



## **Annual report and financial statements**

### **Year ended 30 September 2020**

Company no 05311186

Charity no 1112194 England  
& Wales)

Charity no SC038910 (Scotland)

## Contents

Legal and administrative information	2
Trustees' annual report	3
Auditor's report	10
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16

## Legal and Administrative Information

Charity name	Pets As Therapy
Charity registration no	1112194 (England & Wales) SC038910 (Scotland)
Company registration no	05311186
Registered office	59 Monument Business Park Chalgrove Oxfordshire OX44 7RW
Trustees	Anne Clilverd (chair) Simon Fletcher Rowena Smith Sarah Webbe Julie Wells - Resigned 24 February 2020 Adam Nottage - Resigned 31 May 2020 Stuart Lindsey Julia Garner - Appointed 20 December 2019 Peter Portlock - Appointed 20 December 2019 Scott Smith - Appointed 20 December 2019
Chief Executive	Deborah Dow
Auditor	Haines Watts Chartered Accountants Claridge Court Lower Kings Road Berkhamsted Hertfordshire HP4 2AF
Accountants	SPX Oxford Peace House Oxford OX1 1LD
Principal bankers	NatWest 718 London Road Larkfield Aylesford Kent ME20 6AN

## Trustees' Annual Report

The Trustees present their report with the financial statements for Pets As Therapy for the year ended 30 September 2020.

### Aims and Objectives

#### Objectives

The objects as stated in the Articles of Association incorporated 11 December 2004 are:

- To relieve sickness, suffering and distress and to promote good health especially, but not exclusively, amongst children and elderly people through the advancement of education in relationships between people and companion animals;
- To relieve the suffering and distress of dogs in need of care and attention by the advancement of public education in the health, care, management and training of dogs and by all other means;
- To preserve public health and to protect the public from nuisance by promoting high standards of responsible dog ownership.

#### Activities

In furtherance of its objectives, Pets As Therapy facilitates visits by registered volunteers with their temperament-assessed dogs and cats to a wide range of establishments, including hospitals, hospices, residential and nursing homes, prisons and day-care centres, bringing comfort, companionship and therapy into the lives of thousands of people. Registered Pets As Therapy dogs and cats also work with children who have a fear of dogs, with people who have experienced strokes as part of their rehabilitation programme and with children in special education schools as well as mainstream schools through our Read2Dogs scheme.

#### Delivering Public Benefit

Pets As Therapy is the largest charity of its kind in the UK and its objectives and activities fully reflect the purposes that the charity was set up to further. Throughout the process of determining these

activities, the trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by Pets As Therapy Commission in determining the activities undertaken by the charity.

#### Overview

This has been a challenging year for Pets As Therapy due to the global pandemic. Face to face 'in person' volunteering was suspended in March 2020.

The first six months of this report however relates to the period before the global pandemic, whilst the second half reports to the challenges that came with Pets As Therapy adapting to conditions under the pandemic.

As the country felt the full impact of the virus and the associated tragic loss of life, Pets As Therapy adapted to the Government's restrictions and put in place all the measures necessary under the fast-changing official guidance.

Anticipating there would be a significant negative impact on income from March 2019, Pets As Therapy focused on reducing expenditure. We would like to express our gratitude to our suppliers and landlord for their flexibility in such a difficult time.

In response to the restrictions and anticipating a reduction in volunteers, Pets As Therapy placed some members of staff onto the Government Furlough scheme. Sadly, these members of staff were subsequently made redundant.

The remainder of the team adapted and moved to work from home in line with Government guidance. Pets As Therapy adopted new technology to keep a connection with volunteers. The Charity proved to be flexible and agile and continued to provide a level of support to volunteers.

We are most grateful for the continued support of our volunteers who gave additional donations and supported our fundraising activities.

Volunteers made fantastic efforts to provide every possible support to their establishments. The very essence of Pets As Therapy is the connection of volunteers and their pets to people who may benefit from a visit. As schools, care homes, hospitals and all our other establishments were unable to receive volunteers, visiting was suspended. Focus and investment was made in systems to assist and support volunteers.

