u>3,759,815</u>
 Restricted funds	22	38,101	46,971
General funds	22	851,880	461,222
Designated funds	22	3,251,622	3,251,622
Total charity funds		<u>4,141,603</u>	<u>3,759,815</u>

The notes on pages 29 to 40 form part of these financial statements.

The financial statements were approved by the trustees on and signed on their behalf by:

G Dix
Trustee

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Cash flows from operating activities	24	328,550	257,671
Cash flows from investing activities			
Rent received		16,200	16,150
Interest income		1,236	5,261
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		(2,781)	(14,202)
Cash flows from investing activities		14,655	7,209
Cash flows from financing activities			
Repayments of bank borrowings		(17,675)	(16,880)
Proceeds from bank and other borrowings		-	-
Cash flows from financing activities			(16,880)
(Decrease)/increase in cash and cash equivalents in the year		325,530	248,000
Cash and cash equivalents at the beginning of the year	25	1,154,403	906,403
Cash and cash equivalents at the end of the year	25	1,479,933	1,154,403

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting Policies

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements and assessment of going concern

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP (FRS 102)), FRS 102 and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Animals in Distress (Torbay and Westcountry) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income by way of donations, membership, sponsorship and collections, is accounted for when receivable. Income raised through the operation of the shops is taken into account at the time of receipt.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated goods relating to animal food are brought in to income and expenditure at the value they would have cost had they been purchased by the charity.

Coronavirus Job Retention Scheme grant income is accounted for using the accruals method in line with the costs with which the grant relates to are recognised.

c) Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds received which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

d) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fundraising and shop costs and their associated support costs.
- Expenditure on charitable activities includes the costs of the Rescue Centre and its associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between costs of raising funds, expenditure on charitable activities and other expenditure, based on staff time.

f) Operating leases

Rental charges under operating leases are charged on a straight line basis over the term of the lease.

g) Intangible fixed assets

Intangible fixed assets are initially recorded at cost. Computer software is amortised on a straight line basis over its expected useful economic life of 4 years.

h) Tangible fixed assets

Individual tangible fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Freehold buildings	2% straight line
Equipment	20% reducing balance
IT equipment	25% straight line
Motor vehicles	25% reducing balance

i) Stocks

Stocks are included at the lower of cost and net realisable value.

j) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is recognised where the criteria for recognising income has been met at the year-end but the claim or invoice has not been submitted/issued until after the year-end.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash held in current and savings accounts in UK banking institutions.

l) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

n) Pensions

The charity operates a defined contribution pension scheme and membership is open to all employees of the charity. The assets of the scheme are held separately from those of the charity. The charity matches employee contributions of 1-4% with an employer contribution of 3% and the contributions are paid into the fund on a monthly basis. The contributions made for the accounting period are treated as an expense and were £19,535 (2020: £23,248). Contributions totalling £1,415 (2020: £1,829) were payable to the fund at the balance sheet date and are included in creditors.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The Charity is incorporated in England and Wales. The address of its registered office is: Biltor, Edgelands Lane, Ipplepen, Newton Abbot, TQ12 5UF.

3 Income from donations and legacies

	2021 £	2020 £
Donations and gifts	134,016	175,643
Legacies	527,569	602,670
Grants	129,078	201,418
Memberships and sponsorship	16,461	13,810
Total income from donations and legacies	807,124	993,541

As noted in the trustees' report the charity benefits notably from the involvement and enthusiastic contributions of volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****4 Income from charitable activities**

	2021 £	2020 £
Re-homing fees	43,739	37,059
South Hams Strays and Vet income	1,647	1,933
Total income from charitable activities	45,386	38,992

5 Income from other trading activities

	2021 £	2020 £
Memberships and sponsorships	3,995	2,745
Fundraising events	17,501	24,877
Shop income	568,436	269,195
Petplan commission	13,547	13,296
Total income from other trading activities	603,479	310,113

6 Investment income

	2021 £	2020 £
Rent	16,200	16,150
Interest	3,553	5,261
Total investment income	19,753	21,411

7 Analysis of expenditure on raising funds

	2021 £	2020 £
Fundraising	14,584	20,047
Shop costs	488,262	489,146
Support costs	197,005	217,714
Total expenditure on raising funds	699,851	726,907

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8 Analysis of expenditure on charitable activities

	2021 £	2020 £
Rescue Centre	564,664	663,030
Support costs	26,958	50,689
Total expenditure on charitable activities	591,622	713,719

9 Analysis of support costs

All support costs are allocated based on the basis of staff time.

The analysis of support costs is as follows:

	Raising Funds £	Charitable Activities £	Total 2021 £	Total 2020 £
Salaries and other staff costs	172,530	15,834	188,364	238,049
Travel and subsistence	5	1	6	2
Professional fees	3,202	294	3,496	3,049
Finance costs and exchange losses	4,845	445	5,290	3,958
Office costs	7,797	716	8,513	6,628
Other costs	7,821	718	8,539	9,046
Governance	805	8,950	9,755	7,671
Total support costs	197,005	26,958	223,963	268,403

10 Analysis of governance costs

The analysis of governance costs is as follows:

	Total 2021 £	Total 2020 £
Salaries and other staff costs	709	796
Professional fees	8,950	6,800
Other costs	96	75
Total	9,755	7,671

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****11 Net income for the year**

This is stated after charging:

	2021 £	2020 £
Operating leases - property	75,787	74,146
- equipment	13,531	13,276
Depreciation	61,680	63,835
Amortisation	875	1,475
Interest payable	7,173	7,969
Auditors remuneration: audit fees	4,150	3,300
accounts	3,000	2,500
taxation	850	700

12 Analysis of staff costs, trustee remuneration and expenses, the cost of key management personnel and related party transactions

	2021 £	2020 £
Salaries and wages	809,798	927,825
Social security costs	46,428	50,207
Pension costs	19,535	23,248
	<u>875,761</u>	<u>1,001,280</u>

One employee had remuneration in excess of £80,000 and less than £90,000 (2020: one in excess of £70,000 and less than £80,000).

The charity trustees were not paid and did not receive any other benefits from the charity (2020: None). No travel or other expenses were reimbursed to the trustees during the year (2020: None).

The total remuneration, including employer's national insurance, of the key management personnel of the charity was £91,583 (2020: £83,426).

There were no related party transactions (2020: None).

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13 Staff numbers

The average monthly head count was 55 staff (2020: 64) and staff were engaged in the activities of the group as follows:

	2021	2020
Rescue Centre	23	27
Charity shops	26	29
Administration and support	5	7
Chief Executive	1	1
	<u>55</u>	<u>64</u>

14 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Intangible fixed assets

	Software £	Total £
Cost:		
As at 1 January 2021	13,100	13,100
Additions	-	-
As at 31 December 2021	<u>13,100</u>	<u>13,100</u>
Amortisation:		
As at 1 January 2021	12,006	12,006
Charge for the year	875	875
As at 31 December 2021	<u>12,881</u>	<u>12,881</u>
Net book value:		
As at 1 January 2021	1,094	1,094
As at 31 December 2021	<u>219</u>	<u>219</u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16 Tangible fixed assets

	Freehold Property £	Equipment £	IT Equipment £	Motor Vehicles £	Total £
Cost:					
As at 1 January 2021	3,142,149	153,455	66,243	21,920	3,383,767
Additions	-	2,057	724	-	2,781
As at 31 December 2021	3,142,149	155,512	66,967	21,920	3,386,548
Depreciation:					
As at 1 January 2021	486,041	127,680	61,228	14,985	689,934
Charge for the year	51,705	6,250	1,991	1,734	61,680
As at 31 December 2021	537,746	133,930	63,219	16,719	751,614
Net book value:					
As at 1 January 2021	2,656,108	25,775	5,015	6,935	2,693,833
As at 31 December 2021	2,604,403	21,582	3,748	5,201	2,634,934

17 Stocks

	2021 £	2020 £
Goods for resale	767	3,118
Vet room supplies	5,710	5,710
Shop stationery stocks	970	544
	7,447	9,372

18 Debtors

	2021 £	2020 £
Trade debtors	3,065	6,862
Other debtors	30,140	24,760
Prepayments and accrued income	184,896	76,872
	218,101	108,494

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****19 Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	11,176	10,427
Other creditors	5,728	6,725
Accruals and deferred income	19,444	10,226
Social security and other taxes	12,096	11,741
Bank loan	18,498	17,675
	66,942	56,794

Creditors due within one year include £18,498 (2020 - £17,675) bank loan which is secured over the asset to which it relates.

20 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loan	132,089	150,587
	132,089	150,587

Creditors due after one year include £132,089 (2020 - £150,587) bank loan which is secured over the asset to which it relates.

21 Obligations Under Leases

The total of future minimum lease payments is as follows:

	Land and Buildings		Other	
	2021 £	2020 £	2021 £	2020 £
Operating leases:				
Within one year	31,500	31,500	11,283	11,839
Between one and five years	146,000	146,000	49,723	60,416
After more than five years	28,833	60,333	-	590
	206,333	237,833	61,006	72,845

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

22 Analysis of movements in funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
General fund	461,222	1,642,029	(1,251,371)	-	851,880
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	3,712,844	1,642,029	(1,251,371)	-	4,103,502
Puppy Appeal (capital)	10,900	-	(3,542)	-	7,358
Charlie Appeal	2,428	-	(37)	-	2,391
Big Bark Appeal	31,385	6,232	(10,788)	-	26,829
Other Appeals	2,258	25,000	(25,735)	-	1,523
Total restricted funds	46,971	31,232	(40,102)	-	38,101

The restricted funds shown above represent funds raised from appeals for specific projects.

