

Company Registration Number: 09734369
Charity Registration Number: 1165847

Wag and Company North East Friendship Dogs
Financial Statements
For the Year Ended
31 March 2023

When considering reserves on page 12 (SOFA)
please also see explanatory notes covering the
designated reserve on page 5.

Diane Morton, Chair, November 2023.

JANE ASCROFT ACCOUNTANCY LIMITED

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

Wag and Company North East Friendship Dogs

Financial Statements

Year Ended 31 March 2023

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Wag and Company North East Friendship Dogs

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

Year Ended 31 March 2023

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 2023.

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 is the only visiting dog charity befriending older dog lovers in their own homes (home placements) as well as in care or hospitals across the North East region.

Before 2016 visiting dogs were only available in care or medical establishments and so Wag & Company was created to provide home visiting with dogs to fill this gap. The charity launched in the North East where there are some of the most socially isolated communities in the UK and one of highest number of dog owning households.

With an hour or two most weeks, professionally assessed volunteers and their special dogs (Visiting Wag Teams/VWTs) provide older people, dog lovers who can't have their own dogs any more, often bereaved, lonely and in failing health, with something to look forward to, some company and a cuddle with that much missed furry friend.

Today a small central Wag team, from a donated office in Hexham, are managing hundreds of Visiting Wag Teams all across the North East region, from Northallerton in North Yorkshire up to the border with Scotland and across to the border with Cumbria benefitting thousands of people in their own homes as well as in care and medical establishments.

The home placements are referred by social care organisations eg Social Services, British Red Cross, Age UKs, GPs, NHS Trusts, Mind etc and since the pandemic we have also adapted our processes so that individuals or families can refer directly to us. The people we visit have typically lost friends, family and their beloved pets, their health and mobility are failing, they can't go out independently or have a dog of their own any more and they have become socially isolated often developing associated mental health issues.

As David Dawson, Older Person's Fellow from Northumbria NHS Trust tells us: -"what you do in Wag is as important as medical treatments, because when you're lonely and socially isolated, it's almost impossible to stay well".

Wag and Company North East Friendship Dogs

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

Year Ended 31 March 2023

Their VWTs are from their own communities so there is an immediate connection through their shared experiences of caring for dogs locally, often forming important friendships for life. It reconnects them with their communities as well as with the Wag community, feeling included again, a sense of belonging.

Care and medical establishments also ask us to visit their residents and patients using our online forms. Whilst these people are less socially isolated than our home placements, their need for contact with a dog again is no less important.

Wag & Company is dedicated to reducing loneliness. The Campaign to End Loneliness statistics show that over 50,000 pensioners in the region describe themselves as lonely all or most of the time. Many of them are dog lovers as surveys tell us that the North East at 31% has one of the highest numbers of dog owning households in England. The impact of Covid-19 in North East communities has worsened the situation with Durham topping Care Sources Loneliness Index as the loneliest place in the UK; Newcastle upon Tyne and Sunderland are also ranked in the top ten, at numbers four and nine respectively.

The need for our unique Wag friendships for people alone in their own homes has never been more necessary. As one of our older friends told us:- "I had nothing and now I have a wonderful relationship with these lovely friends and my life has completely changed. I do get lonely living on my own and I couldn't manage to have a dog of my own now. This is the best of both worlds. It's fantastic, like winning the Pools!".

Wag and Company North East Friendship Dogs

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

Year Ended 31 March 2023

Achievements and Performance

2022/23 has been an excellent year for Wag & Company seeing both our visiting performance and our financials beginning to stabilise and improve following the turbulent years of the pandemic.

We ended 2022/23 having met our target of 425 volunteers, with a further 60 applicants in the assessment pipeline being processed. Volunteer turnover is starting to stabilise now at 34% this year as compared to 44% last year and over 60% the year before. We are targeting a gradual return to more normal 20% turnover levels over the next 3 years, budgeting 30% this year.

