



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

Annual report and financial statements

Year ended 30 September 2022

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 Cilverd – Resigned 31 December 2021 Simon Fletcher Rowena Smith – Resigned 20 April 2022 Sarah Webbe Julia Garner Peter Portlock Kathryn Rhodes – Appointed 30 March 2022 Scott Smith Suzanne Gwyn – Appointed 4 January 2022 Anna Hall Carol Warner Ian Windsor – Appointed 4 November 2021 Laura Greene – Appointed 1 August 2021 and Resigned 4 February 2022
Chief Executive	Clare Davis
Independent Auditor	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 2022.

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 Vision (launched in October 2021)

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

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, schools, hospices, residential and nursing homes, prisons and day-care centres, bringing comfort, companionship and therapy into the lives of thousands of people.

Therapeutic pet visits have proven to make a significant, long-term difference to people's lives. Conservative measures indicate that pet ownership in the UK saves the NHS £2.45 billion per year. Those who share a home with a dog or cat make 15% fewer visits to their GP.

Registered Pets As Therapy dogs and cats also work with adults and 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 for. 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 a vibrant year for Pets As Therapy, as when the visiting restrictions caused by the global pandemic were lifted, we were able to steadily increase volunteer activities. We would like to thank our existing volunteers for their continued support and proactively returning to visiting. We would also like to welcome and thank the new volunteers who have joined us over the year.

One way in which we have celebrated our volunteers is the introduction of our "Paws on the Floor" gallery on our website. This features photos of PAT visits taking place.

This has been the first year of the new 5-year strategy, delivering the first targeted fundraising strategy and launching the new vision statement, "Our pets and people enriching lives, one visit at a time".

As part of the strategy, we have established the first regional hub, based in the North West. As well as providing better support for volunteers and the places we visit, the hub has also designed and piloted the first interactive map to enable us to see where in communities most need our support.

We made a successful application to the Fundraising Regulator, and now display their quality mark. This gives reassurance to donors that PAT's fundraising activities are carried out adhering to the Regulator's standards.

Our assessor training course has been refreshed, bringing a stronger focus on the health, welfare and emotional wellbeing of dogs, and better equipping assessors and future volunteers to spot early signs of stress in their dogs. We are committed to ensuring

visits are never carried out at the expense of the pet, and also ensuring everyone (including the pet) benefits from the work we do.

We have continued to build our presence and reputation in the animal-assisted interventions (AAI) arena by strengthening our relationship with key partners, including the UK umbrella body for assistance dogs (ADUK) and by becoming an active member of the All-Party Parliamentary Dog Advisory Welfare Group (APDAWG).

The only staff changes have been recruiting to new posts and we would like to thank our staff for their continued commitment. Stability within our team plays a significant part in supporting our volunteers and enabling Pets As Therapy to grow and develop.

Investment in Volunteers and Systems

To support the growth set out in the 5-year strategy and to ensure service delivery is continuously striving to improve, a long-term process improvement project has started. The initial area of focus is the volunteer application process and will subsequently include all organisational processes and procedures.

We have also invested in IT infrastructure, shifting to a fully cloud-based provision. This approach strengthens connectivity amongst staff, creating a strong team irrespective of where staff are based. It also helps to strengthen relationships with our volunteer area co-ordinators by providing PAT email addresses and access to relevant IT systems.

To improve PAT visits for our beneficiaries, volunteers and establishments, we continue to carry out mandatory safeguarding training to all volunteers and staff and have introduced GDPR training for all volunteer area co-ordinators.

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, Fundraising, IT and development of our Customer Relationship Management System to support volunteer management.

Achievements and Performance

Service provided by Pets As Therapy

In 2021-22, Pets As Therapy continued to provide therapeutic pet visits in a wide range of places

including schools, hospitals, residential care homes, hospices, prisons and secure units.

We have seen a significant increase in the number of new volunteer applications completed from 575 in 2020-21 to 1,142 in 2021-22.