Both restricted and unrestricted reserves have been used to deliver some key projects. In September 2020, Pets As Therapy was awarded a grant of £100,000 from the Department of Digital, Culture, Media and Sport via The National Lottery, Coronavirus Community Support Fund. Pets As Therapy were able to develop a 'virtual' Read2Dog scheme service for schools. Our volunteers were able to maintain their volunteering connection with schools.

### Investment in Volunteers and Systems

Despite challenging circumstances Pets As Therapy continued to invest in volunteers and the development of new service models. An Operations Manager was appointed in February 2020 to further develop the management team.

### Consultancy Services

As a small organisation with a small team, we use external consultancies to provide services for Finance, Communications and Marketing, IT, and development of our PIMS database functionality.

### Regional Volunteer and Event Management

The implementation of plans to expand the regional management structure of the charity were put on hold. However, in order to communicate and support volunteers a National Volunteer and Events Manager was recruited.

## Achievements and Performance

### Service provided by Pets As Therapy

We are delighted by the development of the service delivered by Pets As Therapy. In 2019/20 Pets As Therapy has continued to maintain a strong focus on the needs of service users as well as Pets As Therapy volunteers and their visiting pets.

In response to enquiries from potential volunteers, 7,459 application packs were dispatched. A further 1,110 new volunteers were registered during the year which is a 34% decrease on last year, due to the suspension of volunteering services in March 2020. This brought our total volunteer numbers to 5,677.

We would like to thank our Volunteer Area Coordinators for their support in this most difficult of years. The number of Volunteer Area Coordinators, who do so much to support the activities of volunteers, has increased to 85. However, this number does not reflect the 2 Voluntary Area Coordinators who retired this year. The number of trained Pets As Therapy Assessors at year end was 283 - a decrease of 35 on last year. A number of volunteers retired and resigned from Pets As Therapy and we would like to thank them for all they have contributed to Pets As Therapy over the years. We wish them every success in their new endeavours.

The beneficial work of Pets As Therapy's volunteers with their registered Pets As Therapy dogs and cats continues to be recognised by health and educational establishments throughout the UK. This recognition of the benefits of companion animals to health and wellbeing has stimulated demand. Until the pandemic halted us, more establishments were inviting Pets As Therapy into their care homes, hospitals, schools and prisons and, demand continued to grow. Regular volunteer visits were made to many service users in thousands of establishments throughout the UK and the Channel Islands. The work of visits, talks and events that is carried out by many Volunteer Area Coordinators and volunteers serves to raise the profile of Pets As Therapy, stimulating demand and recruiting

new volunteers. Due to the pandemic this activity was curtailed according to Government guidelines.

The Read2Dogs programme is a firmly established and popular area of our service with approximately 1600 schools visited. Volunteers and their dogs are invited into a classroom setting with one or more children and their teacher present. The dogs settle quietly while the children read to them. Feedback from schools has indicated that children's reading ages have improved, along with their confidence and enjoyment of reading.

### Publicity and Communication

Media channels frequently approach Pets As Therapy. We are also regularly approached by local radio stations across the UK who broadcast interviews with Charity staff members and volunteers.

Volunteers have appeared in various publications including both national and local newspapers and many establishment newsletters. All of this has helped to continue to raise awareness of Pets As Therapy and the life-enhancing work that we do with our companion animals through animal assisted activity and animal-assisted intervention. Some were also invited to appear on a number of BBC regional radio interviews. Our annual Pets As Therapy Dog of the Year Competition featured for six weeks in *Yours* Magazine.

A monthly newsletter has been sent to supporters and volunteers giving news and views.

Our website receives many new visitors each month and our use of social media continues to develop. Over 26,800 individuals are followers of Pets As Therapy on Facebook with 11,700 followers on Twitter and 17,900 on Instagram. This medium has been a great success with our volunteers and supporters, providing an excellent communication channel and allowing people to offer feedback to Pets As Therapy as well as promoting a strengthened feeling of inclusion to all who support the activities of Pets As Therapy.

### Special events

Pets As Therapy enjoyed a traditional high-profile participation in the four days of Crufts 2020. Our Orvis 'PAT Dog of the Year' winners were Deborah Ratcliffe with Gunner and our 'PAT Showdog of the Year 2020' winners were Anne Nevinson with Midas the Alaskan Malamute. We would like to express our thanks to Arden Grange for the generous sponsorship for 'PAT Showdog of the Year'.

