

Wag and Company North East Friendship Dogs
Financial Statements
For the Year Ended
31 March 2022

JANE ASCROFT ACCOUNTANCY LIMITED

Chartered Accountants
Enterprise House
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DL12 8XT

Wag and Company North East Friendship Dogs

Financial Statements

Year Ended 31 March 2022

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Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report)

Year Ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

Objectives and Activities

Wag and Company North East Friendship Dogs (Wag & Company) was incorporated on 15 August 2015 and became a registered charity on 3 March 2016.

The charity's object is to promote social inclusion for the public benefit by relieving the needs of those people who are socially excluded by reason of old age and assisting them to integrate into society by the provision of a befriending service in the North East of England.

Wag & Company was established to bring friendship and the company of a dog to older dog lovers in our region. The charity visits people in their own homes (uniquely in the North East) as well as in care and medical establishments.

Wag & Company is dedicated to reducing loneliness. Many people have lost friends and family as they have got older and at the same time have found themselves unable to care for a dog; some are profoundly lonely and desperately miss the friends they have lost, two legged and four legged.

The Campaign to end Loneliness statistics show that over 50,000 pensioners in our region describe themselves as lonely all or most of the time. We can conclude that many of them are dog lovers as surveys tell us that the North East at 31% has the greatest number of dog owning households in England.

Our unique Wag friendships for people alone in their own homes have never been more necessary.

The impact of Covid-19 in our North East communities has resulted in our region, specifically Durham, topping Care Sources loneliness index as the loneliest place in the UK, Newcastle upon Tyne and Sunderland also rank in the top ten, at numbers four and nine respectively!

As one of our older friends told us during the pandemic:- "Lockdown is a lonely place when all you need is a hug..."

Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2022

Achievements and Performance

Growth has been delayed...

We ended 2021/2022 with 425 volunteers at the end of March, up from 399 the previous March.

We believe this to be a significant achievement in the circumstances however, as that slightly increased number incorporates an unprecedented level of volunteer turnover at 44%. We worked very hard to pretty much stand still but we are happy we avoided going backwards which would not only have been very demoralising for all, it would have resulted in us starting the new financial year in April 2022 with a substantial rebuilding programme rather than in what is a strong position to regroup.

We had 128 home placements being regularly visited at year end, 10 more in the pipeline and new referrals now being received all the time.

We were proud to be able to enable a solutions based approach to referrals post pandemic. Where local authorities and other professional organisations involved in social care couldn't refer to us for Covid related reasons we developed our own referral risk management approach, which met all our in house governance requirements, and so we were able to manage directly using our own experienced Wag volunteers.

This enabled many isolated people and concerned families to develop their Wag friendships much earlier than would ordinarily have been possible providing rapid support for mental health and wellbeing issues in the aftermath of the isolation of Covid-19.

The growth challenge required the effective management of a very large backlog of applicants in June 2021, over a hundred. Whilst we had continued to recruit and process applications, once we could no longer assess the dogs, it wasn't possible to take people all the way through our process. In the June, July of 2021, our volunteer assessors were able to get close up to handlers and their dogs again and supported us amazingly to get through the backlog early into the Autumn.

In 2021, once we began to understand the implications of Covid-19 in discussion with key stakeholders we moved the 2020/2021 and 2021/22 targets up two years, so our target of 500 volunteers by March 2021 was moved to March 2023.

We are very optimistic that visiting vulnerable people in care and medical establishments will get substantially back on track this year which when coupled with our unique home visiting service should see our numbers and growth return to pre pandemic levels.

As part of succession planning, recruitment took place for an income generation and community engagement specialist with operations experience to take on a Deputy CEO role. Catriona Taylor was appointed and joins Wag & Company in April 2022.

Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2022

Our Visiting Activities - doing what we do best..

In spite of the significant challenges faced by Wag & Company and our older friends during the pandemic - essentially since the end of March 2020 when we had to suspend almost all of our physical visiting activities - we have continued to respond proactively and to support our older friends throughout these long months in a variety of different ways returning to physical visiting just as soon as we possibly could.

In March 2021, upon the launch of the Government's 4 stage roll out plan we launched our own Wag version, Emerging from Lockdown... one paw at a time. In early March we were visiting older people as single named visitors in care homes and by the end of March we were visiting our friends outside, in April we started receiving and processing new referrals and by the end of May 2021 we were able to venture indoors again continuously reviewing and updating our Covid-19 infection prevention protocols in line with Government and Public Health England protocols.