This has resulted in increasing the number of schools we visit to 1,728 and other places we visit now stands at 2,739. A total of 4,467 places receiving PAT visits.

The headline figures demonstrate our reach and the need for our services:

- Total number of volunteers 3,100
- Total number of establishments 4,100
- Total number of visits 172,200 (which averages to 470 visits per day)

Demand for our services continues to grow and we have seen our waiting list grow with a further 2,482 places registering during 2021-22.

Our 5-year strategy looks to address this not only by recruiting more volunteers, but by also;

- Improving our processes to ensure they support an exceptional volunteering experience,
- Recruiting more assessors (including suitably qualified dog trainers and behaviourists),
- Recruiting more area co-ordinators,
- Investment in our systems and procedures to increase administrative efficiency.

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.

Publicity and Communication

We have continued to improve our website including the introduction of our "Paws on the Floor" gallery, capturing photos of visits.

Our social media channels are an essential tool in communicating with our volunteers and supporters, providing a channel for dialogue and feedback. To continue to strengthen this area we have brought the provision in-house with the recruitment of a digital marketing lead. We have also partnered with the

University of West London Claude Littner Business School to be a case study for digital marketing students.

Media channels have frequently featured Pets As Therapy, including ITV's "The Pet Show". 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 monthly newsletter and have introduced a new quarterly newsletter for our establishments to help celebrate the work being done by our volunteers and pets. The open rate of both publications remains a steady 60%, significantly higher than the average.

Corporate and Trust Supporters

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

Pets At Home, Amazon Prime Video, Boehringer Ingelheim, Bob Martin 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 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.

5-year strategy

This year saw the introduction of our first 5-year strategy. We are a national charity and need to have national brand, presence and recognition. However, the work we do is at a local level, in communities. As well as having national recognition, we need to be an embedded part of the communities in which we operate.

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 are companionship, literacy, reducing loneliness and improving mental health.

To ensure organisational sustainability and growth it is essential to get the balance right between national presence and being part of local communities. With this in mind, a key element of the strategy is the development of regional hubs. The staffed hubs provide the platform to strengthen our presence in local communities, providing better support to volunteers, assessors, area co-ordinators and the places we visit.

The aspirational position to be in at the end of the strategy is;

1. To be recognised as the leading expert in the provision of therapeutic pet visits and interventions,
2. To be delivering PAT services across the UK through an organisational structure which enables PAT to provide local areas with what they want and need,
3. To be financially stable, in a strong financial position with a well-defined fundraising strategy,
4. To have a clear sense of direction for the next 5 years (2026-2031).

In line with the strategy, in year 1 we have achieved;

- Implementing our first regional hub,
- Development of a performance dashboard,
- Ending the year out of a deficit position.

Significant and demonstrable progress has been made across all areas of the strategy, putting Pets As Therapy in a strong position to continue delivery of the second year of the strategy.

Financial Review

Following the introduction of a targeted fundraising strategy, Pets As Therapy had an exceptional year in securing funds for current and future activities. A significant proportion of funding came through support from individual donations, including legacies, trust and grants and corporate partnerships.

In the year under review the total sum raised from all sources amounted to £620,434 (2021: £451,982).

Pets As Therapy ended the year to 30 September 2022, out of the deficit position in was in at the end of

September 2021.

The balance of unrestricted reserves at the year-end was £397,441.

Grants and Funds Received

Of particular significance in this financial year was securing multi-year funding from the Pets at Home Foundation (a 3-year grant) and the AKO Foundation (a 2-year grant).

The Pets at Home Foundation grant is ring fenced for the setup and delivery of the first two regional hubs as set out in the 5-year strategy.

Securing multi-year funding is a key element of securing the organisation's sustainable future and supporting the delivery of the 5-year strategy.

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).

The reserves policy is under active review which will include how to invest appropriately in the development of the organisation.

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 reserves level of £397,441 is between the upper and lower limits of our reserves policy. To support the growth and development of Pets As Therapy, a commitment has been made to invest in process improvement and infrastructure development.

