



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)
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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

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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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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.

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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:2024

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 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.

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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.

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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.

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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)

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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	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)

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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.

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>