In recognition of our efforts during Covid-19 we were honoured to be awarded the Prime Ministers Points of Light Award in October 2021 and Diane and a small team of other Wag volunteers were presented with it in June 2021 by MP for Hexham, Guy Opperman.

In addition a party of 10 Wag volunteers led by our older friend Mrs Sheila Moody visited Alnwick Castle in October to be presented with our Queens Award for Voluntary Service by Her Grace, the Duchess of Northumberland.

We were invited by the BBC to attend Crufts and to be interviewed about our work. We were delighted to accept and Wag volunteer, Mandy Jobling with Friendship Dog Annie and Friendship Dog in Waiting, Maggie, attended, a video of our home visiting service was shown, Mandy told everyone why what we do is so important and she also spent some special time with Clare Balding. Interest was so high our website crashed that evening when the interview was aired.

The case for loneliness and social isolation has been brought into sharp focus by Covid-19 and our efforts have received a great deal of media attention; so awareness of Wag & Company and our unique service is high.

Our elderly friends need us even more than ever, many of them have been very depressed during the Covid-19 restrictions and very fearful, having their Wag friends back has made all the difference.

Care and medical establishments started enabling volunteers slowly in the Autumn last year but we have started to see volunteers returning in much greater numbers this Spring 2021.

Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year Ended 31 March 2022

Financial Review

Overview

The issues and impacts associated with Covid-19 continued to negatively impact financial performance especially during the first six months of the year. Actual total income (£135,037) fell short of the budget by £25,837. However, total costs less expenditure on the National Lottery Digital Project (£208,319 - £85,588 = £122,731) were managed to £20,501 less than budget which resulted in a £12,306 contribution to operating reserves, a negative variance of just £5,336.

Progress on the National Lottery Digital Project was delayed a little compared with our plan so that the total expenditure in the year of £85,588 has left £71,598 in reserve. This will be fully utilised in the coming financial year.

Net total reserves utilised in the year was £73,282 (£280,591- £207,309) however reserves available to support our operations ie excluding (The National Lottery Digital Project) increased by £12,306 (£85,588-£73,282). Overall this was another strong performance and, progress made in the latter six months along with the almost complete lifting of Covid-19 restrictions, provides a good deal of confidence in a return to volunteer growth and achievement of our 2022/2023 budget.

Income

Some aspects of our income were negatively impacted by our lack of ability to visit, particularly care and medical establishments. There was therefore no growth in our corporate partners, supporters and donors income though this is an area for considerable growth in 'normal' operating times. Income from beneficiaries was just over £2,500 down on the previous year. Finally income from sale of goods and services dropped by around £3,000 reflecting the lessons learned from last year's feasibility study which reset our expectations in this area. However, Legacy donations increased by over £12,000 and the re-establishment of our annual walk at Kielder, and the innovation of Walk for Wag Anywhere, resulted in £21,056 annual income from fundraising, an increase of over £11,000. When income from all grants received from The National Lottery and last year's special Covid grant are excluded, to compare like for like, grant income increased by over £13,000. So despite difficult operating conditions Wag has continued to make good progress in key areas of income generation.

Costs and Reserves

Ongoing staff costs (ie Operating plus Digital Project staff costs) were broadly the same year on year (£145,430 rising to £148,368) though the proportion invested into operations increased with the progressive return to normal visiting. This is by far the largest cost element in the ongoing total costs which in the 21/22 year amount to £170,479 (total expenditure £208,319 less The Digital Project 'one off' costs £37,840). So other operating costs in the 21/22 year amount to £22,111 (£170,479 less £148,368) which is a circa £13,000 reduction when compared with the previous year. The difference relates to the special 'keeping in touch' initiatives which were delivered since visiting in person was severely hampered for almost all of 20/21 ('Gifts for our elderly at home friends' dropped from £12,308 to £651, a more typical ongoing amount for the future.)

As stated above, although overall reserves reduced in the year, the underlying reserves which support ongoing operations increased by £12,306. Reserves at all times remained within our policy (which requires that reserves are greater than the next three month's forecast costs) and are budgeted to remain so.

Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2022

The Future

We must continue to grow if we are to come close to meeting the need in our region and beyond; we are already visiting into North Yorkshire as well as a little bit into Cumbria and the Scottish Borders.