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, as well as 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 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 Auditors

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 auditors are unaware, and;
- the Trustee has taken all the steps he/ she ought to have taken as a Trustee to make himself/herself aware of any relevant information and to establish that the company's independent auditors 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 Auditors

The Independent Auditors, 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 on23/06/2023..... and signed on its behalf by:



Simon Fletcher

Chair of the Board of Trustees

Independent Auditor's Report to the Trustees and 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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 2022, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial

statements are prepared is consistent with the financial statements; and

- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Other Matters

The trustees took advantage of audit exemption for 2021 and therefore the comparatives are unaudited.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

We have considered:

- the nature of the charity and sector, control environment and operating performance;
- the charity's own assessment, including assessments made by key management, of the risks that irregularities may occur either as a result of fraud or error;
- any matters we identified having reviewed the charity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud

- and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed amongst the audit engagement team.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas in which management is required to exercise significant judgement, such as the disclosure of adjusting items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context were the Companies Act, Charities Act and tax legislation.

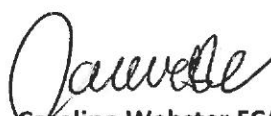
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Caroline Webster FCA (Senior Statutory Auditor)

for and on behalf of UHY Ross Brooke, Statutory Auditor
Suite I,
Windrush Court,
Abingdon Business Park,
Abingdon
OX14 1SY

Date...23/6/23.

UHY Ross Brooke 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 2022

		Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
	Notes						
Income from:							
Donations and legacies	3	487,065	71,852	558,917	420,793	-	420,793
Charitable activities	4	58,976	-	58,976	27,777	-	27,777
Investments	5	240	-	240	24	-	24
Other income	6	2,301	-	2,301	3,388	-	3,388
Total income		548,582	71,852	620,434	451,982	-	451,982
Expenditure on:							
Raising funds	7	141,004	599	141,603	130,366	15,359	145,725
Charitable activities	8	360,819	2,432	363,251	243,301	76,594	319,895
Total expenditure		501,823	3,031	504,854	373,667	91,953	465,620
Net income / -expenditure		46,759	68,821	115,580	78,315	- 91,953	- 13,638
Transfers between funds		528	- 528	-	- 5,528	5,528	-
Net movement in funds		47,287	68,293	115,580	72,787	- 86,425	- 13,638
Reconciliation of funds:							
Total funds brought forwards		350,154	-	350,154	277,367	86,425	363,792
Total funds carried forward		397,441	68,293	465,734	350,154	-	350,154

The notes on pages 15 to 23 form part of the financial statements

Balance Sheet

As at 30 September 2022

		2022	2021
		£	£
	Notes		
FIXED ASSETS			
Tangible Assets	12	8,944	10,132
CURRENT ASSETS			
Stock		9,129	12,328
Debtors	13	16,419	42,455
Cash at bank		468,423	313,063
		<u>493,971</u>	<u>367,846</u>
CREDITORS: Amounts falling due within one year	14	<u>- 37,181</u>	<u>- 27,824</u>
NET CURRENT ASSETS		456,790	340,022
NET ASSETS		<u>465,734</u>	<u>350,154</u>
FUNDS			
INCOME FUNDS			
Unrestricted Income funds	15	397,441	350,154
Designated funds		-	-
Restricted Income funds	16	68,293	-
TOTAL INCOME FUNDS		<u>465,734</u>	<u>350,154</u>

The notes on pages 15 to 23 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 ...23/06/2023... and signed on their behalf by:



Simon Fletcher
Chair of the Board of Trustees

Statement of Cash Flows

As at 30 September 2022

		Unrestricted funds £	Restricted funds £	2022 £	Unrestricted funds £	Restricted funds £	2021 £
	Notes						
Cash used in operating activities	18	90,946	68,293	159,239	57,593	- 86,425	- 28,832
Cash flows from investing activities							
Dividends and interest from investments		240	-	240	24	-	24
Purchase of fixed assets		- 4,119	-	- 4,119	- 1,409	-	- 1,409
Cash provided by (used in) investing activities		- 3,879	-	- 3,879	- 1,385	-	- 1,385
Increase (decrease) in cash and cash equivalents in the year		87,067	68,293	155,360	56,208	- 86,425	- 30,217
Cash and cash equivalents at the beginning of the year		313,063	-	313,063	256,855	86,425	343,280
Total cash and cash equivalents at the end of the year	19	400,130	68,293	468,423	313,063	-	313,063

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 2022, 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 2022 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.