Participation in these national events celebrates our work and creates interest in volunteering with Pets As Therapy.

### Corporate and Trust Supporters

We were extremely grateful to receive continuing support from our Corporate partners:-

Pets At Home, Orvis, Vets Partners, Cosyfeet, G4S, Arden Grange and Yours magazine.

Our volunteers and their pets supported promotional events at John Lewis and Tesco in the first half of the year. Unavoidably, for most of the year promotional events were suspended due to Government Covid-19 restrictions.

### Legacy Gifts and Donations from Charitable Trusts

We very much appreciated those supporters who kindly remembered the charity in their Will. These gifts have made a huge difference to the number of people we can help. We would particularly like to thank the estates and executors of – Mrs Mavis Mingay, Mrs Norma Cummings, Ms Maxine Mercer and Mr Robert Crawford.

We very much appreciate the support of our grant funders. We wish to thank The Tomoro Foundation, Adrian Swire Charitable Trust, Stell Symons Charitable Trust and The National Lottery- Covid-19 response fund.

## Plans for Development in 2020/2021

We plan to recruit additional Trustees to broaden the experience and skills of the Board.

The Trustees will continue to invest in the development of the organisation, in people, systems and resources. An ongoing significant investment is being made in our CRM system (PIMS) to support volunteers.

Focused efforts are also being made towards diversifying income streams.

This focus is to ensure that Pets As Therapy continues at the forefront of animal companion charities in the UK, working with our partners in health, welfare and education.

Recruitment of Volunteer Area Coordinators to provide local support for the volunteers is a priority, together with the recruitment of more volunteers to replace those retiring and to meet the increasing demand for our services.

We also plan to strengthen and develop the support we offer to our Voluntary Area Coordinators and volunteers including developing of training with a focus on safeguarding.

We will continue to measure the outcome and impact of our services in order to evidence the benefits gained by those being visited by our volunteers.

## Financial Review

In a particularly challenging year, Pets As Therapy raised money from subscriptions, fundraising activity and the sale of merchandise. A significant proportion of funding came through support from individual donations, including legacies, sponsors, and various charitable trusts.

In September 2020, Pets As Therapy was awarded a grant of £100,000 from the Department of Digital, Culture, Media and Sport via The National Lottery, Coronavirus Community Support Fund.

In the year under review the total sum raised from all sources amounted to £581,258 (2019: £456,014).

In the year to 30<sup>th</sup> September 2020, Pets as Therapy achieved a surplus of £99,603 compared with a shortfall of £119,306 in the previous year.

This financial surplus was primarily due to the receipt in September 2020, of a grant of £100,000 from the Department of Digital, Culture, Media and Sport via The National Lottery, Coronavirus Community Support Fund, together with cost saving initiatives and strong income generation.

At the end of the year there was one restricted reserve of £86,425 for the Read2Dogs project, funded by The National Lottery. The balance of unrestricted reserves at the year end was £277,367.

## Grants and Funds Received

In September 2020, Pets As Therapy was awarded a grant of £100,000 from the Department of Digital, Culture, Media and Sport via The National Lottery, Coronavirus Community Support Fund.

A new Read2Dogs Virtual Service was developed as the charity turned to alternative virtual ways to deliver services.

## Reserves Policy

The Charity's reserves policy has been revised as part of a review of Pets As Therapy's financial policy and stands as follows:

Pets As Therapy considers that reserves are necessary to back up Pets As Therapy's operation, to provide the foundation for future development, a small investment income and to meet any expenditure arising in the event that the charity must be wound up.

These reserves comprise:

'General' funds, being the balance remaining once current expenditure obligations have been met.

'Restricted' funds retained for future restricted expenditure, and any adjustment made to ensure designated funds are maintained at an agreed level.

The lower limit to retain as uncommitted reserves is set as the aggregate of six months' staff costs and two years' rent (**£150,000** at current expenditure levels). The upper limit of retained and uncommitted reserves is set as the aggregate of two years' staff costs and three years' rent (**£476,000** at current expenditure levels).