We had 164 home placements being regularly visited at year end compared with 128 in the previous March. These people are located across the whole region, their average age is 83 years, 89% of them are bereaved and live alone and all of them have health conditions which prohibit them from having a dog of their own any more. Turnover in this population has also been unusually high at 51%.

At year end we were also visiting 176 care homes, hospices and hospitals and we have a longer than ever waiting list. 2,871 people are benefitting from Wag's visits and since we started in 2016 by the end of March Wag volunteers had made 97,039 friend visits making an important impact on reducing loneliness in the North East.

Home visiting has been broadly back on track for physical Wag visits starting outside on long leads since March 2021 but visiting care and medical establishments has been much more volatile. Whilst most care homes are settling back into a visiting routine now and our volunteers are less affected by closures and ever-changing visiting protocols, hospices have only just returned to visiting and still many hospital wards are not open to visiting dogs.

Visiting the medical staff with our Friendship Dogs has become a new service that we have been happy to enable for the staff in A&E and Emergency Care in those Trusts who work with us in partnership; FD Whitley is making a huge difference to staff in Northumberland and FD Teddy in Gateshead.

The increase in workload due to the significant turnover levels in volunteers and placements has been handled by broadly the existing staff levels. This is despite significant technical issues with the main Wag CRM (VRRMS) which manages all our applicants, volunteers and placements but which are now being resolved.

Our new digitally enabled fundraising initiatives financed by The National Lottery's Digital Fund grant, 2019-2022, are starting to show green shoots, with an increase in donations and new participants in our supporters scheme, Friends of Wag where individuals, Corporate and Community (care homes) through regular giving can support our work. We are also seeing signs that organisations who benefit from our work are becoming prepared to contribute.

We are now returning to a strong position to start to sustainably grow again, both within the North East and further afield; we are starting to plan how we might use our unique operating model in new geographical areas.

Finally, as recipients of the Queen's Award for Voluntary Service we were saddened by the news of the loss of Her Majesty Queen Elizabeth in September 2022 but we were honoured to feature in the BBC tributes to her life and work.

Wag and Company North East Friendship Dogs

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

Year Ended 31 March 2023

Financial Review

Income

Overall income increased from £135,037 for the previous financial year to £170,133 and is budgeted to increase again during 23/24 to £198,200. Wag has developed a variety of income sources to build resilience and it is pleasing to note that income grew against all categories with the exception of 'legacies'.

Overall income growth was 26% which compares with 16.5% for next year. This budgeted lower growth rate reflects the end of TNL's Reaching Community fund income which has supported our transition pre to post digital project. Underlying budgeted growth, net of TNL income received during 22/23, is close to 33%. We anticipate that growth rates will return to 25%+ during 24/25 before levelling out to more long term sustainable amounts rising to match new growth in volunteer numbers and hence visiting services staff in support.

Expenditure

Overall expenditure increased from £208,319 for the previous financial year to £212,465 and is budgeted to increase further to £270,475 during 23/24.

However, overall expenditure includes one off amounts which relate to the TNL digital project of £43,600 and so 'ongoing or operating expenditure' is £168,866.

The dominant portion of Wag's expenditure - outside of the one off costs associated with the TNL digital project- relates to staff costs and these almost exclusively relate to our visiting services team whose work supports existing volunteers and the friends they visit and manages the pipeline of new volunteers through to deployment.

So expenditure increases are driven by increase in staff headcount to meet demand for volunteer growth and visiting activity during a period where abnormally high churn rates were being experienced. All other non staff costs were managed to levels similar to the previous year with the exception of direct costs associated with recruiting and assessing new volunteers and their dogs which, though in proportion to overall expenditure are small, rise in line with volunteer growth. Expenditure on gifts for our elderly friends increased from a low base in the previous year - having been deliberately at a record high during the Covid year - back to normal levels during this year (circa £3,000) driven by the significant increase in home placements.