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
General fund	245,179	1,634,742	(1,418,699)	-	461,222
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	3,496,801	1,634,742	(1,418,699)	-	3,712,844
Puppy Appeal (capital)	14,455	-	(3,555)	-	10,900
Charlie Appeal	2,474	-	(46)	-	2,428
Big Bark Appeal	24,389	24,587	(17,591)	-	31,385
Other Appeals	2,993	-	(735)	-	2,258
Total restricted funds	44,311	24,587	(21,927)	-	46,971

The restricted funds for the year to 31 December 2020 represent funds raised from appeals for specific projects.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****23 Analysis of net assets between funds**

At 31 December 2021	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible fixed assets	219	-	219
Tangible fixed assets	2,602,562	32,372	2,634,934
Cash at bank and in hand	1,474,204	5,729	1,479,933
Other net current assets	158,606	-	158,606
Creditors more than one year	(132,089)	-	(132,089)
Total	4,103,502	38,101	4,141,603

At 31 December 2020	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible fixed assets	1,094	-	1,094
Tangible fixed assets	2,656,811	37,022	2,693,833
Cash at bank and in hand	1,144,454	9,949	1,154,403
Other net current assets	61,072	-	61,072
Creditors more than one year	(150,587)	-	(150,587)
Total	3,712,844	46,971	3,759,815

24 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period	381,788	218,703
Adjustments for:		
Depreciation charges	61,680	63,835
Amortisation charges	875	1,475
Rent receivable	(16,200)	(16,150)
Interest income	(1,236)	(5,261)
Decrease in stocks	1,925	1,150
(Increase)/Decrease in debtors	(109,607)	11,050
Increase/(Decrease) in creditors	9,325	(17,131)
Net cash from operating activities	328,550	257,671

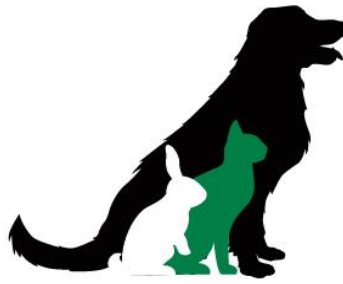
ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****25 Analysis of Changes in Net Debt**

	1 Jan 2021 £	Cash flows £	31 Dec 2021 £
Cash at bank and in hand	1,154,403	325,530	1,479,933
	<u>1,154,403</u>	<u>325,530</u>	<u>1,479,933</u>
Loans due within one year	(17,675)	(823)	(18,498)
Loans due after more than one year	(150,587)	18,498	(132,089)
	<u>(168,262)</u>	<u>17,675</u>	<u>(150,587)</u>
Total	<u>986,141</u>	<u>343,205</u>	<u>1,329,346</u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

England & Wales - Charity number 1105487

Accounts



Animals in Distress

(Torbay and Westcountry)

(A Company Limited by Guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 December 2020

Registered Charity Number 1105487
Company Number 05171505

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)
(A Company Limited by Guarantee)

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ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2015).

Trustees:

The Trustees of the Charity who served during the year were:

Meryl Brand
Geraldine Dix
Amy Cross-Webber
David Turner (Chair of Trustees)
Alison Truscott
Lisa Hochstrasser (Appointed 23 January 2020, resigned 15 April 2020)
Rob Mouser (Appointed 23 January 2020, resigned 9 April 2020)
Chris Paradine (Appointed 23 January 2020)
Jo Smith (Appointed 23 January 2020)

Company Secretary and Chief Executive Officer:

Neil Thomas

Principal Address and Registered Office:

Biltor
Edgelands Lane
Ipplepen
Newton Abbot
Devon. TQ12 5UF

Registered Charity No: 1105487

Registered Company Number: 5171505

Professional Advisers:

Auditors: PKF Francis Clark
Sigma House
Oak View Close
Torquay
TQ2 7FF

Solicitors: Boyce Hatton LLP
58 The Terrace
Torquay
TQ1 1DE

Bankers: Lloyds Bank Plc
2 Palace Avenue
Paignton
TQ3 3ER

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Status

Animals in Distress (Torbay and Westcountry) is a company limited by guarantee (company number 5171505) and is registered as a charity (number 1105487) with the Charity Commission.

Governing Document

Animals in Distress (Torbay and Westcountry) is governed by its Memorandum and Articles of Association dated 4 July 2004

There is one class of member. The maximum number of members is 20 or such numbers as the members decide. The first members were the subscribers to the Memorandum; further members are such individuals or organisations as appointed by the Trustees. There are currently seven members, each of whom is liable to contribute £10 in the event of the Charity winding up.

Appointment of Trustees

As set out in the Articles of Association, the first Trustees were the subscribers to the Memorandum. Additional Trustees may be appointed by the Charity in a general meeting or by the other Trustees. A Trustee must be aged 18 or over, must be a member of the Charity and must not be disqualified by virtue of provisions of the Charities or Companies Acts. The number of Trustees may not be less than three, but is not subject to a maximum.

At the Annual General Meeting, one third of the Trustees must retire. The Trustees to retire shall be those who have been longest in office since their last appointment.

Trustee Induction and Training

New Trustees undergo an induction to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, governance, the Committee and the decision making process, the business plan and the recent financial performance of the Charity. During their induction, the Trustee will spend time with the Chief Executive and with the Rescue Centre Management in order to familiarise themselves with the day to day running of the Charity. Ongoing training is given as appropriate to their position.

Organisation Structure

The Charity is managed through the following areas:

- i) The Animal Welfare teams deliver the care, rehabilitation, training and rehoming of the dogs, cats, rabbits and guinea pigs at the Rescue Centre
- ii) The retail team manage and run the charity shops taking in and selling donated goods
- iii) The Fundraising and Communications team deal with income generation and communications through fundraising and media
- iv) Head Office deal with management and administration including HR, accounts, ICT, volunteering and maintenance of our estate

Governance and Management

The Board of Trustees administers the Charity and meets every three months. A Finance Committee was established by the Board to maintain an overview of and provide advice to it, regarding the financial affairs of the Charity. The Finance Committee meets every three months too and is attended by at least three Trustees and the CEO.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operating, the Chief Executive has written terms of delegation approved by the Trustees for operational matters including finance and employment.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Remuneration of key management personnel

The Charity aims to provide a reward package that is competitive enough to attract and retain high calibre staff who wish to be part of the Charity's work. The remuneration of key management personnel is reviewed annually by the Trustees following a review of performance for the previous year. Salaries are also benchmarked against similar positions both locally and nationally.

Related Parties

The "new" charity (charity number 1105487) incorporated the tangible and intangible assets of the original "old" charity, Animals in Distress (Torbay and Westcountry) (charity number 900234) on 31 October 2004. The only excluded assets were future bequests, cash at bank and the benefit of any insurance claims.

Risk Management

The Trustees actively review the major risks the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. A comprehensive risk analysis has been completed which has identified control and monitoring procedures to minimise any risk to the Charity and any impact they may have. The results are periodically reviewed.

STRATEGIC REPORT

The following sections comprise the Charity's strategic report for the year.

Objectives and Activities

Animals in Distress exists to alleviate pain, suffering and distress in animals as well as to promote animal welfare practices and responsible pet ownership across Teignbridge, Torbay and South Hams.

Furthermore,

- We at Animals in Distress undertake to care for and nurture any unwanted domestic pet that is brought to us, providing it is suitable for re-homing and there is accommodation available at the Rescue Centre.
- We will always provide shelter, food, exercise and veterinary care for the animals in our charge.
- We will never put an animal to sleep unless on the advice of our Veterinary Surgeon.
- We will endeavor to find suitable homes for our animals on the basis of a responsible home check or such similar precaution as is deemed necessary.
- We will at all times show respect, understanding and courtesy to our user groups together with an inherent sense of duty and helpfulness.
- We will always uphold the principles and objectives of our Charity and share with others the joy of helping Animals in Distress.

Our care is open to all regardless of an individuals' background or circumstances; the welfare of the animal is the primary concern of the Charity, not where the animal comes from or is going to. This includes the fostering of animals, when an animal has a chronic health issue requiring ongoing veterinary treatment which the Charity pays for, regardless of the individual's financial circumstances.

The activities carried out during the course of the year (as set out in the following section) demonstrate the level of Trustee and management commitment in ensuring that the Charity delivers real and tangible benefit to the public in all of its operations and thereby meets the public benefit requirements as set out by the Charity Commission in both spirit and word.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and Performance

The Impact of Coronavirus (COVID-19)

In our last annual report, we were optimistic as we started the new decade, despite questions about Brexit and the US presidential elections, that 2020 would be the year we welcomed more certainty into our lives. By March, the outbreak of coronavirus (COVID-19) ended our optimism and it was clear that we faced a new threat to our health, our economy and our way of life.

The COVID-19 outbreak has certainly shone a spotlight on how important our pets are to us. We know that dogs, cats and many other pets have been a huge source of comfort for many people throughout this crisis and more than ever, seen as an integral part of the family.

COVID-19 has posed a huge threat to the sustainability of the UK's and Ireland's dog and cat rescue sector. Like most charities, the financial impact of the pandemic was a major concern for the Charity. Research by Battersea revealed the potentially devastating impact COVID-19 has had on dogs and cats. From popular local rescues facing the threat of closure through lack of income, to pandemic pets now suffering due to irresponsible breeding, the consequences for animals in the UK are far-reaching.

The pandemic has profoundly impacted everyone, and the animal rescue sector is of course no exception. In a typical year, the sector homes around 300,000 dogs and cats, provides over 3 million free or reduced-cost veterinary treatments and neuters over 200,000 cats, but the last year has been anything but typical.

Pet ownership increased during the lockdowns and according to the Pet Food Manufacturers' Association, a total of 3.2 million households in the UK acquired a pet since the start of the pandemic, with more than half of the new owners being young people aged 16-34 and thus the main driver of this trend. It means that the UK now has 17 million pet-owning homes. We certainly saw an increase in enquiries and applications for the animals in our care. A significant number of people who were interested in rehoming an animal had not considered being pet owners before the lockdowns.

Many people bought pets in response to social isolation, but there are concerns about animal welfare, with the potential risk of health and behaviour problems. These included animals bought on impulse, often poorly-bred from low welfare breeders or from overseas breeders as these became a more significant source of puppies and kittens to meet the spike in UK demand. In addition, many first time pet owners had little or no knowledge of pet care and for many puppies, there was reduced opportunities for socialisation during the lockdowns.