If uncommitted reserves fall below the lower limit, Pets As Therapy will continue to try to secure sufficient funds to allow it to operate beyond the limit dictated by the level of reserves remaining, whilst taking steps necessary to invoke the winding-up procedure at the end of six months.

If uncommitted reserves should exceed the upper limit, the sum in excess of that limit will be put towards the following year's funding needs.

The current general funds level of **£290,000** is between the upper and lower limits.

Previously reserves also included funds designated for 'specific purposes' by the Board, however following the change in SORP it was deemed that this was no longer appropriate as they were not held against a specific project or commitment and so were released back to general funds in the current year:

- (i) 'Development' funds to contribute towards future development and expansion of Pets As Therapy;
- (ii) The 'Emergency Reserve' fund to meet the cost of winding up Pets As Therapy in an orderly fashion should that ever become necessary.

## Structure, Governance and Management

### Governing Document

Pets As Therapy is a company limited by guarantee registered in England, number: 5311186, governed by its Articles of Association dated 11 December 2004.

Registered as a charity with the Charity Commission (number 1112194) and is a charity registered in Scotland (number SC038910). The Articles of Association were revised by ordinary resolution passed by an Extraordinary General Meeting of Pets As Therapy held on 16 September 2010.

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout the report are collectively referred to as the Trustees.

### Recruitment and Appointment of Trustees

The Articles of Association provide for a minimum of three Trustees and a maximum of twelve. Each Trustee is appointed by ordinary resolution passed by the Trustees as a body. We are implementing fixed terms for our Trustee Board. New candidates are put forward and considered with regard to the general and particular contribution a person might make to the achievement of Pets As Therapy's objects. We will seek to reach new potential trustees through a range of sources, to attract a diverse pool of candidates from which to broaden the Board's profile and enhance its diversity of composition and experience. The Trustees appoint the Chairman of the Board of Directors.

### Trustee Induction and Training

New Trustees are made aware of their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the objects of Pets As Therapy and the business plan and current financial performance of Pets As Therapy. A new Trustee receives copies of the previous year's annual report and accounts and appropriate leaflets published by Pets As Therapy Commission and has the opportunity to discuss them.

### Risk Management

The Trustees have examined the major risks that Pets As Therapy faces and confirm that policies and insurance are in place where appropriate to manage these risks. The Directors acknowledge that the essence of the service provided by Pets As Therapy –



enabling volunteers to take their temperament assessed companion animals into caring establishments for the benefit of their patients or residents – necessarily carries inherent risks.

From March 2020, Pets As Therapy's risk profile altered dramatically. Due to the pandemic, it changed from an operational focus on volunteers working with animals and offering services to vulnerable clients to securing financial stability.

The pandemic and its impact on the charity sector and Pets As Therapy could not be foreseen. The future is uncertain. However, we are assuming that the infection rate will continue to decline and 'in person' volunteering will resume in September 2021.

Until then, Pets As Therapy will continue to roll out 'virtual services' and to support our volunteers to remain in contact with their establishments and clients.

We will continue to focus and evolve our service, fundraising and investment in management systems. The key themes of service going forward will be companionship, literacy and mental health. We will utilise the National Lottery funding to continue to support children and their education as it is predicted that this generation of children have been most severely impacted by the pandemic.

The Trustees regularly undertake review of Pets As Therapy's risks with quarterly meetings of Governance and Compliance, Operational and Finance sub committees. At these committees, Pets As Therapy's activities are considered against the wider environment, i.e. changes in the law, technology and knowledge. In the second half of the year the focus turned to the financial risk and ensuring that Pets As Therapy could survive to the end of the pandemic.

### Setting Pay and Remuneration

The Trustees have a standing Remuneration Committee that meet on an annual basis to review the pay of all members of staff. They review the annual pay award of the CEO and senior members of staff against

their objectives, performance and external benchmarks.

### Organisational Structure

The Board of Trustees is responsible for the administration of Pets As Therapy. The Board meets formally at least four times a year with other committee and informal contacts and meetings as appropriate. The Charity's Chief Executive, who is responsible for Pets As Therapy's operational management, attends the Board meetings for most agenda items.

