



our pets and people enriching lives,
one visit at a time

Annual report and financial statements

Year ended 30 September 2021

Company no 05311186

Charity no 1112194
(England & Wales)

Charity no SC038910
(Scotland)

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Legal and Administrative Information

Charity name	Pets As Therapy
Charity registration no	1112194 (England & Wales) SC038910 (Scotland)
Company registration no	05311186
Registered office	Hampden House Monument Business Park Warpsgrove Lane Chalgrove Oxfordshire OX44 7RW
Trustees	Anne Clilverd – Resigned 31 December 2021 Simon Fletcher Rowena Smith – Resigned 20 April 2022 Sarah Webbe Stuart Lindsey – Resigned 29 March 2021 Julia Garner Peter Portlock Kathryn Rhodes – Appointed 30 March 2022 Scott Smith Suzanne Gwyn – Appointed 4 January 2022 Anna Hall – Appointed 1 August 2021 Carol Warner – Appointed 1 August 2021 Ian Windsor – Appointed 4 November 2021 Laura Greene – Appointed 1 August 2021 and Resigned 4 February 2022
Chief Executive	Clare Davis
Independent Examiner	Caroline Webster FCA UHY Ross Brooke Suite I Windrush Court Abingdon Business Park OX14 1SY
Accountants	SPX Oxford Ltd Peace House Oxford OX1 1LD
Principal bankers	NatWest 718 London Road 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 2021.

Aims and Objectives

Objectives

The objectives 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.

Our Mission

A future where all people of every age across the UK who can benefit from our support are able to access our volunteers and their pets to improve the quality of their lives.

Our Goals

- To provide assessment and support for volunteers and their pets who want to make a difference to people's lives.
- To promote the value of interaction with pets and facilitate access to our volunteers and their pets.
- To provide a powerful voice in securing support for the use of pets in improving people's quality of life.
- To work in partnership with organisations and establishments to increase access to the support provided by our volunteers and their pets.
- To raise the funds we need to deliver our vision and mission, inspired by the individuals and families at the heart of the organisation – our volunteers and the people they help.

Our Values

PASSIONATE

We are passionate about the work we do, the people we do it for and the animals we do it with.

ACCOUNTABLE

We take personal responsibility for using our resources efficiently, achieving measurable results and being accountable to our sponsors, volunteers, service users and the Charity Commission.

PRINCIPLED

We are committed to the highest standards of personal honesty and behaviour, never compromising our reputation and always acting in the best interests of the Charity.

INCLUSIVE

We all work together positively, collectively focused on achieving our vision and mission. We celebrate diversity and believe everyone should have equal opportunity to contribute to the Charity and we strive to ensure the Charity is an inclusive organisation.

AMBITIOUS

We are determined to fully exploit the potential of Pets As Therapy for people across the UK, constantly developing new and creative ways to deliver our vision and mission.

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 the Charity Commission in determining the activities undertaken by the charity.

Overview

This has been another challenging year for Pets As Therapy due to the pandemic. Face-to-face 'in person' volunteering was intermittent throughout the period.

Regular face-to-face visiting in a modest way only re-started in February 2021, predominantly in schools. Face-to-face visiting in all establishments steadily increased throughout the year as restrictions reduced and establishments requested visits to start again.

It was only during the summer of 2021 that it was possible to attend external events to promote Pets As Therapy and recommence raising awareness of our work. We are most grateful for the continued support of our volunteers who have continued to support us during these challenging times.

Throughout the year the staff team adapted well to working in a more flexible way with everyone able to either work from home or in the office. To contribute to the financial efficiency of the charity we relocated to a smaller office within the same site. This has created an effective workspace for the head office team as well as reducing costs. Each of these elements has ensured the work of the charity has continued without interruption and the team were able to readily respond to changing government guidance. We continued to offer a flexible approach and would like to thank our staff for their tireless work as they supported volunteers and establishments through the challenging period.

Towards the end of the year we saw a change in leadership as Deborah Dow stepped down as CEO and we welcomed into post our new CEO, Clare Davis. We

would like to thank Deborah for her work and commitment to Pets As Therapy and would also like to welcome Clare into her new role.

Investment in Volunteers and Systems

Despite the exceptional circumstances Pets As Therapy continued to invest in volunteers and the development of our systems. This work has resulted in an improved volunteer and establishment agreement and it is now possible for PAT Assessors to complete the results of assessments through an online provision, shifting away from paper and creating a more efficient process.

To improve PAT visits for our beneficiaries, volunteers and establishments, we have introduced mandatory safeguarding training to all volunteers and staff.