Sadly, the link between domestic violence and animal abuse is now well established and we were contacted more than usual to help pets caught up in difficult situations. Pets, especially dogs and cats are at high risk of harm in abusive households, as perpetrators direct their anger at them and use them to manipulate and control their human victims. We always help when we can as this often enables the victim to escape an abusive or violent household knowing their pet is safe with us.

Dog thefts became more prevalent during the pandemic and we saw increased media coverage of this. We took more calls than normal from people trying to locate their pets. In addition, it was reported that microchipping rates dropped significantly. When vets stopped providing non-emergency treatment during the first lockdown and with lower than normal numbers of veterinary consultations since, this suggests that microchipping rates may not recover quickly as pet owners have chosen to visit vets only for urgent care. This will potentially impact on the ability to reunite stray or stolen dogs with their owners quickly in the future, resulting in additional costs to the welfare charities and Local Authorities.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

As we come out of the lockdowns and life begins to get back to some kind of normal, animal welfare organisations are bracing themselves for what is likely to be quite a significant increase in the numbers of stray and unwanted pet dogs. In these uncertain and challenging times social restrictions and recession, the capacity of the charitable welfare sector to meet this demand is at risk. In a survey undertaken by the Association of Dogs and Cats Homes (ADCH), a third reported an income drop of more than 50% and the recession will make recovery difficult. For small organisations, this is an existential crisis.

There is a real and valid concern that for many smaller rescues in particular, who perform such a vital social and welfare function, the pressure of increased demand and reduced incomes will prove too great. This was something that we were acutely aware of right from the start of the pandemic and something that shaped our strategy throughout and continues to do so.

The pandemic wasn't all bad news for our pets. One of the consequences of the lockdown was the care and control of dogs appears to have improved in some ways, as more owners spent more time at home and fewer walk their dogs off lead. Local Authorities dealt with fewer stray dogs than in the same period the previous year and we certainly saw fewer stray dogs coming into us. Veterinary data suggests fewer dogs may have been injured in road traffic accidents and caught infectious diseases and fewer dogs and cats were left alone during lockdown due to furlough and increased working from home.

There are so many benefits for potential new owners of getting their animal from a rescue centre compared to the risks of buying from unscrupulous breeders or from unknown sources online. The rapid increase in interest in owning a dog or cat has led to a surge in online buying. Acquiring a new pet should always require buyers to do their research and undertake the proper checks themselves to ensure they are buying a healthy animal. Rehoming a pet from a recognised rescue organisation such as Animals in Distress helps buyers avoid unscrupulous dealers, breeders and traders that pose such a threat to the health, welfare and happiness not only of the animal, but of the whole family. A rescue pet will be healthy, having received any necessary medical treatment and will be vaccinated and microchipped.

As alluded to at the start of this report, COVID-19 has shone a spotlight on the value of a pet, certainly a dog or cat in times of stress and hardship, particularly helping with feelings of isolation and loneliness. Many people said that their pet had helped to 'rescue them' during lockdown. Good mental health is linked to good physical health, both of which support positive social and economic outcomes.

The main challenge and concern in the medium term is the fundraising and the uncertainty around income. Animals in Distress is typical of most other animal charities in that an important part our income comes from legacies and those legacies are often dependent upon the sale of property to liquidate the bequest. When the property market was essentially frozen and properties were not selling, we knew that we would not realise the level of legacy income we could have hoped for. Fortunately, this problem was only temporary and with the Chancellor's Stamp Duty holiday, the property market took off again.

As there was every indication that the first lockdown was coming, in the weeks beforehand we had a massive push to get as many of our animals out as possible. Comparing the figures from the previous year, the number of animals finding their new forever homes virtually doubled.

The hugely successful pre-lockdown adoption rate was a direct consequence of business continuity planning as a pre-emptive reduction in animal numbers at the Rescue Centre was crucial for a number of reasons. Firstly, for the wellbeing of the animals as we feared being unable to rehome the animals for the duration of the crisis; secondly, to reduce the number of staff needed to deliver the same exceptional standards of care and finally to make room for a sudden and increased demand for our services. There are always emergency admissions but with people getting ill with COVID-19 or passing away, losing their jobs and/or no longer able to afford to look after their animals, we anticipated that we would be approached to take on more animals.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

We focused on leanness as a matter of approach, reduce our costs, strip out any waste and drive efficiencies. The challenge with a 'lean' approach is that it could leave the Charity less resilient. We looked at ways of working that are more compatible with a population maintaining social distancing over a sustained period and placed a greater reliance on digital customer journeys and experiences.

Shortly after the first lockdown commenced, operational guidance was produced for the animal welfare sector by the Canine and Feline Support Group/DEFRA. This covered how we could bring in, look after and rehome animals within the framework of the government restrictions around social distancing and non-essential travel, in the context of the government saying, where possible businesses should continue operating, but in a responsible way that manages risk very carefully.

The guidance allowed rehoming to recommence. Our traditional rehoming model included an online or hard application, one or more visits to the Rescue Centre, meeting the animals and then hopefully adopting a new one. We developed a new model to replace the visit with an interview on the telephone where we discussed the potential adopter's preferences and the sort of animal they were looking for, and then introduced them to an animal which might be suitable on a video call. If the person was interested, the adoption paperwork was completed online where possible and we delivered the animal to the adopter's doorstep. If it was a cat, the cat was transferred on the doorstep in a carrier with a conversation from a safe distance. If a dog, the introductions were done off site or in the adopters garden. Although, not as efficient as our pre-COVID-19 model, it was more customer orientated and allowed us to continue rehoming through the lockdowns. We certainly found and embraced new ways of working that allowed us to be more sustainable and more productive.

We know that as there was a need for Animals in Distress pre-COVID-19, then as we gradually see the light at the end of the tunnel, there is certainly going to be a need for the Charity once the crisis is over. The sustainability of the sector is being tested by this crisis and we know that there are challenges ahead but we are as determined as ever to ensure Animals in Distress remains as relevant as it always has been and continues to serve the community in a trusted and transparent way. Only time will tell whether a long-term impact of COVID-19 will be felt across the Not for Profit sector. Let's hope that this crisis will provide a catalyst for altruism that our society desperately needs.

Government Coronavirus Business Support

In response to the crisis, over the last year or so, the government announced a series of extraordinary business support measures to protect businesses and to save as many jobs as possible during the COVID-19 pandemic. Fortunately, the Charity has been able to take advantage of a number of these schemes, many of which were administered by the three councils in which our premises are located. The majority of the grants the Charity was able to apply for were in relation to our shops as non-essential retail, together with hospitality and tourism were the main sectors being supported. The application process for each of the grants administered by Torbay Council, South Hams District Council or Teignbridge District Council was different, even for the same grant. Each Council and grant required varying information and financial evidence which we were able to provide. The grants awarded and received by the Charity to date have totalled £318,792.39.

The grants included Business Rate Grants, National Lockdown grants, Local Restrictions Support Grants (tiers 2 and 3), Closed Business Top-Up grants and Restart grants. Unfortunately, animal rescue centres were not eligible for the majority of the grants and we did not meet the criteria for some of the discretionary grants available because we are not a small business or had sought any of the business interruption loan schemes available.

As an employer, we were able to use the Coronavirus Statutory Sick Pay Rebate Scheme to reclaim up to two weeks' worth of Statutory Sick Pay (SSP) that we paid out to employees for COVID-19 related sickness absences. We have had a number of staff members who had coronavirus or had to self-isolate. SSP was paid for absences from the first day off, rather than day four as is standard. The Charity has been able to reclaim £1,475.12 on this scheme so far.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

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The Coronavirus Job Retention Scheme (CJRS) is a government wage support measure. It is designed to protect jobs in the wake of the economic impacts of the COVID-19 pandemic, and to support employers who are facing difficulties to continue paying wages rather than making people redundant. As an employer, with the shops and the Rescue Centre closed during the lockdown and the number of animals on site reduced, there was either less or no work for quite a number of our staff because of coronavirus. By agreement, we were able to put these staff members on furlough or on flexible furlough meaning that they stopped working and they received 80% of their normal pay. The Charity has been able to claim CJRS grants to help carry on paying furloughed staff. The Charity has had nearly 5/6th of its workforce furloughed at times, functioning on just a core team of staff.

The Coronavirus Job Retention Scheme (CJRS) has been extended until the end of September 2021. Until the end of June 2021 the UK government will pay 80% of employees' usual wages for the hours not worked, up to a cap of £2,500 per month. For periods in July, August and September this year, the contribution will reduce. The grants are not classed as state aid. At the time of writing this report, the Charity has been able to claim furlough pay, employers National Insurance and pension contributions (to July 2020) totalling £436,362.74.

The government support we have been able to access has been an absolute godsend and we will be eternally grateful for all of the financial assistance we have received as it has helped the Charity immensely during what has been an extremely challenging and difficult time. The various schemes and grants have greatly assisted the Charity to continue functioning during the pandemic and have certainly helped replace some of the lost income in the shops and although sadly we have had to make two roles redundant, it has kept as many of our staff as possible in their jobs, something which we were determined to do so from the outset.

Redundancies

It was with great sadness and much regret that Animals in Distress was facing a very difficult situation where there was the real prospect of having to make some of our staff redundant. The pandemic triggered yet another recession in an economy that was already turbulent. Some sectors such as travel and hospitality are worse hit than others, but a swift decline in consumer confidence and spending means that most industries, including the third sector, are experiencing huge challenges incurring reactive redundancies. We were not immune to what is happening and the spring and summer months were particularly difficult for the Charity. We knew tougher times were still ahead and therefore changes had to take place to ensure the sustainability and survival of the Charity.

In the autumn, despite the CJRS at that time being extended to 31st October, as an employer, we had to consider how our workforce might look following the end of subsidised furlough and a return to more normal working patterns. We have always placed a high priority on maintaining job security for all our staff.