The Board has reviewed the committee structure that undertakes work on behalf of the Board and reports back findings and recommendations: The Executive Committee, Finance Committee, Risk and Governance Committee, Marketing Communications and Fundraising, Remuneration Committee and Nominations Committee. The membership and powers of each committee have been set down and approved by the Board.

### Statement of Board of Trustees' Responsibilities

The Trustees 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 of the excess of income over expenditure 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;
- make judgements and 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 a going-concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the Trustees confirm that they are happy that content of the annual review in pages 3 to 9 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law.

They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in

the UK and Republic of Ireland published on 16 July 2014.

### Information provided to the Independent Examiners

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the company's independent examiners are unaware, and;
- the Trustee has taken all the steps he/ she ought to have taken as a Trustee in order to make himself/herself aware of any relevant information and to establish that the company's independent examiners are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Preparation of the Report

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

### Auditors

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report was approved and authorised for issue by the Board of Trustees on 19 March 2021 and signed on its behalf by:



Anne Clilverd  
**Chair of the Board of Trustees**

## Independent Auditor's Report to the Members of Pets As Therapy

### Opinion

We have audited the financial statements of Pets As Therapy (the 'charitable company') for the year ended 30 September 2020, which comprise of the Statement of Financial Activities, the Balance sheet, Statement of cashflows 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 30 September 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report<sup>1</sup>, 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.

### **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 8-9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control

that we identify during our audit.

## Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Shaun Brownsmith FCA (Senior Statutory Auditor)

For and on behalf of Haines Watts

Claridge Court

4 Lower Kings Road

Berkhamsted

HP4 2AF

Date

Haines Watts is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## Statement of Financial Activities

Incorporating the Income & Expenditure Account and the Statement of Recognised Gains & Losses  
For the year ended 30 September 2020

		Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
	<b>Notes</b>						
<b>Income from:</b>							
Donations and legacies	2	442,261	100,000	542,261	378,224	-	378,224
Charitable activities	3	38,682	-	38,682	77,465	-	77,465
Investments	4	315	-	315	325	-	325
<b>Total income</b>		<u>481,258</u>	<u>100,000</u>	<u>581,258</u>	<u>456,014</u>	<u>-</u>	<u>456,014</u>
<b>Expenditure on:</b>							
Raising funds	5	94,354	2,847	97,201	134,758	-	134,758
Charitable activities	6	373,726	10,728	384,454	440,562	-	440,562
<b>Total expenditure</b>		<u>468,080</u>	<u>13,575</u>	<u>481,655</u>	<u>575,320</u>	<u>-</u>	<u>575,320</u>
<b>Net income / -expenditure</b>		13,178	86,425	99,603	- 119,306	-	- 119,306
<b>Transfers between funds</b>		-	-	-	-	-	-
<b>Net movement in funds</b>		<u>13,178</u>	<u>86,425</u>	<u>99,603</u>	<u>- 119,306</u>	<u>-</u>	<u>- 119,306</u>
<b>Reconciliation of funds:</b>							
Total funds brought forwards		264,189	-	264,189	383,495	-	383,495
<b>Total funds carried forward</b>		<u>277,367</u>	<u>86,425</u>	<u>363,792</u>	<u>264,189</u>	<u>-</u>	<u>264,189</u>

The notes on pages 12 to 24 form part of the financial statements

## Balance Sheet

### As at 30 September 2020

		2020	2019
		£	£
Notes			
<b>FIXED ASSETS</b>			
Tangible Assets	11	13,206	16,050
<b>CURRENT ASSETS</b>			
Stock		15,240	19,057
Debtors	12	13,571	31,761
Cash at bank and in hand		343,280	236,944
		<u>372,091</u>	<u>287,762</u>
<b>CREDITORS:</b> Amounts falling due within one year	13	- 21,505	- 39,623
		<u></u>	<u></u>
<b>NET CURRENT ASSETS</b>		350,586	248,139
		<u></u>	<u></u>
<b>NET ASSETS</b>		<u>363,792</u>	<u>264,189</u>
		<u></u>	<u></u>
<b>FUNDS</b>			
<b>INCOME FUNDS</b>			
Unrestricted Income funds	14/15	277,367	264,189
Restricted Income funds	14/15	86,425	-
		<u></u>	<u></u>
<b>TOTAL INCOME FUNDS</b>		<u>363,792</u>	<u>264,189</u>