Use of Consultancy Services

As a small organisation with a small team, we rely on external organisations to provide core services in the areas of Finance, Communications and Marketing, IT and development of our Customer Relationship Management System (PIMS) to support volunteer management.

Achievements and Performance

Service provided by Pets As Therapy

In 2020/21 Pets As Therapy continued to maintain a strong focus on the needs of beneficiaries as well as Pets As Therapy volunteers and their visiting pets.

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 Co-ordinators 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 1,674 schools registered. 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. We are grateful to the National Lottery for their funding (received at the end of the prior financial year) which helped us continue to develop our virtual Read2Dogs service this year.

In response to enquiries from potential volunteers, over 4,000 application packs were dispatched. However, due to limited volunteering opportunities in the first half of the year, the number of new volunteer applications completed fell to 575, a 48% decrease on last year and 65% decrease on 2019. At the end of the year our volunteer numbers were 4,348.

We would like to thank our Volunteer Area Co-ordinators (VACs) and Assessors for their support in this most difficult of years. The number of VACs who do so much to support the activities of volunteers, was 80 at the year-end. The number of trained Pets As Therapy Assessors at the year-end was 262.

A number of volunteers retired and resigned from Pets As Therapy and we would like to thank them for all they have contributed the charity over the years. We wish them every success in their new endeavours.

Over 900 new establishments registered to receive PAT volunteer team visits.

Publicity and Communication

Our new website was launched towards the end of the year and will make a significant impact on enabling existing volunteers and supporters to keep up to date with our activities as well as make it easier for prospective volunteers and supporters to find out about our invaluable work.

We have seen significant growth in numbers of people following us through social media channels with over 30,000 people following on Facebook and over 15,000 on Instagram.

Our social media channels are an essential tool in communicating with our volunteers and supporters, providing a channel for dialogue and feedback.

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

Volunteers have appeared in various publications including national and local newspapers as well as establishment newsletters. All of these activities continue to raise awareness of Pets As Therapy and the life-enhancing work that we do. A huge thank you to all our volunteers for sharing their stories and for making a difference to so many people's lives.

We continue to share news with our volunteers through our newsletter and have started work to introduce a new quarterly newsletter for our establishments to help celebrate the work being done by our volunteers and pets.

Corporate and Trust Supporters

We were extremely grateful to receive support from our corporate partners:

Pets At Home, Boehringer Ingelheim, Vet Partners and Orvis.

Legacy Gifts and Donations from Charitable Trusts

We would like to acknowledge those supporters who kindly remembered Pets As Therapy in their will. These gifts have made a significant difference to the number of people we can help. We would particularly like to thank the estates and executors of Eileen Mary Britton, Rosalyn Sheila Curtis and Irene Patricia Dent.

We appreciate the support of our grant funders and would particularly like to thank The Tomoro Foundation, The Worshipful Company of Insurers and The Hilary Tangye Trust.

Plans for Development in 2021/2022

The 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, social care, welfare and education.

The early part of the 2021/22 will focus on developing a new five-year strategy, a diversified fundraising strategy for the year, as well as developing a new vision for Pets As Therapy.

Along with a drive to recruit more PAT Volunteers, Volunteer Area Co-ordinators and Assessors, the year will also focus on the following:

- Process improvement. This will improve the volunteer experience and reduce the administration requirements.
- Establishing a performance dashboard and KPIs. Building a performance dashboard will enable accurate measurement of progress, growth and impact of our services.
- Strengthening the presence of Pets As Therapy in local communities. Although Pets As Therapy is a national charity, the services it delivers are delivered in local communities and we want to ensure we are providing what communities need and want.

The Trustees will continue to invest in the development of the organisation, in people, systems and resources.

We will continue to improve how the outcomes and impact of our services are measured and will identify potential partners to work with us in this area.

Financial Review

In another 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 the year under review the total sum raised from all sources amounted to £451,982 (2020: £581,258).

In the year to 30 September 2021, Pets As Therapy had a small deficit of £13,638 (2020: surplus of £99,603).

The balance of unrestricted reserves at the year-end was £350,154.

Grants and Funds Received

Although received at the end of the previous financial year, the £100,000 grant from the Department of Digital, Culture, Media and Sport via the National Lottery, Coronavirus Community Support Fund enabled an alternative way to deliver services with the development of a new Read2Dogs Virtual Programme.

Reserves Policy

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 (£116,000 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 (£530,000 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 **£350,000** is between the upper and lower limits.