However the pandemic has caused financial constraints, funding shortages, re-organisation and changes in working methods which resulted in the requirement to reduce our number of staff.

During the first few months of the pandemic, we made changes in the way work was organised, adapted our working practices and procedures to function with far fewer staff. This meant that as we were doing things in different ways and some work was absorbed by other members of staff. After careful and thorough consideration of all possible options, the Trustees and Neil concluded that we may have no alternative but to make redundancies.

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The risk (that we worked hard to try and avoid), related to the likely inability to provide work for all of our employees and therefore certain jobs may not be needed. We reviewed roles in our Retail and Rescue Centre animal department operations and decided that they would remain unaffected. However, the Receptionists and the Administrator and Human Resources Coordinator roles were put at risk of redundancy.

We actively explored alternatives to compulsory redundancies such as considering offering voluntary redundancy, temporary reduction in working hours, flexible working, restrictions on recruitment and retraining employees to do other jobs for the Charity. Unfortunately, redundancies were unavoidable, so we worked hard to minimise the number of employees affected. We communicated clearly with all affected employees and ensured that any selection for compulsory redundancy was undertaken fairly and reasonably. We undertook a thorough consultation process with staff affected together with any recognised trade unions and/or employee representatives as appropriate. It was concluded that there was a diminished requirement for the Administrator and Human Resources Coordinator role as a significant number of staff were furloughed and the work was being done by others. The role and the position holder was made redundant towards the end of October.

At the time, the government announced a further extension of the CJRS, so it was decided to keep the Receptionists on furlough as the Rescue Centre remained closed to public access. No further redundancies were made in 2020. During the first quarter of 2021, one further staff member was dismissed by way of redundancy. With the continued reduced number of animals on site and therefore fewer veterinary treatments being carried out, the Veterinary Nurse Assistant role was also made redundant as there was a diminished requirement for the role.

It was a very difficult decision to make two of our employees redundant. We do not underestimate the impact that this has had on them as individuals and how unsettling this has been for other members of staff. We cannot rule out further redundancies in the future but we continue to do all we can to avoid this and endeavour to maintain job-security for our employees.

Retail Operation

The first lockdown forced the closure of non-essential retail on 24th March 2020 and our shops then remained closed over the summer months until we undertook a phased reopening during September and October. The shops then had to close again from 5th November as the country went into a second lockdown, reopening four weeks later on 2nd December. We were open for 3 weeks on the run up to Christmas, closing the shops over the festive and New Year period with the plan to reopen again on 5th January 2021. However, the third lockdown was announced and commenced on that day so we kept our doors shut as non-essential retail had to be closed again.

In line with the government's roadmap out of lockdown, we reopened our shops on 12th April 2021 when we were allowed to do so. We were so pleased to see the return of our staff and volunteers and to welcome back our wonderful customers who we certainly missed. The wellbeing and safety of our customers, staff and volunteers remains paramount and we have undertaken COVID-secure measures at an initial cost of approximately £4,300, to ensure a safe and secure environment in which our customers can have the reassurance and confidence to shop with us.

Having seen sales in our charity shops increase significantly in 2019, we were very optimistic that 2020 was going to be an equally good year but the various lockdowns severely impacted on our retail operation. 2020 was a tough year for everyone, but especially the high street. In fact, predictions were made about how many high street businesses were going to struggle in 2020 before we had even heard of COVID-19. This meant we suffered a double whammy of the 'decline' of the high street alongside the restrictions that the coronavirus pandemic has placed on us.

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All is not lost, however. We are beginning to see an end in sight in terms of the virus and with some changes being made, we are optimistic of getting through this tough patch and enjoying the fruits of our labour once again. Businesses on the high street need to adapt now and, in the future, to remain successful and we are no different.

The first lockdown resulted in our shops having a huge amount of donations left outside their doorways. As people spent time clearing out their attics, wardrobes and drawers, we received a huge amount of donations. Sadly, much was damaged, soiled or of poor quality and in some cases, simply household rubbish and as a Charity, this commercial waste cost the Charity to dispose of.

So, what is the future going to hold for our shops? Vacant units and boarded-up shop fronts; vape stores and betting outlets rubbing shoulders with bric-a-brac emporiums and struggling independents. No doubt a scene which will resonate with many shoppers across the United Kingdom; our high streets are deep in the midst of a much publicised decline. High street shopping has long been a British pastime but a perfect storm created by an age of austerity, the continued preference for online shopping, crippling rents and business rates have all taken their toll on a once vibrant sector of British life.

So, what is the impact of COVID-19 on the high streets? High streets and town centres have evolved as a result of changing consumer trends, technology and what communities want. For instance, the emergence of retail parks has had an impact and online shopping has changed the way we buy in recent years. High streets had been increasingly focused on improving the experience as an attractive place to dwell, shop, meet friends, eat out and seek entertainment.

The COVID-19 pandemic has accelerated some of these trends. ONS/Springboard data for November 2020 showed that footfall was at 45% compared to the same period last year. Before the pandemic, footfall had dropped over 10% in the last 7 years.

Internet sales had risen to 21% of all retail sales at the end of 2019 compared to 7% a decade earlier, and during the height of the national lockdown period in May this had jumped to nearly 33% of all retail sales. Increased homeworking has also had an effect as employers have either closed their offices or supported flexible working.

It will be some time before a clear picture emerges of the impact of social distancing on the public's willingness to shop in high streets in the longer-term. Much will depend on how businesses respond once current government support ends, such as the furlough scheme, the lease forfeiture moratorium and business rates relief for the retail, hospitality and leisure sectors. However, many retail and restaurant chains have already said that a significant percentage of their stores will close, and the impact on job losses is also expected to continue.

We have seen many changes to the high street during the COVID-19 pandemic, some of which are likely to be short-lived, whilst others look like they are set to stay. The limiting of the number of people allowed into shops at any given time, the provision of hand sanitiser at shop entrances, and the mandatory wearing of masks, for example, are hopefully relatively short-lived measures.

However, our shops have already re-arranged layouts for better social distancing, incorporated technology and reduced the amount of cash we handle. COVID-19, it seems, is accelerating trends rather than setting them.

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With changes in the way that many are working, we are noticing a difference in where people are spending their money. We are seeing more and more people shopping locally. According to YouGov, two-fifths of Brits shopped locally during lockdown and 70% of those who shopped locally during lockdown indicated that they intended to continue to do so afterwards. This is mainly due to many more people spending more time working at home, people keen to support local shops and businesses and the public's desire to limit the use of public transport.

The global pandemic is accelerating key trends shaping the future of retail. The high street is not the same as it once was. Customer experience is key, but difficult to balance with an increased focus on safety protocols, mandatory face coverings, and reduced in-store services.

The rise of online shopping is a trend that we have seen for much longer than the coronavirus pandemic, however, the pandemic has sped up its popularity (out of necessity) and it is likely it is here to stay. This 'threat' has consequences for the high street, although not necessarily a negative one. One of the benefits of going to a physical shop is the experience that you get. The bespoke service, the ability to try things on, or the immediate gratification of walking out of the shop with a product in hand. The customer experience is a vital element and we need to ensure that we can create a unique and pleasurable experience for our customers, perhaps incorporating technology and adapting continuously, we stand every chance of prospering in the high street both now and in the future.

At a time when there is economic instability through COVID-19, the communication between our landlords and us as tenants has never been so important. In order to reduce our costs during the various lockdowns, we approached our landlords and are grateful to the majority of them who were sympathetic and understanding of our plight and agreed to reduce one or more of our monthly or quarterly rent payments. These gestures were very much appreciated during a time when all of our shops were closed. The landlord-tenant relationship is two-way and working together makes it mutually beneficial.

Looking ahead, there is more that councils would like to do to help their high streets and their local economies. Much of this depends on councils having access to further resources that they can spend effectively and efficiently, this should include government funding that supports economic growth and can be better targeted towards local needs. Many councils are in line to benefit from funding through the £1 billion Future High Streets Fund which has been earmarked for 101 towns. Provisionally, Newton Abbot, Teignbridge have been awarded £9,199,364 and Paignton, Torbay £13,363,248. 101 towns have also been identified to receive funding via councils through the £2.6 billion Stronger Towns Fund, including Torquay, Torbay which will receive £21.9 million. Whilst this funding was important to those places before the pandemic, this additional resource will become even more critical to help with town centre recovery. Given the speed at which high streets are being economically impacted councils are keen to be able to accelerate their spending and interventions now.

The pandemic is also likely to have a detrimental impact on many more towns and city centres. The impact will be felt differently from place to place depending on the local economy's dependency on particular sectors. There will therefore be other places that will require further intervention and support as they respond to variable local impacts. The government should therefore increase the funding and extend its town centres' funds to more places. We remain cautiously optimistic that our retail operation will survive the pandemic intact. The shops are a fundraising tool for the Charity and have to be performing to justify their existence. We are grateful for the support from the public for both the donated goods we receive to sell and also the customers who shop with us. Only time will tell if all of our shops return to pre-COVID-19 trade levels but as consumer confidence grows with the continued vaccination roll-out and the national restrictions easing, we are in the best possible position to maximise our return from them and give our customers a shopping experience that we can be proud of.

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Rescue Centre Improvements

During the year, we continued our rolling programme of improvements to the facilities at our Rescue Centre in Ipplepen. Although no major projects were undertaken in 2020, we were able to maintain facilities, where possible, in order to continue to provide a safe working environment for our staff and volunteers, excellent accommodation for the animals and to ensure that the site remained presentable at all times. COVID-secure measures were put into place, including hand sanitiser stations, cough guard screens, suitable signage and ensuring our staff and volunteers had suitable PPE. We installed a commercial washing machine and tumble dryer in the Cattery in order to keep up with demand for clean bedding and towels.