The notes on pages 12 to 24 form part of the financial statements

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and FRS 102 Section 1A.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

They were approved and authorised for issue by the Board of Trustees on 19 March 2021 and signed on their behalf by:



Anne Clilverd  
Chair of the Board of Trustees

## Statement of Cash Flows

### As at 30 September 2020

		Unrestricted funds	Restricted funds	2020	Unrestricted funds	Restricted funds	2019
		£	£	£	£	£	£
Notes							
Cash used in operating activities	18	23,453	86,425	109,878	- 98,781	-	- 98,781
Cash flows from investing activities							
Dividends and interest from investments		315	-	315	325	-	325
Purchase of fixed assets		- 3,856	-	- 3,856	- 834	-	- 834
Cash provided by (used in) investing activities		- 3,541	-	- 3,541	- 509	-	- 509
Increase (decrease) in cash and cash equivalents in the year		19,912	86,425	106,337	- 99,290	-	- 99,290
Cash and cash equivalents at the beginning of the year		236,943	-	236,943	336,233	-	336,233
Total cash and cash equivalents at the end of the year	19	256,855	86,425	343,280	236,943	-	236,943



## Notes to the Financial Statements

### 1. Accounting policies

#### Basis of preparation of the financial statements

The financial statements have been prepared under the historic cost convention, in accordance with 'Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The effect of any event relating to the period ended 30 September 2020, which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 30 September 2020 and the results for the year ended on that date.

The functional currency of the Charity is sterling and amounts in the financial statements are rounded to the nearest pound.

#### Going concern

The financial statements have been prepared on the going concern basis as the Board of Trustees is confident that future reserves and future income is more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment.

The impact of Covid-19 has been closely monitored and further reference to this can be found in the Trustees' Annual Report.

#### Legal status

Pets As Therapy is a charitable company limited by guarantee registered in England & Wales, and meets the definition of a public benefit entity under FRS 102. 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 registered address is 59 Monument Business Park, Chalgrove, Oxfordshire, OX44 7RW.

#### 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 purpose.

Designated funds comprise of unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 11 of the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 11 of the financial statements.

#### Income

Income is recognised when the Charity has entitlement to the funds, any performance indicators attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Gift aid receivable is included when claimable.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless the grant relates to a future period, in which case it is deferred.

Income from charitable activities is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it relates to a specific future period or event, in which case it is deferred.

#### Expenditure and Irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Indirect costs, including governance costs, which cannot be directly attributed to activities, are allocated proportionate to direct staff costs allocated to each project area, as outlined in note 4 of the financial statements.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

## 1. Accounting policies (continued)

### Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their useful life, on a straight-line basis. The useful life used is:

Fixtures and fittings	5 years
Server	5 years

### Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but are not held for investment purposes

### Debtors and prepayments

Trade and other debtors are recognised at the settlement amount after any trade discount is applied. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 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.

### Taxation

The charity is exempt from Corporation Tax on its exempt activities.

### Pensions

The Charity operates a defined contribution pension scheme which is administered by an external independent pension provider. Contributions are recognised in the Statement of Financial Activities as they fall due

### Critical estimates and judgements

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year

### Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

### Stock

Stock of volunteer uniforms is held and is valued at the lower of cost and net realisable value.

## 2. Income from donations and legacies

	Unrestricted	Restricted	Total Funds	Total Funds
			2020	2019
	£	£	£	£
Membership subscriptions	118,005	-	118,005	122,515
Donations	156,617	-	156,617	126,810
Corporate partnerships	62,901	-	62,901	79,422
Legacies	74,695	-	74,695	44,603
HMRC Job Retention Scheme (furlough) grants	9,793	-	9,793	-
Grants	20,250	100,000	120,250	4,874
	<u>442,261</u>	<u>100,000</u>	<u>542,261</u>	<u>378,224</u>