Structure, Governance and Management

Governing Document

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

Registered as a charity with the Charity Commission England & Wales (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 12. 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 objectives 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 the Charity 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 Trustees acknowledge that the essence of the service provided by Pets As Therapy – enabling volunteers to take their temperament-assessed companion animals into establishments – carries inherent risks.

The pandemic continued through 2020/21, shifting the focus to securing financial stability. As 'in person' volunteering gradually returns the primary areas of focus are returning to 'in person' volunteering and continuing to secure financial stability.

We will continue to focus and evolve our service, as well as our fundraising efforts and investment in management systems. The key themes of our service going forward will be companionship, literacy, reducing loneliness and improving mental health.

The Trustees regularly undertake a review of Pets As Therapy's risks with quarterly meetings of Governance and Compliance, Operational and Finance sub committees. At these meetings, Pets As Therapy's activities are considered against the wider environment, i.e. changes in the law, technology and knowledge.

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, 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 Committee, 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 3-9 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 independent examination 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.

Independent Examiners

The Independent Examiners, UHY Ross Brooke, 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 17th June 2022 and signed on its behalf by:



Simon Fletcher
Vice Chair of the Board of Trustees

Independent Examiner's Report to the Trustees of Pets As Therapy

FOR THE YEAR ENDED 30 September 2021

I report to the charity trustees on my examination of the accounts of the company for the year ended 30 September 2021 which are set out on pages 11 to 22.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the accounts of the Company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts as carried out under section 44(1)(c) of the 2005 Act and section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

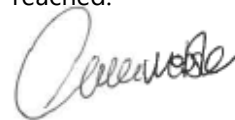
Since the Company is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with

the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Caroline Webster FCA
UHY Ross Brooke

Suite I Windrush Court
Abingdon Business Park
Abingdon
OX14 1SY

24 June 2022

Statement of Financial Activities

Incorporating the Income & Expenditure Account and the Statement of Recognised Gains & Losses
For the year ended 30 September 2021

		Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	2	420,793	-	420,793	442,261	100,000	542,261
Charitable activities	3	27,777	-	27,777	38,682	-	38,682
Investments	4	24	-	24	315	-	315
Other income	5	3,388	-	3,388	-	-	-
Total income		451,982	-	451,982	481,258	100,000	581,258
Expenditure on:							
Raising funds	6	130,366	15,359	145,725	94,354	2,847	97,201
Charitable activities	7	243,301	76,594	319,895	373,726	10,728	384,454
Total expenditure		373,667	91,953	465,620	468,080	13,575	481,655
Net income / -expenditure		78,315	- 91,953	- 13,638	13,178	86,425	99,603
Transfers between funds		- 5,528	5,528	-	-	-	-
Net movement in funds		72,787	- 86,425	- 13,638	13,178	86,425	99,603
Reconciliation of funds:							
Total funds brought forwards		277,367	86,425	363,792	264,189	-	264,189
Total funds carried forward		350,154	-	350,154	277,367	86,425	363,792

The notes on pages 14 to 22 form part of the financial statements

Balance Sheet

As at 30 September 2021

		2021	2020
		£	£
Notes			
FIXED ASSETS			
Tangible assets	12	10,132	13,206
CURRENT ASSETS			
Stock		12,328	15,240
Debtors	13	42,455	13,571
Cash at bank		313,063	343,280
		<u>367,846</u>	<u>372,091</u>
CREDITORS: Amounts falling due within one year	14	<u>- 27,824</u>	<u>- 21,505</u>
NET CURRENT ASSETS		340,022	350,586
NET ASSETS		<u>350,154</u>	<u>363,792</u>
FUNDS			
INCOME FUNDS			
Unrestricted Income funds	15	350,154	277,367
Restricted Income funds	16	-	86,425
TOTAL INCOME FUNDS		<u>350,154</u>	<u>363,792</u>

The notes on pages 14 to 22 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.

For the year ended 30 September 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

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 17th June 2022 and signed on their behalf by:



Simon Fletcher

Vice Chair of the Board of Trustees

Statement of Cash Flows

As at 30 September 2021

		Unrestricted funds £	Restricted funds £	2021 £	Unrestricted funds £	Restricted funds £	2020 £
	Notes						
Cash used in operating activities	19	57,593	- 86,425	- 28,832	23,453	86,425	109,878
Cash flows from investing activities							
Dividends and interest from investments		24	-	24	315	-	315
Purchase of fixed assets		- 1,409	-	- 1,409	- 3,856	-	- 3,856
Cash provided by (used in) investing activities		- 1,385	-	- 1,385	- 3,541	-	- 3,541
Increase (decrease) in cash and cash equivalents in the year		56,208	- 86,425	- 30,217	19,912	86,425	106,337
Cash and cash equivalents at the beginning of the year		256,855	86,425	343,280	236,943	-	236,943
Total cash and cash equivalents at the end of the year	20	313,063	-	313,063	256,855	86,425	343,280