Budgeted expenditure for 23/24 includes £30,337 which is funded from the remaining restricted funds which have previously been received from TNL to deliver the digital transformation project. This project is due for overall completion by August 23 and so 'ongoing or operating expenditure' is £240,138 which sets the base for medium term annual income levels. Staff costs are expected to increase in line with growth in volunteer numbers and visiting activity and, in addition, Wag Trustees decided to resolve its senior management succession which results in the recruitment of a senior manager during 23/24 (previously carried out on a voluntary basis) representing a step increase in staff costs. A designated reserves fund of £60,000 will be utilised over the next two years for this purpose.

We anticipate balancing income and expenditure during 25/26 by which time annual expenditure is predicted to rise to around £300,000.

Wag and Company North East Friendship Dogs

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

Year Ended 31 March 2023

Analysis of Funds

Movement in total funds reduced from a utilisation of funds of £73,282 for the previous year to a utilisation of £42,332 and is expected to increase during 23/24 where an overall utilisation of £72,275 is budgeted.

Unrestricted funds increased in the year from £110,261 to £124,487, an increase of £14,226 while restricted funds decreased from £97,048 to £40,490, a decrease of £56,558. The movement in restricted funds is fundamentally driven by the completion of the TNL digital transformation project and the associated TNL Reaching Communities fund. During 22/23 these two utilised £57,259 of restricted funds (£41,261 + £15,998).

The majority of the restricted fund amount at 31/3/2023 will be utilised when the project completes in August 2023 as this represents a further utilisation of £36,776 (£30,337 + £6439).

Analysis of Reserves

Total funds at 31/3/2023 are £164,977, of which restricted funds are £38,151 and unrestricted funds are £126,826. The trustees have agreed to set aside a designated reserve to be used in the two financial years 23/24 and 24/25 of £60,000 to allow for succession planning. The senior leadership role in Wag has been done on a voluntary basis for 7 years but isn't sustainable, so there is a need to recruit a senior manager with the ability to lead Wag & Company into the future. Without this recruitment, the future development of Wag and therefore income growth could be compromised.

After the designated reserve of £60,000, unrestricted reserves at 31/3/2023 are £66,826.

Our reserves policy requires 3 months running costs to cover eventualities such as - catastrophic failure of IT/other equipment, long term sickness, temporary staff costs and volatility in income generation. So, to remain within our policy, unrestricted reserves must exceed approximately £60,000 during 23/24 rising to £74,500 for 24/25.

With unrestricted reserves at 31st March, 2023 standing at £66,826, without further action we are forecasting to breach our reserves policy towards the end of 23/24. Whilst this is based on future forecasts which are volatile, it nonetheless represents a significant risk to Wag. The Trustees acknowledge this risk and therefore, income generation from grant and other sources is a priority for the coming year. Management protocols are in place to monitor actual funds against policy and actions are prescribed in the event of a breach.

Wag and Company North East Friendship Dogs

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

Year Ended 31 March 2023

The Future:

The demand for our unique befrienders is substantial and we must continue to grow if we are to come close to meeting the substantial need in our region.

We are working optimistically again towards a target of 1,000 volunteers by the year 2030 and expect to be at least half way there with 500 Visiting Wag Teams by March 2024, visiting 180 home placements and with over 3,000 people benefitting.

In addition, every week we have to turn down heartbreaking requests for visits from social care referrers, individuals or their families from areas outside of our present operating region and as our intention was always to find a way to make sure that no dog lover should have to miss having friends and regular contact with a dog, we therefore have expansion aspirations.

This year, we intend to expand fully into North Yorkshire including York, followed in 2025 by Cumbria and as soon as we have capacity we will develop our approach to offering our service further afield whilst maintaining the integrity of our risk management approach and our model for supporting volunteers as well as our sense of community.