## 3. Charitable activities

	Unrestricted	Restricted	Total Funds	Total Funds
			2020	2019
	£	£	£	£
Branded merchandise	33,074	-	33,074	69,695
Events	3,116	-	3,116	7,770
Other income	2,492	-	2,492	-
	<u>38,682</u>	<u>-</u>	<u>38,682</u>	<u>77,465</u>

## 4. Investment income

	Unrestricted	Restricted	Total Funds	Total Funds
			2020	2019
	£	£	£	£
Bank interest	315	-	315	325
	<u>315</u>	<u>-</u>	<u>315</u>	<u>325</u>

## 5. Expenditure on raising funds

	Unrestricted	Restricted	Total Funds 2020	Total Funds 2019
	£	£	£	£
Staff costs	27,644	1,014	28,658	29,494
Marketing	29,147	833	29,980	27,298
Events and awareness raising	11,532	-	11,532	19,412
Salesforce	20,147	1,000	21,147	48,874
Other fundraising costs	5,884	-	5,884	9,680
	<u>94,354</u>	<u>2,847</u>	<u>97,201</u>	<u>134,758</u>

## 6. Expenditure on charitable activities

	Unrestricted	Restricted	Total Funds 2020	Total Funds 2019
	£	£	£	£
Staff costs	195,811	7,183	202,994	208,917
Staff travel and subsistence	6,739	-	6,739	9,130
Merchandise purchases and stock movement	27,458	-	27,458	44,063
Office costs	59,546	1,631	61,177	76,208
Accountancy costs	14,798	441	15,239	20,148
Legal costs	3,192	108	3,300	1,500
Professional support	25,406	491	25,897	36,998
Insurance	12,970	585	13,555	13,819
Recruitment	5,400	-	5,400	285
Volunteer costs	824	-	824	5,806
Bank charges	361	-	361	491
Depreciation	6,700	-	6,700	8,959
Governance	14,521	289	14,810	14,238
	<u>373,726</u>	<u>10,728</u>	<u>384,454</u>	<u>440,562</u>

## 7. Governance costs

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Staff costs	7,200	7,374
Trustee expenses	1,315	3,245
Meeting expenses	355	2,119
Audit fee	5,940	-
Independent examination	-	1,500
	<u>14,810</u>	<u>14,238</u>

## 8. Net income/expenditure for the year is stated after

	<b>2020 £</b>	<b>2019 £</b>
Depreciation	6,700	8,959
Operating lease rentals:		
Land & buildings	28,628	26,040
Audit fee	5,940	-
Independent Examiner's fee	-	1,500

## 9. Staff costs and emoluments

	<b>2020 £</b>	<b>2019 £</b>
Gross salaries	216,751	218,904
Employer's NIC	16,571	15,100
Employer's pension	4,755	3,577
Agency/temporary staff	-	3,787
Redundancy costs	740	4,416
	<u>238,817</u>	<u>245,784</u>

The total employee benefits of the key management personnel of the charity were £57,414 (2019: £57,161).  
The average number of employees (head count) was 8.6 (2019: 9.2)

## 10. Commitments under operating leases

	<b>2020 £</b>	<b>2019 £</b>
Within 1 year	6,240	-
Within 2 to 5 years	-	57,288
After more than 5 years	-	-
	<u>6,240</u>	<u>57,288</u>

## 11. Tangible fixed assets

	Server	Fixtures & fittings	Total
	£	£	£
<b>COST</b>			
At 1 October 2019	16,319	28,993	45,312
Additions	-	3,856	3,856
Disposals	-	-	-
At 30 September 2020	<u>16,319</u>	<u>32,849</u>	<u>49,168</u>
<b>DEPRECIATION</b>			
At 1 October 2019	3,434	25,828	29,262
Charge for the year	3,264	3,436	6,700
Disposals	-	-	-
At 30 September 2020	<u>6,698</u>	<u>29,264</u>	<u>35,962</u>
<b>NET BOOK VALUE</b>			
At 30 September 2020	<u>9,621</u>	<u>3,586</u>	<u>13,206</u>
At 30 September 2019	<u>12,885</u>	<u>3,165</u>	<u>16,050</u>