We are working optimistically again towards a target of 1,000 volunteers by 2030 and expect to be at least half way there with 500 Visiting Wag Teams by March 2023; on track again, an important milestone.

We continue to work with all the key influencers of loneliness in the older communities in the North East and, in addition to working with Social Services, GP practices, British Red Cross and Age UKs, we have developed very strong working relationships with Northumberland Healthcare NHS Foundation Trust and Stockton Borough Council who see us as an important tool in tackling loneliness in elderly dog lovers and the associated health consequences.

Because of having to adapt during Covid we are better equipped to manage direct referrals now where the usual processes aren't practical or possible.

Costs will continue to grow primarily with volunteer and 1:1 placement headcount to ensure an appropriately safeguarded service but we are confident that we can continue to meet the challenge and we are continuing to introduce new ways to enable local people and organisations to support us, assisted by the National Lottery funded digital transformation project which completes in 2022/23.

Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year Ended 31 March 2022

Structure, Governance and Management

Wag & Company North East Friendship Dogs was incorporated on 15 August 2015 and became a registered charity on 3 March 2016.

The Directors are the Trustees of the charity and along with two appointed Members form the governing body which has ultimate responsibility for the proper administration of the charity and acts in its interests. Nominations for Trustee appointments are solicited from among the Corporate Partners and are appointed by invitation of existing Trustees who assess candidates on the basis of the skills they contribute to the future direction of the organisation. New appointees are apprised of their obligations as Trustees of the charity and as Directors of a company limited by guarantee and they receive an induction into the organisation, its current position and significant issues.

The Board is responsible for setting the strategic direction of the organisation giving consideration to resources and the risks and opportunities in the operational environment. The Board ensures compliance and has overall financial control, approving budgets and monitoring expenditure and revenues. The Board has overall approval of the programme of activity, ensuring it is consistent with objects and maximises public benefit. The Board meets at least quarterly and on other occasions as required to consider issues of particular significance.

While the Board retains the ultimate responsibility for running the charity, the management and day to day functions of implementing the Board's decisions are, at this time, devolved to the Charity Director who is also a Trustee Director. The Charity Director presents a full operational report to the Board at all quarterly Board meetings highlighting any areas of risk that require consideration.

Other operational delivery functions are carried out by paid charity staff, a specialist contracted accountant, a volunteer Kielder Walk Project Team, volunteer expert advisors and a number of professionally qualified dog trainers and behaviouralists who operate as dog assessors also on a volunteer basis.

Risk Management Statement

Wag and Company aims to take all reasonable steps to avoid any harm to our staff or volunteers, their dogs, those we visit and the general public as a result of our activities. We also want to ensure that Wag and Company continues to develop to its full potential guided by its Vision.

For these reasons, we operate a Risk Management System. It comprises a Risk Management Policy and a number of Risk Registers, which are designed to assess risks, manage an appropriate response and allocate responsibility for action.

The Charity's Trustees are collectively responsible for ensuring that an adequate system of risk management is implemented and maintained and have appointed a Trustee Director responsible for Risk to lead and oversee this process.

The Risk Management System was developed during a detailed review of the Charity's Plan and programme of activities which were designed to efficiently deliver its services.

Since the Charity was in its early stages of development great care was taken to assess each programme of activity in order to anticipate the major risks associated with our Charity's activities. It was also desirable to test the effectiveness of the system as the operations were being bedded in. The Charity Director has deliberately engaged in detail operationally from the outset to ensure that the risk management approach was continuously reviewed and developed, properly briefed to all new volunteers during induction and that its scope was comprehensive.

Everyone is encouraged to review the Risk Management System before commencing visits and to pay particular attention where specific further action is required by them, for example prior to visiting. One

Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year Ended 31 March 2022

of the major benefits of operating such a system is the opportunity it presents for continuous improvement based upon the actual experience of our volunteers. So everyone is encouraged to feedback any issues from actual visits and discuss any new responses which may be necessary. In this way, risk registers can be updated and shared with others.

Major risks include :

- Safeguarding of lone visiting of vulnerable adults
- Failure to secure adequate funding
- Failure to attract and maintain adequate, suitable visiting resources
- Injury to elderly Friend/ Volunteer/ member of public as a result of dog scratch/bite

Wag & Company has developed a Safeguarding Vulnerable Adults Policy and ensures that volunteers are adequately trained in Safeguarding Vulnerable Adults best practice and lone working where relevant. Monitoring of placements is conducted at prescribed intervals with recording and reporting protocols. Volunteers submit a visit report after each visit enabling routine understanding of all activity and these reports, together with our incident reporting protocols, enable proactive management of issues or or potential issues.