To achieve this and the associated increase in volunteer numbers and home placements requires an additional member of the visiting services team. In addition, the senior leadership role of Chair and COO* has become too big for one person and we will be recruiting a new senior manager to run operations and develop new relationships and partnerships across an even larger region.

This means we will need to increase our staff costs and therefore our income so we are budgeting for a 16.5% increase in income to £198,200 for the 23/24 year

* The senior leadership role in Wag has been done on a voluntary basis by founding Director Diane Morton for 7 years combining the roles of COO and Chair of the Trustees. This is becoming unsustainable so the Trustees have agreed to set aside a designated fund described previously, to support succession and the recruitment of the additional role of COO.

This increase in required income will as always be a challenge for us in the next two years particularly and we will be using designated reserves as defined. We are hopeful though that we will see more organisations who benefit from our services start to contribute through our Community Friends scheme or directly in the same way as our existing partnerships with for example Stockton Borough Council who see us as an important tool in their loneliness prevention strategy and the NHS in Northumberland who call us their Doggies on Prescription service covering community visiting, hospital patients and staff.

We have also laid the foundations this year for continued growth in our trusts and foundations income as well as in our Friends scheme, particularly individual giving, Community Friends as above and Corporate Friends.

We are working with new partners on the possibilities of introducing large annual fundraising events in addition to the Walk for Wag at Kielder each September and it is hoped that these activities will help to support this challenging income target of £198,200.

Wag and Company North East Friendship Dogs

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

Year Ended 31 March 2023

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 2023

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 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.

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.

Wag and Company North East Friendship Dogs

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

Year Ended 31 March 2023

Reference and Administrative Details

Registered charity name Wag and Company North East Friendship Dogs

Charity registration number 1165847

Company registration number 09734369

Principal office Northumbria House
French Gardens Industrial Estate
Hexham
Northumberland
NE46 4DL

Registered office C/O Hay & Kilner
The Lumen
St. James' Boulevard
Newcastle Helix
Newcastle Upon Tyne
NE4 5BZ

The Trustees

Alison A Hall
Suzanne L Tait (Retired 7 January 2023)
Diane Morton
Douglas R Morton
Sophie Carvin
Sean Churchill
Michael Madine
Robert K Boville (Appointed 7 June 2022)
Christopher Farman (Appointed 7 January 2023)

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 2023

The trustees' annual report was approved on 20/6/2023 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 2023

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 2023.

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 2023

		Unrestricted funds	2023 Restricted funds	Total funds	2022 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	78,663	45,906	124,569	106,022
Charitable activities	6	15,944	—	15,944	7,958
Other trading activities	7	29,426	—	29,426	21,056
Investment income	8	44	—	44	1
Other income	9	150	—	150	—
Total income		<u>124,227</u>	<u>45,906</u>	<u>170,133</u>	<u>135,037</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	10	44,098	22,562	66,660	47,631
Expenditure on charitable activities	11,12	63,564	82,241	145,805	160,688
Total expenditure		<u>107,662</u>	<u>104,803</u>	<u>212,465</u>	<u>208,319</u>
Net expenditure and net movement in funds		<u>16,565</u>	<u>(58,897)</u>	<u>(42,332)</u>	<u>(73,282)</u>
Reconciliation of funds					
Total funds brought forward		110,261	97,048	207,309	280,591
Total funds carried forward		<u>126,826</u>	<u>38,151</u>	<u>164,977</u>	<u>207,309</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 14 to 25 form part of these financial statements.

Wag and Company North East Friendship Dogs

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Current Assets			
Debtors	16	5,409	765
Cash at bank and in hand		<u>164,440</u>	<u>212,011</u>
		169,849	212,776
Creditors: amounts falling due within one year	17	<u>4,872</u>	<u>5,467</u>
Net Current Assets		<u>164,977</u>	<u>207,309</u>
Total Assets Less Current Liabilities		<u>164,977</u>	<u>207,309</u>
Net Assets		<u>164,977</u>	<u>207,309</u>
Funds of the Charity			
Restricted funds		38,151	97,048
Unrestricted funds		<u>126,826</u>	<u>110,261</u>
Total charity funds	19	<u>164,977</u>	<u>207,309</u>

For the year ending 31 March 2023 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 20/6/2023 and are signed on behalf of the board by:



Diane Morton
Trustee

The notes on pages 14 to 25 form part of these financial statements.