## 12. Debtors

	2020	2019
	£	£
Trade debtors	497	889
Other debtors	7,000	22,391
Prepayments	6,075	8,481
	<u>13,571</u>	<u>31,761</u>

## 13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	10,111	17,186
Pensions payable	782	839
HMRC payable	4,448	3,946
Accruals	6,000	17,276
Other creditors	100	233
Credit card	64	143
	<u>21,505</u>	<u>39,623</u>

## 14. Movement in funds

	Balance at 1 October 2019	Income	Expenditure	Transfers	Balance at 30 September 2020
	£	£	£	£	£
<b>Unrestricted funds</b>					
General	228,397	481,258	- 468,080	35,792	277,367
Designated funds					
Regional development	35,792	-	-	- 35,792	-
Designated funds	35,792	-	-	-	-
	<u>264,189</u>	<u>481,258</u>	<u>- 468,080</u>	<u>-</u>	<u>277,367</u>
<b>Restricted funds</b>					
Read 2 Dogs	-	100,000	- 13,575	-	86,425
<b>Restricted funds</b>	<u>-</u>	<u>100,000</u>	<u>- 13,575</u>	<u>-</u>	<u>86,425</u>
	<u>264,189</u>	<u>581,258</u>	<u>- 481,655</u>	<u>-</u>	<u>363,792</u>

There was one restricted fund:

Read 2 Dogs, funded by the National Lottery to develop a new Read2Dogs Virtual Service as the charity turned to alternative virtual ways to deliver services.

## Movement in funds – comparative figures

	Balance at 1 October 2018	Income	Expenditure	Transfers	Balance at 30 September 2019
	£	£	£	£	£
<b>Unrestricted funds</b>					
General	300,914	456,014	- 522,238	- 6,293	228 397
Designated funds					
Database implementation	42,581	-	- 48,874	6,293	-
Regional development	40,000	-	- 4,208	-	35,792
Designated funds	82,581	-	- 53,082	6,293	35,792
	<u>383,495</u>	<u>456,014</u>	<u>- 575,320</u>	<u>-</u>	<u>264,189</u>

## 15. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Tangible fixed assets	13,206	-	13,206	24,175
Current assets	285,666	86,425	372,091	377,369
Creditors due within 1 year	- 21,505	-	- 17,005	- 18,046
<b>Net assets</b>	<b>277,367</b>	<b>86,425</b>	<b>363,792</b>	<b>383,498</b>

## Analysis of net assets between funds – comparatives

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Tangible fixed assets	16,050	-	16,050	24,175
Current assets	287,762	-	287,762	377,369
Creditors due within 1 year	- 39,623	-	- 39,623	- 18,046
<b>Net assets</b>	<b>264,189</b>	<b>-</b>	<b>264,189</b>	<b>383,498</b>

## 16. Trustee remuneration

During the year no trustee received any remuneration (2019: £nil). 2 members of the Board of Trustees received reimbursement of expenses total £1,351 (2019: 4 members £3,245).

These expenses related to a mixture of expenses incurred in carrying out roles within the charity

including expenses incurred to attend meetings and other direct expenses incurred whilst carrying out their roles as trustees. All costs related to reimbursed expenses and not any additional remuneration or benefits.

## 17. Related party transactions

During the year there were no transactions carried out with related parties (2019: £nil)



## 18. Reconciliation of net movement in funds to net cash flow from operating activities

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Net income/expenditure for the year (as per the Statement of Financial Activities)	13,178	86,425	99,603	- 104,146
Add back depreciation charge	6,700	-	6,700	8,959
Investment income	- 315	-	- 315	- 325
Loss on disposal of fixed assets	-	-	-	-
Decrease (increase) in stock	3,817	-	3,817	- 2,908
Decrease (increase) in debtors	18,191	-	18,191	11,818
Increase (decrease) in creditors	- 18,118	-	- 18,118	- 14,342
Net cash used in operating activities	<u>23,453</u>	<u>86,425</u>	<u>109,878</u>	<u>- 100,944</u>

## 19. Analysis of cash and cash equivalents

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Cash in hand	<u>343,280</u>	<u>-</u>	<u>343,280</u>	<u>236,944</u>