Adoption Fees

Our adoption fees remain broadly in line with other charities, both locally and nationally. At the start of each year, we apply a modest increase to the adoption fees for the animals which goes some way to offset some of the veterinary costs that the Charity incurs to give the animals the very best treatment and care. It generally costs the Charity far more to look after and treat each animal than the adoption fee covers. Occasionally, we have charged increased adoption fees above our standard rates for certain breeds and this additional income, ensures that we can help more animals that come into our care.

When an adopter rehomes an animal from Animals in Distress, they take home a pet which has been fully assessed by our expert animal welfare staff as well as our veterinary surgeon. Every pet at the Rescue Centre is: vaccinated, microchipped, neutered, wormed and flea treated (where appropriate for their species), examined by a vet and given any necessary treatments and where appropriate given a training plan designed to meet their specific needs.

Key Statistics

In 2020, we admitted 388 animals (679 in 2019) to the Rescue Centre (75 dogs, 185 cats/kittens, 70 rabbits and 58 guinea pigs) and rehomed 400 animals (620 in 2019) from the Rescue Centre (77 dogs, 200 cats/kittens, 62 rabbits and 61 guinea pigs). This represented a decrease of nearly 43% in admissions and 35.5% in rehoming compared to 2019. The reduction in numbers was purely down to the impact of the pandemic, the various national lockdowns and local restrictions as well as the restrictions placed on rescues throughout regarding admissions and rehoming.

We continued to work with and develop the Open Paw Programme in the kennels meaning that we were able to help many dogs find their forever homes. Open Paw is a programme specifically developed for dogs and cats in rescue centres, designed to provide animals with the enrichment, training and social skills they will need to make them more rehomeable, and to help them successfully settle into life in their new homes.

During 2020, in the spirit of cooperation between charities, Animals in Distress continued to assist Redditch Cat Rescue with taking on a number of cats and kittens. The lockdowns and travel restrictions severely curtailed this but when legally allowed to do so, we took some cats and kittens from the North Worcestershire based voluntary run charity. We always do our best to help out any other animal charity, including Cats Protection and the RSPCA, when there is a need and we will endeavour to take more cats from Redditch Cat Rescue during 2021.

As in the previous year, there were fewer rabbits and guinea pigs admitted and rehomed during the year. This seemed to be in line with what a number of other organisations reported on too. However, we have started to see an increase in people who took on a rabbit in the lockdowns, now wanting to rehome them. Since we have had our new admissions building to effectively quarantine new arrivals to ensure that animals are healthy before being transferred to the new building for rehoming, we have experienced no disease issues in the newly renovated rabbit and guinea pig facilities.

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Animals in Distress continues to ensure that all animals admitted and cared for at the Rescue Centre are healthy and receive all the necessary veterinary care that they need. The reduction in the number of animals on site during the pandemic resulted in fewer treatments required and a reduction in associated costs. A total of 3,496 (5,929 in 2019) consultations and combined treatments were administered (vaccinations, flea and worm treatments etc.) including operations (neutering, orthopaedic etc.) were performed in 2020. Whenever possible, the vast majority of treatments and operations continue to be undertaken on site at the Rescue Centre. Total veterinary costs which include ancillary costs (i.e. lab fees, medical gas, medication, equipment etc.) were £93,875 (£138,906 in 2019).

We continue to benefit from being able to purchase discounted veterinary medicines through MWI Animal Health which is a conglomeration of a best-in-class wholesale distributor Centaur Services, a practice management software innovator Vet Space, and two buying groups with relationships across the industry, St. Francis Group and Vetswest.

Veterinary Contract

Our veterinary provision at the Rescue Centre continues to be provided by Quarry House Vets, whose main practice is in Torquay. The Charity has maintained a good working relationship with this practice for nearly a decade now and our aim and requirement is the same as it is always has been, to ensure that they provide the best and most up to date veterinary care for our animals. We will consider undertaking a retendering exercise for the contract when we feel that the time is right, however, we will continue to utilise the services of Quarry House as they meet all of our requirements at this time.

Big Bark Kennel Build Project Update

After launching our fundraising campaign to raise funds to build new kennels in October 2018, we continued to fundraise for the project in 2019 and at the start of 2020. It was always going to be a mammoth task and we continued to be blessed by the generosity of so many of our supporters and corporate contacts as we started the long road to our target of £1.2m.

In December 2019, we received the fantastic news that Teignbridge District Council (TDC) had granted conditional planning permission for the development of the Rescue Centre site, including the kennels. This was great news as it meant that we could then move on to the next phase of the project in 2020. However, at the start of Lockdown One, it was clear that the pandemic was going to severely curtail our ability to fundraise for the new kennels. As a result, Rosey Oakes, our Campaign Development Lead for the Big Bark Appeal was furloughed. With fundraising becoming increasingly difficult with so many businesses having to close their doors and an uncertain future ahead, the focus had to be on raising general funds to ensure the sustainability of the Charity. The project therefore inevitably took a back seat throughout 2020 and that remains the case so far in 2021.

Rosey was brought back to work in March 2021 taking on the role of the Charity's Fundraising and Communications Manager. Part of her role is to keep the Big Bark kennel build campaign alive and continue to fundraise for the project as the Charity and the country emerge from the pandemic. We know that we have a long way to go but we are as determined as ever to deliver on this project and give our dogs the new facilities they deserve.

Use of Volunteers

Animals in Distress continued to benefit from the fantastic contribution that our wonderful volunteers made during 2020 despite the pandemic. The Rescue Centre was closed to general public access from March 2020 and initially, the government restrictions prohibited volunteering. However, revised government guidance over the months meant that we were able to bring back some of our volunteers to assist at the centre.

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The pandemic and the lockdowns forced the closure of our shops for much of the year so it is no surprise that the number of volunteers and the hours that our volunteers were able to contribute in 2020 was far less than in previous year but by no means, any less significant. Many of our volunteers were shielding meaning that we had fewer volunteers to call upon during the year.

Our volunteers contributed at least 6,235 hours to the Charity during 2020 (25,310 hours in 2019) in our shops, at the Rescue Centre, fundraising in the community and in our Head Office. We continue to recognise the incredibly valuable part that our volunteers play in making this Charity such a success and we will continue to involve our volunteers more in other areas of our work such as administration, fundraising and events. The Charity considers the recruitment of volunteers in the same way as staff and carries out a thorough administrative process in their selection.

Fundraising Activity

We started 2020 with a strong vision and extensive plan for the year, to continue our aim of becoming financially resilient and sustainable. However, the pandemic meant that 2020 turned out to be a very different and challenging year for the fundraising team. We very quickly had to change our focus and look at creative ways to engage and involve our supporters, whilst continuing to increase our reach, build our supporter base and develop enduring relationships.

We increased our digital marketing with an e-magazine, additional e-newsletters and virtual events. We continued to remain supporter focused, making over 500 telephone welfare calls to some of our more vulnerable supporters and phoned, emailed or wrote personal cards to those who made donations during the year. Animals in Distress are committed to ensuring our fundraising activities are safe, respectful, transparent and accountable.

Our fundraising efforts cover trusts and grants, corporate fundraising and sponsorship, individual giving, events and challenge fundraising, media appeals and community-led fundraising. We are grateful to every single supporter for every gift we receive. We like to communicate directly with our supporters and so never use third parties to act on our behalf.

Donors can be assured that we comply with the regulatory standards for fundraising. We are a member of the Institute of Fundraising and are registered with the Fundraising Regulator. We are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice, which can be found at <https://www.fundraisingregulator.org.uk/code>

We have several controls in place to ensure we protect our supporters' privacy and data and to provide our supporters and potential supporters with the respect and gratitude they deserve. We have a robust GDPR policy which is regularly reviewed by the fundraising team and staff from across the Charity have received training to ensure it is applied properly.

We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We received no requests from this service last year.

A few highlights of 2020 include:

- Regular Giving was up 38% on the previous year from £10k to nearly £14k.
- We set up a lottery, in partnership with Your Charity Lottery, and raised £1,300 in 2020.
- Our online donations doubled from £10k in 2019 to nearly £20k in 2020.
- Our corporate friends raised £10k
- Supporters in the community raised over £15k by walking, running, sewing, knitting, writing and meeting virtually with friends!
- We received no fundraising complaints during 2020.

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Staff Personal Development

The Charity continues to invest in the continuing professional development (CPD) of our staff. It remains a priority for the Charity in order to ensure that we have a constantly developing workforce so that staff have the knowledge and skills to perform their roles in a professional context. This ranges from honing current skills, developing them to a new level or learning new ones that will allow an employee's job role to expand or prepare them for potential promotion.

As in the previous year, several staff members completed a Blue Cross Bereavement Support Skills course and undertook courses with the Centre of Excellence, including Level 3 - Leadership and Management, Feline Behaviour and Psychology Diploma, and the Canine Behaviour Training Diploma.

We continued our association with Battersea in 2020, although due to the pandemic, the majority of courses were cancelled. The Battersea Academy is a centre for professional development that trains animal welfare practitioners from across the UK and around the world. Delivered by Battersea's experts, Academy programmes are designed to equip participants with the knowledge and practical skills they need to operate their own rescue and rehoming centres effectively and to the highest possible standards. Their programmes cover up to date animal welfare principles, models and approaches to running a rescue centre.

They work with participants before they attend to ensure each programme is tailored to the specific needs of the organisations attending. The Charity has received bursaries from Battersea in the past to attend the intensive programmes and it is hoped that the Charity and staff will be able to take advantage of future programmes if not later this year, certainly in 2022.

New EPOS System

Following a number of EPOS providers being approached in 2019 for quotations to replace our current till system, we decided that we would remain with our current provider, Cybertill, and invest in a new system which is compatible with Windows 10 and is also future-proofed in that it is guaranteed to be upgradeable or be replaced up to 2032 in the event of further operating system changes. It was due to be installed in our retail premises and the Rescue Centre just after Easter 2020 but due to the first National Lockdown, this was postponed. With the shops being closed for much of the year, it was decided that this was unnecessary expenditure and that we would revisit the upgrade during 2021. At the time of compiling this report, our shops have only just reopened as they are non-essential retail in line with the government's roadmap out of lockdown.