Wag & Company's fundraising strategy has secured a range of funding sources and types such that the risk of failure due to single funder loss is eliminated. It has also minimised operating costs as a result of the ongoing support of its Corporate partners. It operates a reserve policy which retains a surplus equivalent to three month's operating costs.

In order to address suitable person and injury from dog risks, Wag & Company appointed an expert adviser in dog behaviour to design a customised dog assessment. This assessment is carried out of potential Visiting Wag Teams (volunteer and dog) by one of a number of professionally qualified volunteer assessors and simulates real hazards so that the dog and handler response can be judged. If in the assessor's opinion the risks are under control, the Charity is notified that they are qualified to visit subject to the successful completion of an Enhanced DBS check for the volunteer and the Wag induction.

For some of the major risks identified it is possible to transfer the consequences to insurers as part of a basket of responses. The Charity maintains an appropriate level of Public Liability Insurance.

The Risk Management System was reviewed by the Charity Trustees before its first implementation and has been accepted for ongoing use each year after an annual review.

Covid 19

As a result of the unprecedented impact of COVID-19, from 17th March 2020 Wag & Company was unable to visit elderly friends at home or in a care setting. Our response was to implement a dynamic action plan under the direction of the Charity Director, Diane Morton. The risks identified were as follows:

1. Emotional impact on elderly friends especially those within their own homes.
2. Financial impact through loss of income opportunities eg fundraising events and new Friends of Wag scheme.
3. Erosion of volunteer base through prolonged, forced interruption of visiting and the physical and mental impact of COVID-19.

The plan also recognised the health and safety risk facing everyone - especially the elderly and vulnerable - which was managed through strict compliance with Government guidance.

As part of financial risk management, we decided to expand the scope of our e shop feasibility planned as part of the Digital Project scope during FY20/21. A risk management plan was developed and the shop launched during September 2020. Performance was inevitably hampered by the 'second wave' of COVID-19 in the lead up to Christmas since supporting 'physical' shopping activities (part of

Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2022

risk mitigation) were prohibited. However much was achieved and learned, all of which was fed into our 21/22 budget and strategy going forward.

Overall the management of the risks associated with COVID-19 have been mitigated and though inevitably we have lost progress against our strategy, Wag and Company remains financially resilient and the ongoing investment in our systems bodes well for a return to growth during FY22/23.

We have provisionally concluded that our risk management system need not be adjusted although a lessons learned review will be carried out during FY22/23.

Public Benefit

All our activities are undertaken to further our charitable purposes for the public benefit. The Trustees have had regard to the Charity Commission's guidance on public benefit through the year when deciding on the activities of the charity and its future plans.

Reference and Administrative Details

Registered charity name	Wag and Company North East Friendship Dogs
Charity registration number	1165847
Company registration number	09734369
Principal office and registered office	Merchant House 30 Cloth Market Newcastle Upon Tyne NE1 1EE

The Trustees

Alison A Hall
Suzanne L Tait
Diane Morton
Douglas R Morton
Sophie Carvin
Sean Churchill
Michael Madine

Company Secretary Alison A Hall

Independent Examiner Jane Ascroft FCA MA (Cantab)
Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XT

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Wag and Company North East Friendship Dogs

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31 March 2022

The trustees' annual report was approved on.....and signed on behalf of the board of trustees by:

Alison A Hall
Charity Secretary

Wag and Company North East Friendship Dogs

Independent Examiner's Report to the Trustees of Wag and Company North East Friendship Dogs

Year Ended 31 March 2022

I report to the trustees on my examination of the financial statements of Wag and Company North East Friendship Dogs ('the charity') for the year ended 31 March 2022.