Wag and Company North East Friendship Dogs

Notes to the Financial Statements

Year Ended 31 March 2023

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 C/O Hay & Kilner, The Lumen, St. James' Boulevard, Newcastle Helix, Newcastle Upon Tyne, NE4 5BZ.

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 2023

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 2023

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 2023

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 2023 there were 8 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 2023 £
Donations			
Corporate partners, supporters and donors	30,351	—	30,351
Legacies			
Legacies	—	—	—

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2023

5. Donations and Legacies (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Grants			
Joseph Strong Frazer Trust	2,500	—	2,500
Sir James Knott Foundation	5,000	—	5,000
The William Leech Charity	2,500	—	2,500
Pease Charitable Trust	5,000	—	5,000
Catherine Cookson Charitable Trust	3,000	—	3,000
The Prince of Wales's Charitable Fund	—	2,500	2,500
Hadrian Trust	2,000	—	2,000
The Pargiter Trust via The Community Foundation Tyne & Wear and Northumberland	—	8,020	8,020
The Joicey Trust	—	2,000	2,000
Masonic Charitable Foundation - Province of Northumberland	4,812	—	4,812
David & Ruth Lewis Family Charitable Trust	15,000	—	15,000
Prime via The Community Foundation Tyne & Wear and Northumberland	—	4,812	4,812
D'Oyly Carte Charitable Trust	3,000	—	3,000
Other smaller grants	5,500	2,300	7,800
The National Lottery Reaching Communities grant	—	21,462	21,462
The National Lottery Digital Fund 2 Remote Working	—	—	—
McCarthy Stone Foundation	—	4,812	4,812
	<u>78,663</u>	<u>45,906</u>	<u>124,569</u>
	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 2023

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
The 1989 Willan Charitable Trust at the Community Foundation Tyne & Wear and Northumberland	7,040	–	7,040
Hadrian Trust	2,000	–	2,000
Barbour Foundation	5,000	–	5,000
The Joicey Trust	5,000	–	5,000
Other smaller grants	3,356	–	3,356
The National Lottery Reaching Communities grant	–	44,874	44,874
The National Lottery Digital Fund 2 Remote Working	–	5,000	5,000
	<u>56,148</u>	<u>49,874</u>	<u>106,022</u>

6. Charitable Activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Beneficiaries	13,356	13,356	5,498	5,498
Sale of goods	2,588	2,588	2,460	2,460
	<u>15,944</u>	<u>15,944</u>	<u>7,958</u>	<u>7,958</u>

7. Other Trading Activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Fundraising events	25,013	25,013	18,354	18,354
Gift aid	4,413	4,413	2,702	2,702
	<u>29,426</u>	<u>29,426</u>	<u>21,056</u>	<u>21,056</u>

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2023

8. Investment Income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank interest receivable	<u>44</u>	<u>44</u>	<u>1</u>	<u>1</u>

9. Other Income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Other income	<u>150</u>	<u>150</u>	<u>-</u>	<u>-</u>

10. Costs of Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fundraising - Ongoing costs	44,098	-	44,098
Fundraising - One off costs	<u>-</u>	<u>22,562</u>	<u>22,562</u>
	<u>44,098</u>	<u>22,562</u>	<u>66,660</u>

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

11. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Ongoing costs	36,682	58,194	94,876
One off project costs	-	19,928	19,928
Support costs	<u>26,882</u>	<u>4,119</u>	<u>31,001</u>
	<u>63,564</u>	<u>82,241</u>	<u>145,805</u>