Information Technology

The global Microsoft Exchange Server Hack in the first quarter of 2021 resulted in Electrowise, our business IT support, carrying out a number of security patches on our email server due to security issues potentially caused by it. As we had Microsoft Exchange, we were potentially vulnerable and despite the security patches, it was possible that hackers were already in our system. As far as could be ascertained, this had not happened to our email server, but we couldn't be sure. We were looking at the prospect of moving over to Microsoft Office 365 (cloud based) at some point this year as our servers are due for replacement/upgrade in 2022. Due to the potential server hack, it made sense to do this sooner rather than later, negating the need to have our email server. As a Charity, we do not have to pay for Microsoft Office 365 so we made the decision to migrate across to Microsoft Office 365.

Office 365 is Microsoft's productivity suite with tools like Word, Exchange, Excel, SharePoint, Teams and more. As it is cloud-based, it can be accessed from anywhere, on any device once online and is a totally secure environment with robust security measures in place, like two-factor authentication, which ensures unauthorised people can't access our files if they happen to get on our devices. Threat detection and anti-malware means security threats are identified and stopped immediately, which is

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particularly important for us as an organisation that deals with confidential data and information.

Using Office 365 means our Charity is free to operate without any concerns for IT security. Other benefits include improved communication, business continuity as no matter what happens to our physical devices, our email, files and data are safely stored in the cloud, automatic upgrades and centralised collaboration.

Challenges

Given current global events, there are increasingly demanding regulatory and operating environments for the charity sector. These are challenging times for everyone, and the charity sector is no exception. During the ongoing COVID-19 pandemic, we have revisited our top risks in an effort to understand how they were evolving, thereby determining what impact coronavirus was having on the likelihood and impact of our top risks. These risks reflect the shared nature of risks across the charity sector.

Strategy: The charity sector is experiencing a period of unrelenting change driven by factors such as:

- the digitalisation of the economy
- growing demands for a demonstrable impact, transparency and integrity
- an increasingly complex regulatory environment
- environmental events

These factors are forcing us to adapt and to respond in ways that protect our operations, while continuing to focus on the needs of our beneficiaries. These challenges are reflected in risks related to governance and strategy, organisational change and reputation.

Operational: If there is an organisational focus area that has become undeniably more challenging due to the effects of coronavirus, it is the charity's operations. Furloughing employees has required a significant management effort extending beyond human resources functions, diverting focus from other operational activities. Business continuity, people and the wider organisational risks are very much our top risks.

Income and financial sustainability: Like many organisations within the charity sector, we reduced our forecasted income for 2020 and have done so for 2021 as well. We had to cancel all of our traditional fundraising events for the last year or so and any future events have been postponed so that we can take account of social-distancing requirements and the uncertainty that coronavirus has created. Even before lockdown, we were revisiting how diverse and sustainable our sources of income were and are continuing to do so.

Compliance: Over the last few years, a key regulatory area of focus for the charity sector has been the General Data Protection Regulation (GDPR). The complex regulation will require management attention as the expectations of the Information Commissioner's Office (ICO) continue to evolve, particularly in relation to the technical measures required for personal data protection. In addition, there have been other recent and important changes in the regulatory landscape and expectations of regulators.

In October 2019, a new Code of Fundraising Practice was released by the Fundraising Regulator and the Charity Commission. The code has advocated increasingly, the need for robust charity governance in the wake of some high profile news stories and the need for trustees to have effective oversight of their charities. Furthermore, the Charity Governance Code, updated in December 2020, focuses on integrity (principle 3) and equality, diversity and inclusion (principle 6). Equality, diversity and inclusion, in particular, is an area that all charities will be focussing on and investing in.

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Technology: Digital transformation is a common trend across the charity sector. We are already in the middle of and continue to plan our digital transformation programme to enable more effective engagement with donors and beneficiaries, as well as streamlined ways of working. As a result, technology is becoming ever more pervasive within our operating model. This increases the need to focus on cyber security and the resilience of IT systems and infrastructure, which is relied upon to safeguard information and data, and to maintain business continuity. We continue to make sure that our IT service supplier is managed well, that our contractual arrangements are fit for purpose and that they adhere to the key policies of the charity, such as data protection, where non-compliance may result in reputational damage.

We have actively taken measures to cut our expenditure where we have been able to do so. We have restricted spending to our core activities and any future projects have been put on hold. In the short term, the measures that we have taken and the funding we have been able to source will make sure we are in a strong position to recover when the crisis is over.

The Trustees and CEO continue to discuss the issues and challenges, making decisions and then acting together to successfully implement those decisions. We are making timely decisions within shorter timescales. As income levels are threatened and additional costs arise, cash flow and reserves management inevitably demand our greatest attention. We are fortunate that we have a strong robust reserves policy, we have cash reserves that we are already drawing on to manage our cash requirements. The issue will be how the reduction in reserves is going to be managed going forwards. It will take time to build our reserves level up again and we may have to consider selling investments to help with this.

There are a number of key areas we are focussing on for our planning, budgeting and re-forecasting:

- Staff and volunteer welfare and safety remains paramount
- Fall in interest rates will mean a fall in investment income
- Fall in trading income arising from our retail operation being temporarily closed
- Fall in a voluntary income from sources such as donations, fundraising and sponsorships as well as events cancelled or as individuals have less disposable income to donate (as a result of falling investment rates or inability to work and the general shrinking of the economy).
- We implemented remote working policies and suspended all gatherings or meetings. This is helping protect staff and as far as we can ensure continuity of operations. In line with Charity Commission guidance, Board meetings are and our AGMs will be carried out virtually using secure technology rather than being face to face.
- Health and safety issues have been considered as the disease unfolded and we have ensured that decisions are made to correctly safeguard our staff. We have been clear about the need to self-isolate when appropriate and follow social distancing guidelines set by the government. We have considered the day to day needs as well as different ways of working to protect staff.

We have many issues to still consider due to COVID-19 and we have and will continue to adapt and change our business model due to the pandemic. There are extremely difficult times ahead as we feel the true impact of the pandemic is yet to be felt, but will continue to do all we can to mitigate the situation in the short-term in order to secure the medium to long-term sustainability of the Charity.

Plans for Future Periods

The developing coronavirus (COVID-19) pandemic and global economic crisis meant that any specific plans that we had for 2020 and beyond were either postponed or shelved. This has been an incredibly challenging time for all charities and we are not immune from the effects that the pandemic has had on the sector. No business or charity will come out of the current situation the same as it was at the start of 2020. Meeting those challenges that we will inevitably have to face is very much our focus now to ensure that the Charity can emerge from the crisis as strong as possible.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Planning ahead

On 22nd February 2021, the roadmap out of national lockdown in England was published by the government. Like most charities across the country, we continue to have concerns and some key areas to focus on. With services being allowed to re-open, the end of the Coronavirus Job Retention Scheme (CJRS) in September 2021 and the continued roll out of the government's mass vaccination programme, we are asking ourselves the following questions:

- What will be the impact of the CJRS (furlough) scheme coming to an end?
- How can we support staff, volunteers and beneficiaries to feel safe?
- How can we re-engage volunteers who have stepped down as a result of the pandemic?
- How can we adapt and thrive in a post-COVID-19 world?

As lockdown eases, based on these concerns, our key areas of focus are:

Supporting the wellbeing of staff and volunteers

We recognise that the easing of lockdown will cause increased anxiety for some of our staff and volunteers. It is certainly going to take time to adapt to the gradual resuming of 'normality'. We have staff and volunteers whom may have felt the direct impact of coronavirus including experiencing the loss of a family member or loved one. Others may be struggling to cope after a prolonged period of furlough or working from home. In addition, for those whom have been working throughout, with the ongoing demand for our services, some staff may feel overwhelmed and/or burnt out.

Throughout the pandemic, we have endeavoured to support our staff and volunteers. We want this to continue and it starts by making the time to have open conversations with staff and volunteers to talk through any concerns they may have as well as carefully managing their workloads.

Re-engaging with and retaining volunteers

Volunteers have played a vital role during the pandemic. We have relied on them to help meet increased demand and respond to the changing needs of our beneficiaries. With the easing of lockdown and with the Coronavirus Job Retention Scheme coming to an end in the autumn, there is concern that some of our existing volunteers will be less available to offer support. In addition, many of our volunteers were shielding throughout and some have made the decision not to return due to the pandemic.

Going forward, we need to think how we can balance the changing needs of our volunteers as lockdown eases with our need for volunteers to carry out particular roles which will require a degree of flexibility. We will review our volunteer roles and think about whether these roles could be done in a different way or when people have less time.

Supporting staff, volunteers and customers to stay safe

Creating a safe working environment for our staff, volunteers and customers has been and remains a top priority for the Charity.

We have been clear about the practical implications and adhered to the government guidance throughout to ensure that we work safely during coronavirus.

Whilst the vaccination programme provides a route out of the pandemic, our understanding of the impact of the vaccine on transmission of COVID-19 is developing.

We started to think about our approach to COVID-19 vaccines and testing. Currently vaccines are not a mandatory requirement and it is not appropriate to make it a requirement for staff. What we have been able to do is take advantage of the government's workplace testing scheme and have provided rapid lateral-flow tests for our staff.

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FOR THE YEAR ENDED 31 DECEMBER 2020

Staff are obliged to inform the Charity if they test positive, in the same way they are required to tell the Charity if they test positive for COVID-19 outside the context of workplace testing. Of course, as an employer, we will have less visibility as to whether staff have carried out the tests in the first place.

As an employer, we cannot force staff to test themselves for COVID-19 at home, all we can do is ask and encourage it and provide information on the importance of regular testing to help prevent the spread of the virus. We hope that staff will be reassured that as an employer, we are taking steps to protect the health of staff in the workplace and therefore staff accept that the testing may be a necessary precaution in the current circumstances. Testing will form a crucial part of everyday life as parts of society reopen. Regular testing could be the difference between a workplace being able to stay open and operational, or needing to close due to a COVID-19 outbreak.