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
			2022	2021
	£	£	£	£
Membership subscriptions	110,595	-	110,595	88,955
Donations	130,329	-	130,329	121,756
Corporate partnerships	126,529	-	126,529	67,095
Legacies	30,112	-	30,112	128,987
Grants	89,500	71,852	161,352	14,000
	<u>487,065</u>	<u>71,852</u>	<u>558,917</u>	<u>420,793</u>

3. Charitable activities

	Unrestricted	Restricted	Total Funds	Total Funds
			2022	2021
	£	£	£	£
Branded merchandise	40,721	-	40,721	19,736
Events	1,627	-	1,627	149
Establishment income	17,228	-	17,228	7,020
Other income	- 600	-	- 600	872
	<u>58,976</u>	<u>-</u>	<u>58,976</u>	<u>27,777</u>

4. Investment income

	Unrestricted	Restricted	Total Funds	Total Funds
			2022	2021
	£	£	£	£
Bank interest	240	-	240	24
	<u>240</u>	<u>-</u>	<u>240</u>	<u>24</u>

5. Other income

	Unrestricted	Restricted	Total Funds 2022	Total Funds 2021
	£	£	£	£
Google Ads	2,301	-	2,301	3,388
	<u>2,301</u>	<u>-</u>	<u>2,301</u>	<u>3,388</u>

6. Expenditure on raising funds

	Unrestricted	Restricted	Total Funds 2022	Total Funds 2021
	£	£	£	£
Staff costs	34,501	284	34,785	33,348
Marketing	36,509	-	36,509	49,877
Events and awareness raising	15,314	-	15,314	2,493
Salesforce	19,231	315	19,546	39,840
Website update	6,558	-	6,558	16,800
Other fundraising costs	28,891	-	28,891	3,367
	<u>141,004</u>	<u>599</u>	<u>141,603</u>	<u>145,725</u>

7. Expenditure on charitable activities

	Unrestricted	Restricted	Total Funds 2022	Total Funds 2021
	£	£	£	£
Staff costs	195,505	1,607	197,112	188,974
Staff travel and subsistence	13,379	508	13,887	2,695
Merchandise purchases and stock movement	25,080	-	25,080	10,031
Office costs	59,718	192	59,910	49,106
Accountancy costs	15,553	-	15,553	14,638
Legal costs	480	-	480	-
Professional support	18,913	-	18,913	32,302
Insurance	6,867	-	6,867	8,177
Recruitment	944	125	1,069	446
Volunteer costs	9,375	-	9,375	7,216
Bank charges	867	-	867	275
Depreciation	5,307	-	5,307	4,483
Governance	8,831	-	8,831	1,552
	<u>360,819</u>	<u>2,432</u>	<u>363,251</u>	<u>319,895</u>

8. Governance costs

	Total 2022 £	Total 2021 £
Trustee expenses	1,879	412
Meeting expenses	352	-
Audit fee	6,600	-
Independent examination	-	1,140
	<u>8,831</u>	<u>1,552</u>

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

	2022 £	2021 £
Depreciation	5,307	4,483
Operating lease rentals:		
Land & buildings	26,450	28,628
Audit fee	6,600	-
Independent Auditor's fee	-	1,140

10. Staff costs and emoluments

	2022 £	2021 £
Gross salaries	209,999	180,287
Employer's NIC	14,710	14,425
Employer's pension	4,699	4,079
Agency/temporary staff	2,489	23,532
	<u>231,897</u>	<u>222,323</u>

The total employee benefits of the key management personnel of the charity were £55,381 (2021: £50,754).
The average number of employees (head count) was 8.9 (2021: 8.3)

11. Commitments under operating leases

	2022 £	2021 £
Within 1 year	6,798	6,480
Within 2 to 5 years	-	-
After more than 5 years	-	-
	<u>6,798</u>	<u>6,480</u>

Operating lease has a 3 month notice period. Calculation is 3 months x current payment inc VAT.