	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	<u>11,028</u>	<u>44,002</u>	<u>55,030</u>
	<u>32,323</u>	<u>128,365</u>	<u>160,688</u>

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2023

12. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly	Support costs	Total funds 2023	Total fund 2022
	£	£	£	£
Ongoing costs	94,876	29,891	124,767	148,898
One off project costs	19,928	1,110	21,038	11,790
	<u>114,804</u>	<u>31,001</u>	<u>145,805</u>	<u>160,688</u>

13. Independent Examination Fees

	2023 £	2022 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	900	700
Other financial services	1,966	360
	<u>2,866</u>	<u>1,060</u>

14. Staff Costs

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

	2023 £	2022 £
Wages and salaries	152,867	143,099
Social security costs	5,793	2,940
Employer contributions to pension plans	2,483	1,643
	<u>161,143</u>	<u>147,682</u>

The average head count of employees during the year was 7 (2022: 6). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of operational staff	5	3
Number of fundraising & support staff	2	2
	<u>7</u>	<u>5</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

15. Trustee Remuneration and Expenses

No remuneration or expenses were received by the Trustees.

16. Debtors

	2023 £	2022 £
Prepayments and accrued income	5,409	765

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2023

17. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,721	1,472
Accruals and deferred income	900	1,592
Social security and other taxes	1,808	1,935
Other creditors	443	468
	<u>4,872</u>	<u>5,467</u>

18. 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 £2,483 (2022: £1,643).

19. Analysis of Charitable Funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
General funds	<u>110,261</u>	<u>124,227</u>	<u>(107,662)</u>	<u>126,826</u>

	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>

Restricted funds

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
The National Lottery Reaching Communities grant	22,437	21,462	(37,460)	6,439
Digital Transformation project	71,598	–	(43,600)	27,998
National Lottery Digital Fund 2 Remote Working	3,013	–	(399)	2,614
McCarthy Stone Foundation	–	4,812	(4,812)	–
The Smith (Haltwhistle & District) Charitable Trust	–	300	–	300

Wag and Company North East Friendship Dogs

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2023

19. Analysis of Charitable Funds *(continued)*

Kavli UK Limited	–	1,500	(1,500)	–
Tesco Community Grant	–	500	(500)	–
The Pargiter Trust via The Community Foundation Tyne & Wear and Northumberland	–	8,020	(8,020)	–
The Prince of Wales's Charitable Fund Prime via The Community Foundation Tyne & Wear and Northumberland	–	2,500	(2,500)	–
The Joicey Trust	–	4,812	(4,812)	–
	–	2,000	(1,200)	800
	<u>97,048</u>	<u>45,906</u>	<u>(104,803)</u>	<u>38,151</u>

	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>

Wag and Company North East Friendship Dogs

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2023

19. Analysis of Charitable Funds *(continued)*

The restricted funds are for the following purposes:

The Smith Haltwhistle & District Charitable Trust provided a grant of £300 in September 2022 restricted to contribute to the annual costs of 1* Visiting Wag Team in the Haltwhistle area. We have had some turnover in that area and we've only just recruited a new volunteer in Haltwhistle and we expect them to be fully deployed and the full contribution from The Smith Haltwhistle & District Charitable Trust to be fully utilised before the end of July.

The Joicey Trust awarded us a grant of £2000 on 20th February 2023 to deploy 5* new Visiting Wag Teams in Northumberland and the old Metropolitan Borough of Tyne & Wear (i.e. all NE and SR postcodes and DH4/5).

By the end of March we had recruited 3 new Visiting Wag Teams and we are confident that will be supporting them and at least the remaining 2 other new teams before the Autumn.

Primula Cheese, via their owner The Kavli Trust, donated £1,500 to our Christmas Gift of Friendship Appeal providing Christmas boxes for our older dog lovers alone in their own homes. The boxes contained a unique handwritten Wag Christmas card, a Wag coaster designed by Alex Clark, and a luxury afternoon tea box to share and celebrate Christmas with their Wag friends.

