

Company Limited by Guarantee Registration Number: 08273985 (England and Wales)

Charity Commission Registration Number: 1149884

WADARS

Annual Report and Financial Statements

For the Year Ended 31 December 2022

WADARS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

C McMahon (Chairman)
A Davis
J Silk
S Stirling
K Walder

Chief Executive

J Toben MloD MInstF

Director of Operations

T Cadman

Principal and registered office

Hangleton Lane
Ferring
Worthing
West Sussex
BN12 6PP
01903 247111
www.wadars.co.uk

Company registration number

08273985

Charity registration number

1149884

Auditors

TC Group
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Charity Bank Limited
Fosse House
182 High Street
Tonbridge
Kent TN9 1BE

Solicitors

Sherrards Employment Law Solicitors
4 Albourne Court
Henfield Road
Albourne
West Sussex
BN6 9DB

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TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)

The Trustees present their annual report (including the Directors' Report) for the year ended 31 December 2022.

The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Structure, governance and management

The original charity, the Worthing and District Animal Rescue Service, was an unincorporated charity established under a charitable trust deed on 27 March 1974. In 2012, Wadars was established as a company limited by guarantee to £1 per member (registration number 08273985) under its Memorandum of Association, which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

Wadars was registered as a charity on 23 November 2012 (number 1149884). The assets, liabilities and undertakings of the Worthing and District Animal Rescue Service, were transferred to Wadars on 31 March 2013. Following the formal approval of its members, the Worthing and District Animal Rescue Service was closed and merged with Wadars in 2016.

The Articles of Association of Wadars have been reviewed to make them fit for purpose following the closure and merger of the unincorporated charity.

Recruitment and appointment of trustees

When complete, the Board of Trustees consists of no fewer than five and no more than 9 Trustees.

Trustees are appointed for their relevant skills as identified by the Board from time to time. The term of office for Trustees is three years and are eligible to serve up to a further two terms.

The Trustees who served during the period were:

C McMahon (Chairman)
J Brock (resigned 6 December 2022)
A Davis
J Silk
S Stirling
K Walder

Organisational structure

The Trustees are responsible for the overall governance of the Charity. They meet on a quarterly basis to discuss and make decisions in relation to all aspects of the Charity's management, including financial planning and control, staffing levels, animal care and welfare, homing and policies. The day-to-day operations of the Charity are delegated to the Chief Executive through a Scheme of Delegation, taking instructions from and reporting directly to the Trustees. Expert legal, financial and other advice is sought where necessary.

TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)

Pay policy for senior staff

The Charity aims to recruit and retain talented individuals to lead and further develop a rapidly growing organisation.

Pay for senior staff reflects the market for comparable jobs in comparable organisations, the level of knowledge, skills and experience required, the responsibilities and accountabilities associated with each role, the performance of the Charity and the individual contribution of each executive.

The pay of senior staff is reviewed annually and is dependent on delivery against individual annual objectives and the Charity's ability to pay.

Principal risks and uncertainties

The Trustees regularly assess the major risks to which the Charity is exposed, both operationally and financially, and a formal risk register was maintained during the year. This includes animal welfare, income generation, investments, organisational change, remuneration, health and safety of staff and volunteers, major projects and operational needs.

The register continues to be reviewed regularly by the Trustees to ensure appropriate governance and the Charity has a range of controls and procedures in place to mitigate these risks and to manage the major risks to which the Charity is exposed.

The Charity's response to the Covid 19 crisis was well planned and responsive through dynamic risk assessments and business continuity planning however, it dramatically restricted the amount we could interact with our local community. Whilst we can never be sure of factors affecting legacy income, we believe that a greatly reduced presence in the community, may have impacted on our legacy income in 2022 and beyond. Wadars has a dependency on high levels of legacy income and it is always difficult to predict in the short/medium term, but we have run scenarios to understand how we would manage income reduction.

The economic context is rapidly changing with inflation and interest rate experiencing upward movement month on month; this combined with surging energy pricing; shortages in the supply of materials and labour (and associated cost increases) and the potential for further initiatives to claw back revenue through taxation have been tracked closely and factored into forward planning. The increase in donor support through the last three years is giving us further confidence that our financial plan is robust, but we are not complacent.