Responsibilities and Basis of Report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

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

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



Jane Ascroft FCA MA (Cantab)
Independent Examiner

Enterprise House
Harmire Enterprise Park
Barnard Castle
County Durham
DL12 8XT

Wag and Company North East Friendship Dogs

Statement of Financial Activities (including income and expenditure account)

Year Ended 31 March 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	56,148	49,874	106,022	276,850
Charitable activities	6	7,958	–	7,958	13,507
Other trading activities	7	21,056	–	21,056	9,649
Investment income	8	1	–	1	7
Total income		<u>85,163</u>	<u>49,874</u>	<u>135,037</u>	<u>300,013</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	9	15,154	32,477	47,631	110,824
Expenditure on charitable activities	10,11	32,323	128,365	160,688	149,821
Total expenditure		<u>47,477</u>	<u>160,842</u>	<u>208,319</u>	<u>260,645</u>
Net (expenditure)/income and net movement in funds		<u>37,686</u>	<u>(110,968)</u>	<u>(73,282)</u>	<u>39,368</u>
Reconciliation of funds					
Total funds brought forward		72,575	208,016	280,591	241,223
Total funds carried forward		<u>110,261</u>	<u>97,048</u>	<u>207,309</u>	<u>280,591</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 22 form part of these financial statements.

Wag and Company North East Friendship Dogs

Statement of Financial Position

31 March 2022

	Note	2022 £	£	2021 £
Current Assets				
Debtors	15	765		1,603
Cash at bank and in hand		<u>212,011</u>		<u>287,417</u>
		212,776		289,020
Creditors: amounts falling due within one year	16	<u>5,467</u>		<u>8,429</u>
Net Current Assets			207,309	280,591
Total Assets Less Current Liabilities			207,309	280,591
Net Assets			<u>207,309</u>	<u>280,591</u>
Funds of the Charity				
Restricted funds			97,048	208,016
Unrestricted funds			<u>110,261</u>	<u>72,575</u>
Total charity funds	18		<u>207,309</u>	<u>280,591</u>

For the year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Diane Morton
Trustee

The notes on pages 13 to 22 form part of these financial statements.

Wag and Company North East Friendship Dogs

Notes to the Financial Statements

Year Ended 31 March 2022

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Merchant House, 30 Cloth Market, Newcastle Upon Tyne, NE1 1EE.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

The Financial Statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The entity is a Public Benefit Entity.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustees do not consider that there are any significant estimates or judgements affecting these Financial Statements.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Wag and Company North East Friendship Dogs

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

3. Accounting Policies *(continued)*

Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacy income received by way of donations, legacies, grants and gifts is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the Charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the Charity, being the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.

Investment income is included when receivable.

Income from charitable trading activity is accounted for when earned.

Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other expenditure includes all expenditure that is neither related to raising funds for the Charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

Wag and Company North East Friendship Dogs

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

3. Accounting Policies *(continued)*

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Debtors

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

Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Wag and Company North East Friendship Dogs

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

3. Accounting Policies *(continued)*

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

4. Limited by Guarantee

The charity is limited by guarantee. At 31st March 2022 there were 7 members each of whom had undertaken to contribute an amount not exceeding £10 in the event of a winding up.

5. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Corporate partners, supporters and donors	13,829	—	13,829
Legacies			
Legacies	12,423	—	12,423

Wag and Company North East Friendship Dogs

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2022

5. Donations and Legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
Joseph Strong Frazer Trust	2,500	—	2,500
Sir James Knott Foundation	5,000	—	5,000
St James Place Foundation	1,056	—	1,056
The 1989 Willan Charitable Trust at the Community Foundation Tyne & Wear and Northumberland	7,040	—	7,040
Arnold Clark Community Fund	1,000	—	1,000
Hadrian Trust	2,000	—	2,000
Barbour Foundation	5,000	—	5,000
The Joicey Trust	5,000	—	5,000
The National Lottery Community Fund - Covid grant	—	—	—
Allen Lane Foundation	—	—	—
D'Oyly Carte Charitable Trust	—	—	—
Other smaller grants	1,300	—	1,300
The National Lottery Reaching Communities grant	—	44,874	44,874
The National Lottery Digital Fund 2 Remote Working Digital Project grant	—	5,000	5,000
	<u>56,148</u>	<u>49,874</u>	<u>106,022</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Corporate partners, supporters and donors	13,736	—	13,736
Legacies			
Legacies	225	—	225

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2022

5. Donations and Legacies (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Grants			
Joseph Strong Frazer Trust	2,500	—	2,500
Sir James Knott Foundation	—	—	—
St James Place Foundation	—	—	—
Arnold Clark Community Fund	—	—	—
Hadrian Trust	2,000	—	2,000
Barbour Foundation	4,600	—	4,600
The Joicey Trust	—	—	—
The National Lottery Community Fund - Covid grant	49,399	—	49,399
Allen Lane Foundation	2,270	—	2,270
D'Oyly Carte Charitable Trust	4,576	—	4,576
Other smaller grants	500	—	500
The National Lottery Reaching Communities grant	—	50,830	50,830
The National Lottery Digital Fund 2 Remote Working Digital Project grant	—	—	—
	—	146,214	146,214
	<u>79,806</u>	<u>197,044</u>	<u>276,850</u>