The government announced on 5th April 2021 that everyone in England will be able to take a free rapid coronavirus test twice a week. They will be able to do this via a home ordering service, community testing which is offered by all local authorities or by collecting tests from a local PCR test site during specific test collection time windows and we have encouraged staff to continue with home testing going forward.

Funding

The financial impact of COVID-19 on the sector is striking. Ensuring that we continue to fund our core costs remains a priority.

The future of work

Whilst the pandemic continues, it is probably too early to say for sure what exactly the future of work will look like, but like many organisations, we are anticipating that some of our staff will continue to work from home as lockdown and restrictions ease. Adapting to new and long-term working arrangements as well as developing a homeworking policy means that organisationally, we are embracing the new working world in which we find ourselves. The future success of the Charity post-pandemic is an opportunity to 'build back better' and become a more resilient organisation post-pandemic.

Principal Risks

The Trustees and CEO recognise that through the nature of our activities, funding base, reserves and structure, the Charity is exposed to differing areas of risk and levels of exposure. There are many areas of potential risk and we undertake our own processes for risk identification. The following list is an indication of a few of the main areas of risk that are considered by the Trustees and CEO:

- **Income and financial sustainability:** Insufficient income and reserves for the charity to achieve its strategic objectives and maintain its operations. Dependency on income sources - such as legacies and retail could have cash flow and budget impact if that income source is significantly reduced or lost.
- **National minimum wage and living wage:** Government proposals for the next few years will increase payroll substantially so future staffing levels will have to be considered.
- **Data Protection compliance and GDPR:** An event or incident such as an external data breach or inadvertent internal error resulting in the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data.
- **Organisational change and digital transformation:** The failure to execute organisational change and transformation programmes effectively and to achieve the intended benefits of these, resulting primarily in inefficient use of the Charity's resources.
- **Safeguarding:** Failure to safeguard a Charity's beneficiaries or associated vulnerable persons, including children, from abuse and maltreatment.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

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- People, leadership and culture: Weaknesses or failure of leadership, inability to develop and retain talent effectively and an organisational culture that is not an enabler in the pursuit of a Charity's strategy and objectives.
- Governance: The Charity does not achieve its strategic, charitable, regulatory and ethical objectives due to inadequate governance at board, senior management or operational levels.
- Regulatory: The Charity fails to comply with applicable regulatory requirements, leading to reputational damage and financial penalties.
- Coronavirus (COVID-19): The global pandemic and the effects on the economy, demand for services, finances, fundraising etc.
- Health, safety and environment: Failing to ensure a safe environment could result in injury to staff, volunteers or the public, breaking the law and rendering the Charity unable to operate.
- Cyber security: Cyber incidents (typically unauthorised or inappropriate access to our organisation's network) executed by external or internal parties that negatively impact the confidentiality, integrity and availability of a Charity's information systems and data.
- Business continuity incidents: The occurrence of incidents that limit the Charity's ability to operate as it normally would in business as usual situations.
- Reputation: A range of occurrences including incidents, events and outcomes that may consequently damage the Charity's reputation. Reputation risk is largely a consequence of other risk events materialising. Public perception and adverse publicity which could impact on voluntary income, use of our services, access to grants, loss of donor confidence or funding, impact on the morale of staff, loss of beneficiary confidence, relationship with funders etc.

Financial Position and Reserves

At 31 December 2020, the Charity had total reserves of £3,760,000, of which £3,713,000 were unrestricted.

The Charity has sought to separate those unrestricted reserves that are held in the form of property fund assets (£2,074,000) from those that are freely available for its general purposes. As well as providing a more informed view of the overall reserves it enables a more realistic assessment to be made of the Charity's strategy with regard to their level and future deployment.

The so-called free reserves are then demarcated into a separate category (building fund totalling £1,178,000) that accords with the Charity's medium and long-term plans to improve facilities at the Rescue Centre. This acknowledges and takes account of the fact that large scale capital projects require "saving for" over many years. The balancing general reserve (£461,000) recognises that it is extremely difficult to predict income from legacies, so the Charity aims to hold at least £750,000 in reserve, which equates to 6 months average operating costs. Our reserves currently exceed this figure in order to cover future projects and eventualities.

It is anticipated that the Charity's investment policy will match the spending and reserves policy.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees' Responsibilities in Relation to the Financial Statements

The Charity Trustees (who are also the directors of Animals in Distress (Torbay and Westcountry) for the purposes of Company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 charitable company and the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the U.K governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure to our Auditors

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- the Trustees have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of relevant audit information and to establish that the auditor is aware of that information.

By order of the board of Trustees and signed on behalf of the Trustees:

D Turner (Chair of Trustee)

G Dix

Date: 2021

Report compiled for and on behalf of the Trustees by: Neil Thomas (CEO)

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Animals in Distress (Torbay and Westcountry) (the "charitable company") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating 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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2020

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 20), 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 they 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor's responsibilities for the audit of the financial statements

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.

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:

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to fraudulent financial reporting, in particular to grant funding received.

Audit procedures performed by the engagement team include, but were not limited to, discussions and inquiries with management of compliance with laws and regulations, reviewing grant funding agreements, and reviewing board minutes and significant legal costs incurred in the year. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2020

Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Martin Hobbs BSc ACA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date:.....

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income from:					
Donations and legacies	3	976,801	16,740	993,541	468,715
Charitable activities	4	38,992	-	38,992	61,807
Other trading activities	5	310,113	-	310,113	932,082
Investments	6	21,411	-	21,411	21,178
CJRS		287,425	7,847	295,272	-
Total income		<u>1,634,742</u>	<u>24,587</u>	<u>1,659,329</u>	<u>1,483,782</u>
Expenditure on:					
Raising funds	7	709,652	17,255	726,907	786,965
Charitable activities	8	709,047	4,672	713,719	818,611
Total expenditure		<u>1,418,699</u>	<u>21,927</u>	<u>1,440,626</u>	<u>1,605,576</u>
Net income/(expenditure)		216,043	2,660	218,703	(121,794)
Transfers between funds	22	-	-	-	-
Net movement in funds		<u>216,043</u>	<u>2,660</u>	<u>218,703</u>	<u>(121,794)</u>
Reconciliation of funds					
Total funds brought forward		<u>3,496,801</u>	<u>44,311</u>	<u>3,541,112</u>	<u>3,662,906</u>
Total funds carried forward	22	<u>3,712,844</u>	<u>46,971</u>	<u>3,759,815</u>	<u>3,541,112</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 28 to 39 form part of these financial statements.

Income and expenditure from restricted funds in the comparative year is shown in notes 3, 7 and 8.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****BALANCE SHEET****AS AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	15	1,094	2,569
Tangible assets	16	2,693,833	2,743,466
		2,694,927	2,746,035
Current assets			
Stocks	17	9,372	10,522
Debtors	18	108,494	119,544
Cash at bank and in hand		1,154,403	906,403
		1,272,269	1,036,469
Liabilities			
Creditors falling due within one year	19	56,794	73,130
Net current assets		1,215,475	963,339
Total assets less current liabilities		3,910,402	3,709,374
Creditors falling due after more than one year	20	150,587	168,262
Net assets		3,759,815	3,541,112
Restricted funds	22	46,971	44,311
General funds	22	461,222	245,179
Designated funds	22	3,251,622	3,251,622
Total charity funds		3,759,815	3,541,112

The notes on pages 28 to 39 form part of these financial statements.

The financial statements were approved by the trustees on and signed on their behalf by:

D Turner

Trustee

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Cash flows from operating activities	24	257,671	(119,048)
Cash flows from investing activities			
Rent received		16,150	15,600
Interest income		5,261	5,578
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		(14,202)	(432,185)
Cash flows from investing activities		7,209	(149,895)
Cash flows from financing activities			
Repayments of bank borrowings		(16,880)	(14,858)
Proceeds from bank and other borrowings		-	200,000
Cash flows from financing activities		(16,880)	185,142
(Decrease)/increase in cash and cash equivalents in the year		248,00	(344,913)
Cash and cash equivalents at the beginning of the year	25	906,403	1,251,316
Cash and cash equivalents at the end of the year	25	1,154,403	906,403

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting Policies

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements and assessment of going concern

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP (FRS 102)), FRS 102 and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Please refer to the 'Challenges' section of the Trustees' Report on page 11 for more details of the implications of the Covid-19 pandemic on the going concern status of the charity.

Animals in Distress (Torbay and Westcountry) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income by way of donations, membership, sponsorship and collections, is accounted for when receivable. Income raised through the operation of the shops is taken into account at the time of receipt.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated goods relating to animal food are brought in to income and expenditure at the value they would have cost had they been purchased by the charity.

c) Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds received which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

d) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fundraising and shop costs and their associated support costs.
- Expenditure on charitable activities includes the costs of the Rescue Centre and its associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between costs of raising funds, expenditure on charitable activities and other expenditure, based on staff time.

f) Operating leases

Rental charges under operating leases are charged on a straight line basis over the term of the lease.

g) Intangible fixed assets

Intangible fixed assets are initially recorded at cost. Computer software is amortised on a straight line basis over its expected useful economic life of 4 years.

h) Tangible fixed assets

Individual tangible fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Freehold buildings	2% straight line
Equipment	20% reducing balance
IT equipment	25% straight line
Motor vehicles	25% reducing balance

i) Stocks

Stocks are included at the lower of cost and net realisable value.

j) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is recognised where the criteria for recognising income has been met at the year-end but the claim or invoice has not been submitted/issued until after the year-end.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash held in current and savings accounts in UK banking institutions.

l) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

n) Pensions

The charity operates a defined contribution pension scheme and membership is open to all employees of the charity. The assets of the scheme are held separately from those of the charity. The charity matches employee contributions of 1-4% with an employer contribution of 3% and the contributions are paid into the fund on a monthly basis. The contributions made for the accounting period are treated as an expense and were £23,248 (2019: £22,876). Contributions totalling £1,829 (2019: £2,075) were payable to the fund at the balance sheet date and are included in creditors.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The Charity is incorporated in England and Wales. The address of its registered office is: Biltor, Edgelands Lane, Ipplepen, Newton Abbot, TQ12 5UF.