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, a considered risk appetite, incident-reporting and monitoring systems and insurance cover where appropriate. It is recognised that systems provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives, activities and public benefit

The Charity's objects are the care and protection of animals of all kinds in need of care and attention by reason of sickness, maltreatment, poor circumstances or other similar causes. The Trustees have paid due regard to public benefit guidance issued by the Charity Commission in their approach to the work undertaken by Wadars and to ensure that the Charity's stated aims and objectives are achieved.

These activities Centre on the rescue and rehoming of stray and unwanted domestic pets, including dogs, cats, rabbits and guinea pigs, the rescue and rehabilitation of wildlife in peril, the provision of appropriate veterinary treatment for both, the rehoming of pets into suitable homes, and the release of wildlife back into their natural environment.

The Charity also undertakes an awareness, education and community engagement programme to promote responsible pet ownership and the protection of wildlife in its natural environment. Maintaining the financial stability of the Charity continued to be a priority for the Trustees. This was achieved through our robust financial framework for the day-to-day management of the Charity.

TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)

Although Covid restrictions were lifted, in 2022 we continued to undertake Covid risk assessments across all of our activities and very strict cleaning regimes continued. Staff returned to the Centre in 2022 and we were able to welcome back volunteers. However, due to a change in staff, fundraising did not recommence until towards the end of 2022 and our community activity has had to grow from zero.

To support the mental health and wellbeing of the team, we continued to provide the Bupa 'Healthy Minds' programme, which provides a confidential 1:1 advice line, 24 hours a day and other professional advice. The Trustees wish to record their thanks to all of the staff for going above and beyond in such difficult circumstances and ensuring that, unlike many charities during the pandemic, Wadars continues to be a strong and healthy charity.

Animal welfare activity

Wildlife

A total of 403 birds and other small wildlife were cared for in our on-site Wildlife Unit during 2022, including 95 hedgehogs, 117 pigeons and 55 gull chicks. This number was down on previous years largely due to the ongoing situation regarding avian influenza (bird flu) and restrictions being placed on centres such as Wadars regarding the intake of birds. By autumn 2022, we started taking in garden birds and corvids again, but were unable to admit any water birds to site since the summer. In early 2023, restrictions were lifted and we resumed normal wildlife activity.

Mobile rescue service

Whilst avian influenza meant that the number of water birds being brought to our wildlife unit was far lower than in previous years, the Animal Rescue Officers (ARO's) continued to respond to calls from the public who were concerned about sick and injured wildlife, including gull chicks. During late Spring and Summer, a key part of an ARO's day involves them rescuing and where possible returning gull chicks to roof tops that they have fallen from or taking them to vets if they are injured. In 2022 AROs dealt with 568 gulls, of which 217 were chicks.

Rescue officers also responded to callouts to 143 foxes; 102 hedgehogs; 79 ducks & swans; more than 250 pigeons, and even the occasional snake. In total the AROs dealt with 1,480 sick and injured wildlife.

Requests to take in companion animals in 2022

We continue to receive requests to take in companion animals (pets) that far exceeds our capacity. In 2022, we were asked to take in over 600 cats and dogs of which, we were only able to help around a third. We were also asked to take in around 200 small companion animals and were only able to help around one in 5. This number is increasing. In January 2023 alone, we received 37 requests to take dogs, 23 requests to take cats and 19 requests to take small animals.

Requests to take in 'pandemic pups' remained an issue throughout 2022, with many of the dogs we were asked to take in being born during Covid and exhibiting a range of behavioural problems due to them not being properly socialised with either people or other dogs. Our current structure means that we are unable to provide full behavioural assessments for dogs that we are asked to take in, and the same goes for ongoing work that the dogs might need before they are suitable to be placed in a new home. When we can construct our own kennels, we will be better placed to help more dogs with pre-existing behavioural issues.

Animal adoption

Early 2022 saw the lifting of Covid restrictions in the UK, which meant that we could begin to invite potential adopters to meet animals in person before adopting them, rather than doing so via a virtual video introduction. Dog intake and homing was particularly slow again in 2022. There were a number of reasons for this including periods of staff sickness resulting in not being able to guarantee enough resources to carry out the homing of animals, and long spells (which in total add up to more than a quarter of the year) when the private boarding kennels where our dogs are cared for had no availability for Wadars animals because, following two years of very limited business during the pandemic, many more people were choosing to board their pets again.