12. Tangible fixed assets

	Server	Fixtures & fittings	Total
	£	£	£
COST			
At 1 October 2021	16,319	34,258	50,577
Additions	-	4,119	4,119
Disposals	-	-	-
At 30 September 2022	<u>16,319</u>	<u>38,377</u>	<u>54,696</u>
DEPRECIATION			
At 1 October 2021	9,961	30,484	40,445
Charge for the year	3,264	2,043	5,307
Disposals	-	-	-
At 30 September 2022	<u>13,225</u>	<u>32,527</u>	<u>45,752</u>
NET BOOK VALUE			
At 30 September 2022	<u>3,094</u>	<u>5,850</u>	<u>8,944</u>
At 30 September 2021	<u>6,358</u>	<u>3,774</u>	<u>10,132</u>

13. Debtors

	2022	2021
	£	£
Trade debtors	1,867	2,876
Other debtors	11,000	36,220
Prepayments	3,552	3,359
	<u>16,419</u>	<u>42,455</u>

14. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	10,239	17,343
Pensions payable	866	834
HMRC payable	5,246	4,613
Accruals	10,220	4,848
Deferred income	10,000	-
Other creditors	610	-
Credit card	-	186
	<u>37,181</u>	<u>27,824</u>

15. Movement in funds

	Balance at 1 October 2021	Income	Expenditure	Transfers	Balance at 30 September 2022
	£	£	£	£	£
Unrestricted funds					
General	350,154	548,582	- 501,823	528	397,441
	<u>350,154</u>	<u>548,582</u>	<u>- 501,823</u>	<u>528</u>	<u>397,441</u>
Restricted funds					
Pets at Home	-	71,852	- 3,031	- 528	68,293
Restricted funds	<u>-</u>	<u>71,852</u>	<u>- 3,031</u>	<u>- 528</u>	<u>68,293</u>
	<u>350,154</u>	<u>620,434</u>	<u>- 504,854</u>	<u>-</u>	<u>465,734</u>

There was one restricted fund:

Pets at Home Grant Foundation, to develop the first regional hub, in line with the 5-year strategy.

Movement in funds – comparative figures

	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>

16. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Tangible fixed assets	8,944	-	8,944	10,132
Current assets	425,679	68,293	493,972	367,846
Creditors due within 1 year	- 37,181	-	- 37,181	- 27,824
Net assets	397,442	68,293	465,735	350,154

Analysis of net assets between funds – comparatives

	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

17. Trustee remuneration

During the year no Trustee received any remuneration (2021: £nil). Three member of the Board of Trustees received reimbursement of expenses total £1,099 (2021: one member £412).

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 (2021: £nil).

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

	Unrestricted £	Restricted £	2022 £	2021 £
Net income/expenditure for the year (as per the Statement of Financial Activities)	47,287	68,293	115,580	- 13,638
Add back depreciation charge	5,307	-	5,307	4,483
Investment income	- 240	-	- 240	- 24
Decrease (increase) in stock	3,199	-	3,199	2,912
Decrease (increase) in debtors	26,036	-	26,036	- 28,883
Increase (decrease) in creditors	9,357	-	9,357	6,318
Net cash used in operating activities	<u>90,946</u>	<u>68,293</u>	<u>159,239</u>	<u>- 28,832</u>

20. Analysis of cash and cash equivalents

	Unrestricted £	Restricted £	2022 £	2021 £
Cash in hand	<u>468,423</u>	<u>-</u>	<u>468,423</u>	<u>313,063</u>