6. Charitable Activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Beneficiaries	5,498	5,498	8,076	8,076
Sale of goods	2,460	2,460	5,431	5,431
	<u>7,958</u>	<u>7,958</u>	<u>13,507</u>	<u>13,507</u>

7. Other Trading Activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising events	18,354	18,354	6,515	6,515
Gift aid	2,702	2,702	3,134	3,134
	<u>21,056</u>	<u>21,056</u>	<u>9,649</u>	<u>9,649</u>

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2022

8. Investment Income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>

9. Costs of Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fundraising - Ongoing costs	6,847	14,734	21,581
Fundraising - One off costs	8,307	17,743	26,050
	<u>15,154</u>	<u>32,477</u>	<u>47,631</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Fundraising - Ongoing costs	50,955	20,789	71,744
Fundraising - One off costs	–	39,080	39,080
	<u>50,955</u>	<u>59,869</u>	<u>110,824</u>

10. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Ongoing costs	10,795	84,363	95,158
One off project costs	10,500	–	10,500
Support costs	11,028	44,002	55,030
	<u>32,323</u>	<u>128,365</u>	<u>160,688</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Ongoing costs	24,955	52,339	77,294
One off project costs	–	15,420	15,420
Support costs	34,003	23,104	57,107
	<u>58,958</u>	<u>90,863</u>	<u>149,821</u>

11. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Ongoing costs	95,158	53,121	148,279	111,297
One off project costs	10,500	1,909	12,409	38,524
	<u>105,658</u>	<u>55,030</u>	<u>160,688</u>	<u>149,821</u>

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2022

12. Independent Examination Fees

	2022 £	2021 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	700	600
Other financial services	360	558
	<u>1,060</u>	<u>1,158</u>

13. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	143,099	141,769
Social security costs	2,940	2,784
Employer contributions to pension plans	1,643	877
	<u>147,682</u>	<u>145,430</u>

The head count of employees at 31st March 2022 was 6 (2021: 5). The number of full-time equivalent employees at 31st March 2022 is analysed as follows:

	2022 No.	2021 No.
Number of operational staff	3	3
Number of fundraising & support staff	2	2
	<u>5</u>	<u>5</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

14. Trustee Remuneration and Expenses

No remuneration or expenses were received by the Trustees.

15. Debtors

	2022 £	2021 £
Prepayments and accrued income	765	1,603

16. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,472	—
Accruals and deferred income	1,592	707
Social security and other taxes	1,935	2,429
Other creditors	468	5,293
	<u>5,467</u>	<u>8,429</u>

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2022

17. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,643 (2021: £877).

18. Analysis of Charitable Funds

Unrestricted funds

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	<u>72,575</u>	<u>85,163</u>	<u>(47,477)</u>	<u>110,261</u>

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
General funds	<u>79,519</u>	<u>102,969</u>	<u>(109,913)</u>	<u>72,575</u>

Restricted funds

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
The National Lottery Reaching Communities grant	50,830	44,874	(73,267)	22,437
Digital Transformation project	157,186	–	(85,588)	71,598
National Lottery Digital Fund 2 Remote Working	–	5,000	(1,987)	3,013
	<u>208,016</u>	<u>49,874</u>	<u>(160,842)</u>	<u>97,048</u>

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
Durham County Council	2,339	–	(2,339)	–
The National Lottery Reaching Communities grant	–	50,830	–	50,830
Digital Transformation project	159,365	146,214	(148,393)	157,186
	<u>161,704</u>	<u>197,044</u>	<u>(150,732)</u>	<u>208,016</u>

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2022

18. Analysis of Charitable Funds (continued)

The restricted funds are for the following purposes:

Mid Durham AAP	The Grant is to develop our special befriending service in this area of County Durham with the outcome of facilitating 12 new volunteers befriending the elderly in Mid Durham AAP
The National Lottery Digital Transformation Project	The National Lottery funded Wag & Company to deliver a 3 year project "Digital Transformation: Enabling Growth & Sustainability". The project enables the charity to meet the huge need for special friends for the elderly, friends with two and with four legs, right across the 12 unitary authorities of the North East. It will enable the charity to more than double its activities by 2022/23 to over 700 volunteers and 280 home placements. The project transforms Wag & Company's digital volunteering, referrals, safeguarding and finance systems, provides fundraising materials and technology and finances the recruitment of the necessary skills to continuously develop the charity into the future.

19. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Current assets	115,728	97,048	212,776
Creditors less than 1 year	(5,467)	—	(5,467)
Net assets	<u>110,261</u>	<u>97,048</u>	<u>207,309</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Current assets	81,004	208,016	289,020
Creditors less than 1 year	(8,429)	—	(8,429)
Net assets	<u>72,575</u>	<u>208,016</u>	<u>280,591</u>

Wag and Company North East Friendship Dogs

Management Information

Year Ended 31 March 2022

The Following Pages Do Not Form Part of the Financial Statements.

Wag and Company North East Friendship Dogs

Detailed Statement of Financial Activities

Year Ended 31 March 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Corporate partners, supporters and donors	13,829	13,736
Legacies	12,423	225
Joseph Strong Frazer Trust	2,500	2,500
Sir James Knott Foundation	5,000	–
St James Place Foundation	1,056	–
The 1989 Willan Charitable Trust at the Community Foundation Tyne & Wear and Northumberland	7,040	–
Arnold Clark Community Fund	1,000	–
Hadrian Trust	2,000	2,000
Barbour Foundation	5,000	4,600
The Joicey Trust	5,000	–
The National Lottery Community Fund - Covid grant	–	49,399
Allen Lane Foundation	–	2,270
D'Oyly Carte Charitable Trust	–	4,576
Other smaller grants	1,300	500
The National Lottery Reaching Communities grant	44,874	50,830
The National Lottery Digital Fund 2 Remote Working	5,000	–
Digital Project grant	–	146,214
	<u>106,022</u>	<u>276,850</u>
Charitable activities		
Beneficiaries	5,498	8,076
Sale of goods	2,460	5,431
	<u>7,958</u>	<u>13,507</u>
Other trading activities		
Fundraising events	18,354	6,515
Gift aid	2,702	3,134
	<u>21,056</u>	<u>9,649</u>
Investment income		
Bank interest receivable	1	7
	<u>1</u>	<u>7</u>
Total income	<u>135,037</u>	<u>300,013</u>

Wag and Company North East Friendship Dogs

Detailed Statement of Financial Activities (continued)

Year Ended 31 March 2022

	2022 £	2021 £
Costs of other trading activities		
Fundraising - Ongoing costs		
Staff, payroll and pension	14,734	55,757
Fundraising and marketing materials	5,834	12,499
Processing fees, postage and packaging	951	3,352
Other costs	62	136
	<u>21,581</u>	<u>71,744</u>
Fundraising - One off costs		
Fundraising digital hardware & support	20,650	20,417
Digital Fundraising Strategy & Support	-	4,500
VRMS & CRM Implementation	-	(400)
Website rebuild	5,400	2,112
E-Shop Digital Infrastructure	-	12,451
	<u>26,050</u>	<u>39,080</u>
Costs of other trading activities	<u>47,631</u>	<u>110,824</u>
Expenditure on charitable activities		
Activities undertaken directly – Ongoing costs		
Staff, payroll, pension and recruitment	84,363	59,190
NIC	2,940	2,784
Pension	1,643	877
Gifts for our elderly at home friends	651	12,308
Volunteer recruitment, insurance and starter kits	4,670	1,623
Other direct costs	891	512
	<u>95,158</u>	<u>77,294</u>
Activities undertaken directly - One off project costs		
Volunteer recruitment and management system	10,500	15,420
Support costs – Ongoing costs		
Staff pay and sub contractors	44,002	26,822
Professional fees, accounts and general office costs	6,325	3,816
WAG management system	2,794	3,365
Other support costs	619	283
	<u>53,740</u>	<u>34,286</u>
Support costs - One off project costs		
Digital maintenance	840	1,080
Website rebuild	450	21,741
	<u>1,290</u>	<u>22,821</u>
Expenditure on charitable activities	<u>160,688</u>	<u>149,821</u>
Total expenditure	<u>208,319</u>	<u>260,645</u>
Net (expenditure)/income	<u>(73,282)</u>	<u>39,368</u>