Not only were we very limited on space for dogs for the 13 weeks of school holidays, but the weeks in the run up to those periods were also blocked as we could not guarantee how quickly we could rehome a dog

TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)

once we had taken it in, and the kennels needed to know that the dogs would be gone by the time that boarders were booked in for.

Cat homing was also down on previous years, but this was often due to staff shortages limiting the number of animals that we could care for at one time. In addition, it was particularly noticeable how many of the cats that we were asked to take in were over 10 years old and due to their age, many of them remained in our care for far longer than the younger cats (effectively 'bed-blocking'). Numbers of other small animals homed was quite low which was due to only having two volunteer fosterers and no facilities to care for them on our site.

All of our dogs, cats and rabbits are vet checked, vaccinated, neutered, receive flea and worm treatments and are microchipped before being rehomed. We also strongly encourage owners to neuter and microchip other animals in their home. A total of 55 dogs (2021:53), 82 cats (2021:97) and 19 other small animals (2021:29) were homed during the year.

The Charity continues its policy not to destroy any healthy animal and only does so on the advice of a vet. A total of 8 pets (2021:2) were put to sleep during the year; there were three dogs (for aggression) plus 4 cats and one rabbit, all for medical reasons.

Lost & found

During 2022 we enabled owners to upload information via our website for lost pets which included the option to upload photos which we could then post to our Facebook page. In addition, we took stray cats and tortoises with all but one being successfully being reunited with their grateful owners.

Kickstart

We were very pleased to be able to offer six month placements to three young people under the Government's Kickstart Scheme, which provided funding to employers to create jobs for 16 to 24-year-olds on Universal Credit. In the autumn we reinstated our programme of taking on work placement students from animal welfare colleges such as Brinsbury and Plumpton.

Volunteers

Following the removal of Covid restrictions in March, we were able to bring more volunteers back to the Centre, and by the end of the year we had over 50 volunteers working on site every week, including in the cattery, wildlife unit, the office, and around the site. The appointment of a part time Volunteer Coordinator in mid-2022 enabled us to push ahead and fill all vacant volunteering slots. In 2023 we will look at what other volunteer roles might be needed, including people to help out at a range of fundraising events and activities, corporate volunteering on site, and a small team of volunteer rescue officers to support the AROs.

Partnership working

We have continued to benefit from close working relationships with other animal rescue charities including Battersea, two RSPCA centres, Raystede, Dogs Trust and Cats Protection. This has enabled the sharing of best practice and training opportunities.

Development of the Centre

There were a number of changes at the Centre during 2022. Historically, we had offered stables and grazing for a small number of horses; these left the site mid 2022. Following their departure, it became evident that the stables were no longer fit for purpose and were demolished. These were replaced with a small animal unit in early 2023 which will house other small mammals such as gerbils, hamsters, and rats. We also now have five outdoor rabbit enclosures with which we can bond pairs of rabbits.

Work could not start on the wider development of the Centre until the local planning authority had approved a detailed surface water drainage system. The original design was not practical as it involved discharging surface water into a 'riparian way' along Hangleton Lane. The betterment works required by the planning department made this both cost-prohibitive and impractical. Our civil engineer subsequently designed an alternative plan utilising various shallow soakaways, permeable surfaces and a large pond for natural overflow. Before this design could be submitted to the planners, infiltration testing across multiple locations had to be undertaken across many months to prove the effectiveness of the design.

TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)

Testing took place throughout 2022 and continued into 2023 to conclude the winter infiltration testing. The results proved that the design would be effective and was subsequently submitted to and approved by the planning department in August 2023. This enabled us to 'break ground' before the expiry of the planning permission granted in 2020.

Future Plans

The further development of the animal rescue and rehoming Centre in Hangleton Lane, Ferring remains a priority for the Trustees. In September, 2020 we obtained detail planning permission for all of our future plans for the wider rescue and rehoming Centre at Hangleton Lane. This includes intake, homing and isolations units for dogs, a wildlife unit and associated aviaries and pens, additional cattery units, a training and education centre plus basic staff accommodation for overnight care.

The total cost of the entire project is estimated as £3.6 million, based upon a phased development of the various units. There are significant civil works to be undertaken including road access to our paddocks where the wildlife unit will be situated and also extensive drainage which must be completed in the first phase as part of the planning approval.