Notes to the Financial Statements

1. Accounting policies

Basis of preparation of the financial statements

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value except for certain investment assets, which are shown at market value as set out below, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) ('FRS102'), Statement of Recommended Practice: Accounting and Reporting by Charities (Revised 2019) applicable to charities preparing their accounts in accordance with FRS102 ('Charities SORP (FRS102)'), the Charities Act 2011, and the Companies Act 2006.

The effect of any event relating to the period ended 30 September 2021, 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 2021 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 Hampden House, Monument Business Park, Warpsgrove Lane, 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 purposes.

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 15 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 15 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
			2021	2020
	£	£	£	£
Membership subscriptions	88,955	-	88,955	118,005
Donations	121,756	-	121,756	156,617
Corporate partnerships	67,095	-	67,095	62,901
Legacies	128,987	-	128,987	74,695
HMRC Job Retention Scheme (furlough) grants	-	-	-	9,793
Grants	14,000	-	14,000	120,250
	<u>420,793</u>	<u>-</u>	<u>420,793</u>	<u>542,261</u>

3. Charitable activities

	Unrestricted	Restricted	Total Funds	Total Funds
			2021	2020
	£	£	£	£
Branded merchandise	19,736	-	19,736	33,074
Events	149	-	149	3,116
Establishment income	7,020	-	7,020	-
Other income	872	-	872	2,492
	<u>27,777</u>	<u>-</u>	<u>27,777</u>	<u>38,682</u>

4. Investment income

	Unrestricted	Restricted	Total Funds	Total Funds
			2021	2020
	£	£	£	£
Bank interest	24	-	24	315
	<u>24</u>	<u>-</u>	<u>24</u>	<u>315</u>

5. Other income

	Unrestricted	Restricted	Total Funds 2021	Total Funds 2020
	£	£	£	£
Google Ads	3,388	-	3,388	-
	<u>3,388</u>	<u>-</u>	<u>3,388</u>	<u>-</u>

6. Expenditure on raising funds

	Unrestricted	Restricted	Total Funds 2021	Total Funds 2020
	£	£	£	£
Staff costs	25,743	7,605	33,348	28,658
Marketing	42,123	7,754	49,877	29,980
Events and awareness raising	2,493	-	2,493	11,532
Salesforce	39,840	-	39,840	21,147
Website update	16,800	-	16,800	-
Other fundraising costs	3,367	-	3,367	5,884
	<u>130,366</u>	<u>15,359</u>	<u>145,725</u>	<u>97,201</u>

7. Expenditure on charitable activities

	Unrestricted	Restricted	Total Funds 2021	Total Funds 2020
	£	£	£	£
Staff costs	145,879	43,095	188,974	202,994
Staff travel and subsistence	2,695	-	2,695	6,739
Merchandise purchases & stock movement	10,031	-	10,031	27,458
Office costs	39,320	9,786	49,106	61,177
Accountancy costs	11,992	2,646	14,638	15,239
Legal costs	-	-	-	3,300
Professional support	22,041	10,261	32,302	25,897
Insurance	4,667	3,510	8,177	13,555
Recruitment	446	-	446	5,400
Volunteer costs	136	7,080	7,216	824
Bank charges	275	-	275	361
Depreciation	4,483	-	4,483	6,700
Governance	1,336	216	1,552	14,810
	<u>243,301</u>	<u>76,594</u>	<u>319,895</u>	<u>384,454</u>

8. Governance costs

	Total 2021 £	Total 2020 £
Staff costs	-	7,200
Trustee expenses	412	1,315
Meeting expenses	-	355
Audit fee	-	5,940
Independent examination fee	1,140	-
	<u>1,552</u>	<u>14,810</u>

9. Net income/expenditure for the year is stated after

	2021 £	2020 £
Depreciation	4,483	6,700
Operating lease rentals:		
Land & buildings	28,628	28,628
Audit fee		5,940
Independent Examiner's fee	1,140	-
	<u></u>	<u></u>

10. Staff costs and emoluments

	2021 £	2020 £
Gross salaries	180,287	216,751
Employer's NIC	14,425	16,571
Employer's pension	4,079	4,755
Agency/temporary staff	23,532	-
Redundancy costs	-	740
	<u>222,323</u>	<u>238,817</u>