3 Income from donations and legacies

	2020 £	2019 £
Donations and gifts	175,643	135,933
Legacies	602,670	310,663
Grants	201,418	11,950
Memberships and sponsorship	13,810	10,169
Total income from donations and legacies	993,541	468,715

Income from donations and legacies comprises £16,740 (2019: £21,814) in respect of restricted funds and £976,801 (2019: £446,901) in respect of unrestricted funds.

As noted in the trustees' report the charity benefits notably from the involvement and enthusiastic contributions of volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4 Income from charitable activities**

	2020 £	2019 £
Re-homing fees	37,059	57,944
South Hams Strays and Vet income	1,933	3,863
Total income from charitable activities	38,992	61,807

5 Income from other trading activities

	2020 £	2019 £
Memberships and sponsorships	2,745	3,098
Fundraising events	24,877	29,354
Shop income	269,195	887,383
Petplan commission	13,296	12,247
Total income from other trading activities	310,113	932,082

6 Investment income

	2020 £	2019 £
Rent	16,150	15,600
Interest	5,261	5,578
Total investment income	21,411	21,178

7 Analysis of expenditure on raising funds

	2020 £	2019 £
Fundraising	20,047	36,327
Shop costs	489,146	558,516
Support costs	217,714	192,122
Total expenditure on raising funds	726,907	786,965

Expenditure on raising funds comprises £17,255 (2019: £19,998) in respect of restricted funds and £709,652 (2019: £766,967) in respect of unrestricted funds.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8 Analysis of expenditure on charitable activities

	2020 £	2019 £
Rescue Centre	663,030	770,644
Support costs	50,689	47,967
Total expenditure on charitable activities	713,719	818,611

Expenditure on charitable activities comprises £4,672 (2019: £5,939) in respect of restricted funds and £709,047 (2019: £812,672) in respect of unrestricted funds.

9 Analysis of support costs

All support costs are allocated based on the basis of staff time.

The analysis of support costs is as follows:

	Raising Funds £	Charitable Activities £	Total 2020 £	Total 2019 £
Salaries and other staff costs	197,976	40,073	238,049	187,401
Travel and subsistence	2	-	2	817
Professional fees	2,536	513	3,049	3,307
Finance costs and exchange losses	3,292	666	3,958	6,636
Office costs	5,512	1,116	6,628	17,042
Other costs	7,525	1,521	9,046	17,380
Governance	871	6,800	7,671	7,506
Total support costs	217,714	50,689	268,403	240,089

10 Analysis of governance costs

The analysis of governance costs is as follows:

	Total 2020 £	Total 2019 £
Salaries and other staff costs	796	1,109
Professional fees	6,800	6,149
Other costs	75	248
Total	7,671	7,506

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****11 Net income for the year**

This is stated after charging:

	2020 £	2019 £
Operating leases - property	74,146	78,260
- equipment	13,276	13,627
Depreciation	63,835	61,806
Amortisation	1,475	3,275
Interest payable	7,969	7,919
Auditors remuneration: audit fees	3,300	3,300
accounts	2,500	2,500
taxation	700	700

12 Analysis of staff costs, trustee remuneration and expenses, the cost of key management personnel and related party transactions

	2020 £	2019 £
Salaries and wages	927,825	947,764
Social security costs	50,207	54,593
Pension costs	23,248	22,876
	<u>1,001,280</u>	<u>1,025,233</u>

One employee had remuneration in excess of £70,000 and less than £80,000 (2019: one in excess of £60,000 and less than £70,000).

The charity trustees were not paid and did not receive any other benefits from the charity (2019: None). No travel or other expenses were reimbursed to the trustees during the year (2019: None).

The total remuneration, including employer's national insurance, of the key management personnel of the charity was £83,426 (2019: £77,773).

There were no related party transactions (2019: None).

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13 Staff numbers

The average monthly head count was 64 staff (2019: 67) and staff were engaged in the activities of the group as follows:

	2020	2019
Rescue Centre	27	29
Charity shops	29	29
Administration and support	7	8
Chief Executive	1	1
	<u>64</u>	<u>67</u>

14 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Intangible fixed assets

	Software £	Total £
Cost:		
As at 1 January 2020	13,100	13,100
Additions	-	-
As at 31 December 2020	<u>13,100</u>	<u>13,100</u>
Amortisation:		
As at 1 January 2020	10,531	10,531
Charge for the year	1,475	1,475
As at 31 December 2020	<u>12,006</u>	<u>12,006</u>
Net book value:		
As at 1 January 2020	2,569	2,569
As at 31 December 2020	<u>1,094</u>	<u>1,094</u>

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16 Tangible fixed assets

	Freehold Property £	Equipment £	IT Equipment £	Motor Vehicles £	Total £
Cost:					
As at 1 January 2020	3,141,640	142,311	63,694	21,920	3,369,565
Additions	509	11,144	2,549	-	14,202
As at 31 December 2020	3,142,149	153,455	66,243	21,920	3,383,767
Depreciation:					
As at 1 January 2020	434,298	120,090	59,038	12,673	626,099
Charge for the year	51,743	7,590	2,190	2,312	63,835
As at 31 December 2020	486,041	127,680	61,228	14,985	689,934
Net book value:					
As at 1 January 2020	2,707,342	22,221	4,656	9,247	2,743,466
As at 31 December 2020	2,656,108	25,775	5,015	6,935	2,693,833

17 Stocks

	2020 £	2019 £
Goods for resale	3,118	3,223
Vet room supplies	5,710	5,710
Shop stationery stocks	544	1,589
	9,372	10,522

18 Debtors

	2020 £	2019 £
Trade debtors	6,862	6,411
Other debtors	24,760	41,616
Prepayments and accrued income	76,872	71,517
	108,494	119,544

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****19 Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	10,427	20,600
Other creditors	6,725	7,399
Accruals and deferred income	10,226	14,156
Social security and other taxes	11,741	14,095
Bank loan	17,675	16,880
	56,794	73,130

Creditors due within one year include £17,675 (2019 - £16,880) bank loan which is secured over the asset to which it relates.

20 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loan	150,587	168,262
	150,587	168,262

Creditors due after one year include £150,587 (2019 - £168,262) bank loan which is secured over the asset to which it relates.

21 Obligations Under Leases

The total of future minimum lease payments is as follows:

	Land and Buildings		Other	
	2020 £	2019 £	2020 £	2019 £
Operating leases:				
Within one year	31,500	37,417	11,839	11,168
Between one and five years	146,000	146,000	60,416	38,132
After more than five years	60,333	91,833	590	1,820
	237,833	275,250	72,845	51,120

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22 Analysis of movements in funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
General fund	245,179	1,634,742	(1,418,699)	-	461,222
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	3,496,801	1,634,742	(1,418,699)	-	3,712,844
Puppy Appeal (capital)	14,455	-	(3,555)	-	10,900
Charlie Appeal	2,474	-	(46)	-	2,428
Big Bark Appeal	24,389	24,587	(17,591)	-	31,385
Other Appeals	2,993	-	(735)	-	2,258
Total restricted funds	44,311	24,587	(21,927)	-	46,971

The restricted funds shown above represent funds raised from appeals for specific projects.

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2019 £
General fund	362,850	1,461,968	(1,579,639)	-	245,179
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	3,614,472	1,461,968	(1,579,639)	-	3,496,801
Puppy Appeal (capital)	18,010	-	(3,555)	-	14,455
Rabbit Appeal (capital)	1,874	-	(1,874)	-	-
Charlie Appeal	2,531	-	(57)	-	2,474
Big Bark Appeal	26,019	18,514	(20,144)	-	24,389
Other Appeals	-	3,300	(307)	-	2,993
Total restricted funds	48,434	21,814	(25,937)	-	44,311

The restricted funds for the year to 31 December 2019 represent funds raised from appeals for specific projects.

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****23 Analysis of net assets between funds**

At 31 December 2020	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible fixed assets	1,094	-	1,094
Tangible fixed assets	2,656,811	37,022	2,693,833
Cash at bank and in hand	1,144,454	9,949	1,154,403
Other net current assets	61,072	-	61,072
Creditors more than one year	(150,587)	-	(150,587)
Total	3,712,844	46,971	3,759,815

At 31 December 2019	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible fixed assets	2,569	-	2,569
Tangible fixed assets	2,701,772	41,694	2,743,466
Cash at bank and in hand	903,786	2,617	906,403
Other net current assets	56,936	-	56,936
Creditors more than one year	(168,262)	-	(168,262)
Total	3,496,801	44,311	3,541,112

24 Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the reporting period	218,703	(121,794)
Adjustments for:		
Depreciation charges	63,835	61,806
Amortisation charges	1,475	3,275
Rent receivable	(16,150)	(15,600)
Interest income	(5,261)	(5,578)
(Decrease)/Increase in stocks	1,150	(48)
Decrease/(Increase) in debtors	11,050	(20,543)
(Decrease)in creditors	(17,131)	(20,566)
Net cash from operating activities	257,671	(119,048)

ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****25 Analysis of Changes in Net Debt**

	1 Jan 2020 £	Cash flows £	31 Dec 2020 £
Cash at bank and in hand	906,403	248,000	1,154,403
	<u>906,403</u>	<u>248,000</u>	<u>1,154,403</u>
Loans due within one year	(16,880)	(795)	(17,675)
Loans due after more than one year	(168,262)	17,675	(150,587)
	<u>(185,142)</u>	<u>16,880</u>	<u>(168,262)</u>
Total	<u>721,261</u>	<u>264,880</u>	<u>986,141</u>