Our priority for 2023 was to make a significant start on the development of the Centre once the planning pre-condition in relation to surface water drainage was discharged. Regrettably, in June 2023, the Centre had an outbreak of avian influenza (bird flu). As a result, all birds on site were culled by Defra (Department for Environment Food and Rural Affairs). Thankfully, the cats and other small mammals were spared but the entire wildlife department was closed and will remain so for the time being. The rest of 2023 will be the long, arduous and costly task of cleansing and disinfecting to enable the units to be released for use. Despite this, we were able to lay the foundations for the cattery store and laundry, along with a start to the drainage.

In the wake of bird flu, our priorities are to increase homing of dogs, cats and other small mammals such as rabbits, gerbils and hamsters, especially with the support of volunteer fosterers. We are also increasing our presence in the community with the mobile animal rescue unit, to provide wildlife services, working in conjunction with other wildlife centres, whilst our own is closed.

Financial Review

General

Overall, the Charity finished the period with a deficit of £117,584 against a planned deficit of £99,574 (2021: surplus £312,001).

This was due to legacy income of £309,808 being under target (2021: £677,313). The Trustees have always recognised that legacy income is volatile, historically ranging from £1,000 to over £800,000 in any one year. The Trustees also recognise that in keeping with other animal welfare charities, inevitably they will be heavily reliant on legacy income for day-to-day expenditure. However, the pragmatic approach to budgeting legacies over a rolling seven-year average has meant that the Charity has been able to weather reduction in legacy income this year.

The Trustees reviewed this method of budgeting legacies during the year and feel that this remains the most practical way of budgeting this income source and felt able to maintain a legacy budget to £420,000 for 2023. It is noted that, had legacies performed as budgeted, the planned deficit for 2022 would have resulted in a small net surplus.

The community continued to respond well during the pandemic and overall, donations received were £55,155 (2021: £74,492). Whilst this was lower than the previous year, 2021 included a major donation of £20,000. There was no fundraiser in post for the majority of 2022 and therefore, fundraising in the community and trading totalled just £27,180 (2021: £31,068). Rehoming fees remained similar at £15,355 (2021: £15,863).

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In 2022 we saw the full year effect of our previous year's investment in animal welfare provision; this included additional staff in animal welfare, increased personal protective equipment, and a review of all salaries. These, along with significant increases in utility costs, account for the overall increase in expenditure of 10.4%. Strong management of costs continued to improve sustainability.

Reserves Policy

The Trustees considered their reserves policy during the year and concluded that the Charity's reserves policy is that unrestricted funds which have not been designated for a specific use, should be maintained at a level equivalent to 12 month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in legacies, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

The total assets of Wadars of £3,006,790 (2021: £3,124,374) includes £1 million which has been designated by the Trustees towards the next stage of the development of Hangleton Lane.

The free reserves (which excludes the designation above and restricted funds) of the Charity are £873,361 (2021: £993,789). This equates to 17.5 months planned expenditure and meets our reserves policy.

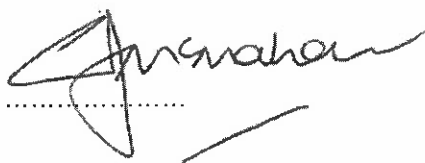
Investment policy and performance

Operational cashflow and that required for short term needs are entrusted to the Charity's bankers, currently CAF Bank. To diversify risk whilst maintaining the most secure form of investment, the Trustees deposited £250,000 of reserves with Charity Bank Limited on an instant access basis. The Trustees considered this to be the safest form of investment for operational cash and for the preservation of capital in nominal terms.

Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report, including the Directors' Report, was approved by the board of Trustees of Wadars on **19.9.23** and signed on their behalf by:



C McMahon (Chairman)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of WADARS for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard for the UK and Republic of Ireland'. Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WADARS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WADARS

We have audited the financial statements of WADARS (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and notes to the financial statements. 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis of 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 the provisions available for small entities, and we have fulfilled our 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 trustee's 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 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 trustee's 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 annual report, including the trustee's report, other than the financial statements and our auditor's report thereon. The trustees' are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

WADARS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WADARS

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 governors 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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

WADARS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WADARS

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience, and through discussion with the governors and other management (as required by auditing standards), and discussed with the governors and other management the policies and procedures regarding compliance with laws and regulations (see below);
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption, DBS checks, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK.
- We considered the nature of the charitable company's operations, the control environment and financial performance.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**WADARS
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WADARS**

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for the no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, or for the opinions we have formed.