The total employee benefits of the key management personnel of the charity were £50,754 (2020: £57,414).
The average number of employees (head count) was 8.3 (2020: 8.6)

11. Commitments under operating leases

	2021 £	2020 £
Within 1 year	6,480	6,240
Within 2 to 5 years	-	-
After more than 5 years	-	-
	<u>6,480</u>	<u>6,240</u>

12. Tangible fixed assets

	Server	Fixtures & fittings	Total
	£	£	£
COST			
At 1 October 2020	16,319	32,849	49,168
Additions	-	1,409	1,409
Disposals	-	-	-
At 30 September 2021	<u>16,319</u>	<u>34,258</u>	<u>50,577</u>
DEPRECIATION			
At 1 October 2020	6,698	29,264	35,962
Charge for the year	3,263	1,220	4,483
Disposals	-	-	-
At 30 September 2021	<u>9,961</u>	<u>30,484</u>	<u>40,445</u>
NET BOOK VALUE			
At 30 September 2021	<u>6,358</u>	<u>3,774</u>	<u>10,132</u>
At 30 September 2020	<u>9,621</u>	<u>3,585</u>	<u>13,206</u>

13. Debtors

	2021	2020
	£	£
Trade debtors	2,876	497
Other debtors	36,220	7,000
Prepayments	3,359	6,074
	<u>42,455</u>	<u>13,571</u>

14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	17,343	10,111
Pensions payable	834	782
HMRC payable	4,613	4,448
Accruals	4,848	6,000
Other creditors	-	100
Credit card	186	64
	<u>27,824</u>	<u>21,505</u>

15. Movement in funds

	Balance at 1 October 2020	Income	Expenditure	Transfers	Balance at 30 September 2021
	£	£	£	£	£
Unrestricted funds					
General	277,367	451,982	- 373,667	- 5,528	350,154
	<u>277,367</u>	<u>451,982</u>	<u>- 373,667</u>	<u>- 5,528</u>	<u>350,154</u>
Restricted funds					
Read2Dogs	86,425	-	- 91,953	5,528	-
Restricted funds	<u>86,425</u>	<u>-</u>	<u>- 91,953</u>	<u>5,528</u>	<u>-</u>
	<u>363,792</u>	<u>451,982</u>	<u>- 465,620</u>	<u>-</u>	<u>350,154</u>

There was one restricted fund:

Read2Dogs, funded by the National Lottery to develop a new Read2Dogs virtual service as the charity turned to alternative virtual ways to deliver services. This fund was fully spent by 30 September 2021.

Movement in funds – comparative figures

	Balance at 1 October 2019	Income	Expenditure	Transfers	Balance at 30 September 2020
	£	£	£	£	£
Unrestricted funds					
General	228,397	481,258	- 468,080	35,792	277,367
Designated funds					
Regional development	35,792	-	-	- 35,792	-
Designated funds	<u>35,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>264,189</u>	<u>481,258</u>	<u>- 468,080</u>	<u>-</u>	<u>277,367</u>
Restricted funds					
Read2Dogs	-	100,000	- 13,575	-	86,425
Restricted funds	<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>

16. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Tangible fixed assets	10,132	-	10,132	13,206
Current assets	367,846	-	367,846	372,091
Creditors due within 1 year	- 27,824	-	- 27,824	- 17,005
Net assets	350,154	-	350,154	363,792

Analysis of net assets between funds – comparatives

	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
Net assets	277,367	86,425	363,792	383,498

17. Trustee remuneration

During the year no Trustee received any remuneration (2020: £nil). One member of the Board of Trustees received reimbursement of expenses total £412 (2020: two members £1,351).

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.

18. Related party transactions

During the year there were no transactions carried out with related parties (2020: £nil).

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

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Net income/expenditure for the year (as per the Statement of Financial Activities)	72,787	- 86,425	- 13,638	99,603
Add back depreciation charge	4,483	-	4,483	6,700
Investment income	- 24	-	- 24	- 315
Decrease (increase) in stock	2,912	-	2,912	3,817
Decrease (increase) in debtors	- 28,883	-	- 28,883	18,191
Increase (decrease) in creditors	6,318	-	6,318	- 18,118
Net cash used in operating activities	<u>57,593</u>	<u>- 86,425</u>	<u>- 28,832</u>	<u>109,878</u>

20. Analysis of cash and cash equivalents

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Cash in hand	<u>313,063</u>	<u>-</u>	<u>313,063</u>	<u>343,280</u>