Pargiter Trust Fund via the Community Foundation- Tyne & Wear and Northumberland awarded us a grant of £8020 on 9th December 2022 to deploy 20* Visiting Wag Teams who will have completed 3000 friend visits by the end of December 2023, within the Tyne & Wear and Northumberland area. By the middle of March we had deployed all 20 Visiting Wag Teams and we are confident that they will have completed the 3000 friend visits by December 2023.

The McCarthy Stone Foundation provided a grant of £4812 on 19th October 2022 restricted to the costs of recruiting, insurance, deployment and support of 12* new VWT teams by 19th October 2023. By the end of November 2022 we had recruited and deployed all 12 teams visiting a mixture of people alone in their own homes and in Care and Medical establishments.

The Prince of Wales Charitable Foundation, on 9th December 2022, awarded us a grant of £2500 to grow the number of Visiting Wag Teams to meet significant demand post Covid-19, improving the health and wellbeing of many more elderly dog lovers across the North East by reducing loneliness and social isolation. This equates to 6* new Visiting Wag Teams being fully deployed within a 12 month period. By 9th March we had fully achieved this target.

On 1st November 2022, **Tesco Community Grants** awarded us £500 to bring benefits to the community. We recruited 1 new Visiting Wag Team for the local County Durham community which will be benefitting 36 elderly dog lovers in their own homes or 324 Visits to vulnerable people in care or hospitals.

* The current cost per volunteer is £401. As all our activities are focused on safely delivering our special friendships - recruiting, assessing, inducting, equipping, insuring, matching, deploying; supporting and ongoing monitoring - we calculate the individual cost of a VWT by taking our total operating costs and dividing by the number of volunteers. Using the 2021/22 financial year this was £170,479/425 = £401.

The National Lottery Reaching Communities Transformation Project

TNL Reaching Communities

We received the final payment of the extension of TNL Reaching Communities project, £10,731, in January 2023 to support our operating costs during the final phase of the implementation of our Digital Project. The Digital Project is now scheduled to complete in August so the remaining Reaching Communities grant funds of £6,439 will contribute to our operating costs during the period 1 April to 16th July 2023.

Wag and Company North East Friendship Dogs

Notes to the Financial Statements (continued)

Year Ended 31 March 2023

19. Analysis of Charitable Funds (continued)

In addition, TNL Reaching Communities also funded a key element of the Digital Project, which was the bespoke engine room of Wag, the Volunteer Recruitment, Referral and Management System(VRRMS). At year end, £5,527 of that element of the project budget was unspent due to delays in the final implementation of the VRRMS but work is back on track and this will be utilised before the end of June.

We will be submitting our end of grant report to The National Lottery when the grant officially ends on 17th July 2023.

TNL Digital Project Fund

All elements of this transformational project have been very successfully implemented, total digitisation of the charity's operations, replacement hardware and software and a complete overhaul of the charity's fundraising approach and associated digital tools, website, financial management etc.

The final funds remaining within this project - £30,337 (including the Reaching Communities specific element of £5,527 see above) will ensure this year the successful completion of this project overall.

TNL Digital Fund Remote Working 2

The final element of this project - £2,614 - is to finance the link between the VRRMS and the office MS365 environment to ensure all staff - office or remote based - can manage Wag auto reminders, tasks, contacts and assessment bookings in one place from wherever they are based. This work will be completed alongside the VRRMS work and will be completed before the end of the year.

20. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Current assets	131,698	38,151	169,849
Creditors less than 1 year	(4,872)	—	(4,872)
Net assets	126,826	38,151	164,977

	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	110,261	97,048	207,309

Wag and Company North East Friendship Dogs

Management Information

Year Ended 31 March 2023

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 2023

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Corporate partners, supporters and donors	30,351	13,829
Legacies	—	12,423
Joseph Strong Frazer Trust	2,500	2,500
Sir James Knott Foundation	5,000	5,000
The William Leech Charity	2,500	—
Pease Charitable Trust	5,000	—
Catherine Cookson Charitable Trust	3,000	—
The 1989 Willan Charitable Trust at the Community Foundation Tyne & Wear and Northumberland	—	7,040
The Prince of Wales's Charitable Fund	2,500	—
Hadrian Trust	2,000	2,000
Barbour Foundation	—	5,000
The Pargiter Trust via The Community Foundation Tyne & Wear and Northumberland	8,020	—
The Joicey Trust	2,000	5,000
Masonic Charitable Foundation - Province of Northumberland	4,812	—
David & Ruth Lewis Family Charitable Trust	15,000	—
Prime via The Community Foundation Tyne & Wear and Northumberland	4,812	—
D'Oyly Carte Charitable Trust	3,000	—
Other smaller grants	7,800	3,356
The National Lottery Reaching Communities grant	21,462	44,874
The National Lottery Digital Fund 2 Remote Working	—	5,000
McCarthy Stone Foundation	4,812	—
	<u>124,569</u>	<u>106,022</u>
Charitable activities		
Beneficiaries	13,356	5,498
Sale of goods	2,588	2,460
	<u>15,944</u>	<u>7,958</u>
Other trading activities		
Fundraising events	25,013	18,354
Gift aid	4,413	2,702
	<u>29,426</u>	<u>21,056</u>
Investment income		
Bank interest receivable	44	1
Other income		
Other income	150	—
Total income	<u>170,133</u>	<u>135,037</u>

Wag and Company North East Friendship Dogs

Detailed Statement of Financial Activities *(continued)*

Year Ended 31 March 2023

	2023 £	2022 £
Expenditure		
Costs of other trading activities		
Fundraising - Ongoing costs		
Staff, payroll and pension	37,824	14,734
Fundraising and marketing materials	6,028	5,834
Processing fees, postage and packaging	81	951
Other costs	165	62
	<u>44,098</u>	<u>21,581</u>
 Fundraising - One off costs		
Subcontractor costs	5,550	—
Fundraising digital hardware & support	17,012	20,650
Website rebuild	—	5,400
	<u>22,562</u>	<u>26,050</u>
 Costs of other trading activities	<u>66,660</u>	<u>47,631</u>

Wag and Company North East Friendship Dogs

Notes to the Detailed Statement of Financial Activities *(continued)*

Year Ended 31 March 2023

	2023 £	2022 £
Expenditure on charitable activities		
Ongoing costs		
<i>Activities undertaken directly</i>		
Staff, payroll, pension and recruitment	76,799	84,363
NIC	5,793	2,940
Pension	2,483	1,643
Gifts for our elderly at home friends	2,886	651
Volunteer recruitment, insurance and starter kits	5,519	4,670
Other direct costs	1,396	891
	<u>94,876</u>	<u>95,158</u>
Support costs		
Staff pay and sub contractors	20,918	44,002
Professional fees, accounts and general office costs	5,704	6,325
WAG management system	3,009	2,794
Other support costs	260	619
	<u>29,891</u>	<u>53,740</u>
One off project costs		
<i>Activities undertaken directly</i>		
Subcontractor costs	10,666	—
Volunteer recruitment and management system	9,110	10,500
Recruitment costs	152	—
	<u>19,928</u>	<u>10,500</u>
Support costs		
Subcontractor costs	1,110	—
Digital maintenance	—	840
Website rebuild	—	450
	<u>1,110</u>	<u>1,290</u>
Expenditure on charitable activities	<u>145,805</u>	<u>160,688</u>
Total expenditure	<u>212,465</u>	<u>208,319</u>
Net expenditure	<u>(42,332)</u>	<u>(73,282)</u>