TC Group

Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditors
Office: Steyning, West Sussex

Dated: 19 September 2023


**WADARS
BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Notes	£	2022 Total funds £	£	2021 Total funds £
Fixed assets					
Tangible assets	12		1,133,428		1,109,600
Current assets					
Debtors	13	648,366		856,553	
Cash at bank and in hand		1,259,307		1,178,920	
		<u>1,907,673</u>		<u>2,035,473</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(34,312)		(20,699)	
Net current assets			1,873,361		2,014,774
Total net assets			<u>3,006,790</u>		<u>3,124,374</u>
The funds of the charity					
Restricted funds	15		-		20,985
<i>Unrestricted funds:</i>					
Designated funds	16	1,000,000		1,000,000	
General fund	17	2,006,790		2,103,389	
			3,006,790		3,103,389
			<u>3,006,790</u>		<u>3,124,374</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The notes on pages 15 to 23 form part of these accounts.

The accounts were approved by the Board on **19.9.23** and signed on their behalf by:


.....
C McMahon (Chairman)

Company Registration No. 08273985

WADARS
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Income from:						
Donations and legacies	3	380,318	-	-	380,318	767,668
Charitable activities - grants		22,756	-	-	22,756	9,000
Other trading activities	4	27,180	-	-	27,180	31,068
Investment income	5	4,932	-	-	4,932	1,065
Other income – CJRS grant		-	-	-	-	3,718
Total income		435,186	-	-	435,186	812,519
Expenditure on:						
Raising funds		6,383	-	-	6,383	1,745
Charitable activities		546,387	-	-	546,387	498,773
Total expenditure	6/7	552,770	-	-	552,770	500,518
Net income/(expenditure) and movement in funds		(117,584)	-	-	(117,584)	312,001
Transfer	15/16	20,985	-	(20,985)	-	-
Reconciliation of funds:						
Total funds brought forward		2,103,389	1,000,000	20,985	2,124,374	2,812,373
Total funds carried forward	17	2,006,790	1,000,000	-	3,006,790	3,124,374

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All activities are classified as continuing. There are no recognised gains or losses other than those reported on the Statement of Financial Activities.

WADARS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities	22		141,185		207,134
Cash flows from investing activities:					
Dividends and interest from investments	5	4,932		1,065	
Purchase of tangible fixed assets	12	(65,730)		(31,250)	
Net cash (used) / provided by investing activities			(60,798)		(30,185)
(Decrease) / Increase in cash and cash equivalents in the year			80,387		176,949
Cash and cash equivalents at the beginning of the year			1,178,920		1,001,971
Cash and cash equivalents at the end of the year			1,259,307		1,178,920

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Legal status of the charity

Wadars is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found in the legal and administration information page of these financial statements.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2 Accounting Policies

2.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Wadars meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about Wadars ability to continue as a going concern.

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

2.2 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions 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, investment income and all other income is accounted for on a receivable basis.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to Wadars that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Any irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Resources expended comprise the following:

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

- a. Direct costs of undertaking Wadars' charitable activities.
- b. An allocation of central support costs. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. The allocation of support costs to charitable activities is on the basis of direct expenditure incurred by each activity.
- c. Governance costs (included within support costs) incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

2.4 Tangible fixed assets

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

- ◆ Freehold land and assets under construction are not depreciated.
- ◆ Freehold buildings 2% and 5% per annum straight line
- ◆ Fixtures, fittings and equipment 33.33% per annum reducing balance and straight line
- ◆ Animal welfare equipment 10% per annum straight line
- ◆ Motor vehicles 20% per annum reducing balance

2.5 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The trustees seek to use short term deposits to maximise the return on monies held at the bank and to manage cash flow.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

2.7 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial instruments are recognised at amortised cost.

2.9 Fund accounting

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donors.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Further explanations of the nature and purpose of each fund are included in the notes to the financial statements.

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2.10 Pension contributions

The Charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2.11 Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

2.12 Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Significant accounting estimates and judgements

- i) Useful economic lives of tangible assets - The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.
- ii) Legacy income - By its very nature legacy income is unpredictable and the timescale from notification to receipt can be extensive depending upon the complexity of the estate. Judgement is used to establish whether legacy income meets the recognition criteria of entitlement, probability and measurement within Charities SORP (FRS102).

3 Donations and legacies

	2022 £	2021 £
Legacies	309,808	677,313
Donations	55,155	74,492
Rehoming fees	15,355	15,863
	<u>380,318</u>	<u>767,668</u>

4 Other trading activities

	2022 £	2021 £
Fundraising income	27,180	31,068
Fundraising expenditure (note 6)	(892)	(686)
	<u>26,288</u>	<u>30,382</u>

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investment income

	2022 £	2021 £
Interest receivable	4,932	1,065

6 Total expenditure

	Staff costs £	Depreciation £	Other costs £	Total 2022 £	Total 2021 £
Cost of raising funds					
Fundraising expenditure	5,491	-	892	6,383	1,745
Charitable activities:					
Animal Welfare					
- Activities undertaken directly	289,368	41,434	90,940	421,742	368,618
- Support costs	46,761	-	77,884	124,645	130,155
Total	336,129	41,434	168,824	546,387	498,773
Total Resources Expended	341,620	41,434	169,716	552,770	500,518

Included within support costs are governance costs of £16,125 (2021: £13,420).

7 Analysis of support costs included in other costs above

Support costs:

	2022 £	2021 £
Advertising	4,524	4,488
Legal and professional fees	12,420	14,700
Donations	467	180
Insurance	3,785	2,944
Office administration	16,402	20,284
Premises and repairs	21,934	26,510
Other	1,636	1,711
Governance costs (below)	16,716	14,359
	77,884	85,176

Governance Costs:

	2022 £	2021 £
Trustee meeting costs	591	939
Audit and accountancy	8,250	7,750
Non-audit fees	7,875	5,670
	16,716	14,359

Governance costs includes £8,250 (2021: £7,750) audit fees and £7,875 (2021: £5,670) other professional fees paid to the auditors.

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8 Comparative Funds – Statement of Financial Activities year ended 31 December 2021

	Unrestricted funds £	Designated funds £	Restricted funds £	2021 Total funds £
Income:				
Donations and legacies	756,928	-	10,740	767,668
Charitable activities - grants	1,000	-	8,000	9,000
Other trading activities	26,633	-	4,435	31,068
Investment income	1,065	-	-	1,065
Other income – CJRS grant	3,718	-	-	3,718
Total income	789,344	-	23,175	812,519
Expenditure:				
Raising funds	1,745	-	-	1,745
Charitable activities	479,583	-	19,190	498,773
Total expenditure	481,328	-	19,190	500,518
Net income/(expenditure) and movement in funds	308,016	-	3,985	312,001
Transfer	-	-	-	-
Total funds brought forward	1,795,373	1,000,000	17,000	2,812,373
Total funds carried forward	2,103,389	1,000,000	20,985	3,124,374

9 Net movement in funds

This is stated after charging:

	2022 £	2021 £
Staff costs (note 10)	341,620	292,556
Auditors' remuneration		
- Statutory audit	8,250	7,750
- Non-audit services	7,875	5,670
Depreciation	41,434	38,577

10 Staff costs

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	315,355	269,021
Social Security costs	18,686	16,790
Pension contributions	7,579	6,745
	341,620	292,556

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Pension contributions solely relate to a defined contribution scheme. No pension contributions were outstanding at the year-end (2021: £Nil).

Staff costs by function were as follows:

	2022	2021
	£	£
Animal welfare and re-homing	289,524	246,518
Administration, fundraising and development	52,252	46,038
	341,776	292,556

No employees earned over £60,000 per annum (including taxable benefits but excluding employer pension contributions).

The average number of employees during the year, analysed by function, was as follows:

	2022	2021
Animal welfare and re-homing	13	13
Administration, fundraising and development	3	2
	16	15

During the year, none of the Trustees received any remuneration in respect of their services as trustees (2021: £Nil). No out of pocket travel and subsistence expenses were reimbursed to Trustees during the year (2021: £Nil). 1 trustee made a donation of £250 to the charity during the year (2021: £250).

The key management personnel of the charity comprise the Chief Executive and Director of Operations. Remuneration for key management personnel included above was £111,147 (2021: £106,826), which includes employers national insurance and pension contributions.

11 Taxation

The Company is a Registered Charity (number: 1149884). All activities are undertaken to fulfil the primary objectives of the charity and are therefore exempt under Part 11 of the Corporation Tax Act 2010.

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

	Land & buildings £	Assets under Construction £	Fixtures, fittings & equipment £	Animal welfare equipment £	Computer Equipment £	Motor vehicles £	Total £
Cost							
Cost brought forward	1,170,656	41,953	21,193	24,665	-	51,252	1,309,719
Additions	-	39,381	-	-	5,379	20,970	65,780
Disposals	-	-	-	-	-	(25,647)	(25,647)
Total cost	1,170,656	81,333	21,193	24,665	5,379	46,575	1,347,800
Depreciation							
Depreciation brought forward	141,566	279	17,858	6,066	-	34,348	200,117
Charge for the year	29,045	-	2,493	2,467	635	6,795	41,435
Disposals	-	-	-	-	-	(25,180)	(25,180)
Total depreciation	170,611	279	20,351	8,533	635	15,964	216,372
Net book values							
At 31 December 2022	1,000,045	81,054	842	16,132	4,744	30,611	1,133,428
At 31 December 2021	1,029,090	41,673	3,335	18,559	-	16,903	1,109,600

13 Debtors

	2022 £	2021 £
Accrued income	629,458	847,467
Prepayments	3,742	1,083
Other debtors	15,166	8,003
	648,366	856,553

Accrued income comprises legacy income accounted for under the requirements of the Charities SORP FRS102.

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	19,232	8,445
Taxation and social security costs	6,830	5,004
Accruals	8,250	7,250
	34,312	20,699

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15 Restricted funds

	At 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2022 £
Battersea Animal Rescue Live (Petplan)	20,985	-	-	(20,985)	-
	20,985	-	-	(20,985)	-

The Battersea and Animal Rescue Live (Petplan) are funding for a new ambulance. One ambulance was purchased during the year.

16 Designated funds

The income funds of Wadars include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	At 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2022 £
Animal rescue centre development	1,000,000	-	-	-	1,000,000

The Charity's designated fund continues to be maintained for the future development of the rescue and rehoming Centre in Hangleton Lane and two years' additional running costs whilst the site is developed and its potential maximised. Detailed planning permission was received in September 2020, which includes intake, homing and isolations units for dogs, a wildlife unit and associated aviaries and pens, additional cattery units, a training and education centre plus basic staff accommodation for overnight care. The total cost of the entire project is estimated as £3.6 million, based upon a phased development of various units. There are significant civil works to be undertaken including road access to paddocks where the wildlife unit will be situated and also extensive surface water drainage which must be completed in the first phase, as a condition of the planning approval. Initial works started in the summer of 2023 to secure the planning approval. However, the outbreak of avian influenza and subsequent clean up has meant that this work will be delayed until 2024.

17 Analysis of net assets between funds

	Unrestricted general funds £	Restricted funds £	Unrestricted designated funds £	Total £
Fund balances at 31 December 2022 are represented by:				
Tangible fixed assets	1,133,429	-	-	1,133,429
Current assets	907,673	-	1,000,000	1,907,673
Creditors: amounts falling due within one year	(34,312)	-	-	(34,312)
	2,006,790	-	1,000,000	3,006,790

WADARS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted general funds	Restricted funds	Unrestricted designated funds	Total
Fund balances at 31 December 2021 are represented by:	£	£	£	£
Tangible fixed assets	1,094,845	14,755	-	1,109,600
Current assets	1,029,243	6,230	1,000,000	2,035,473
Creditors: amounts falling due within one year	(20,699)	-	-	(20,699)
	2,103,389	20,985	1,000,000	3,124,374

18 Indemnity insurance

The charity has insurance to protect the charity from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part.

19 Pension and other post-retirement benefit commitments

Defined contribution

Pension contributions due at the year-end amounted to £Nil (2021: £Nil).

	2022 £	2021 £
Employer contributions payable by the charity for the year	7,579	6,745

20 Related party transactions

During the year Trustees made donations totalling £250 (2021: £250).

21 Control

No one member has overall control of the charity.

22 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the reporting period	(117,584)	312,001
Adjustments for:		
Depreciation of tangible fixed assets	41,434	37,311
Loss on the sale of fixed assets	467	1,239
Dividends, interest and rents from investments	(4,932)	(1,065)
(Increase)/decrease in debtors	208,186	(144,688)
Increase/(decrease) in creditors	13,614	2,336
Net cash (outflow)/inflow from operating activities	141,185	207,134

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