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**Financial statements for
the year ended 31 December 2022**

Dogstar Foundation

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Dogstar Foundation

Trustees' report For the year ended 31 December 2022

The Trustees have pleasure in presenting their report, together with the financial statements for the year ended 31 December 2022.

Legal and administrative details

Dogstar Foundation is a charitable incorporation organisation ("CIO"); registered with the Charity Commission as charity number 1188754. The CIO is governed by the Association dated 25 March 2020.

Until 31 December 2021 the charity operated through an unincorporated charitable trust, charity number 1133431. On 1 January 2022 the funds of the unincorporated charity were transferred into this CIO.

Trustees and administrators

The Trustees are:

R Hayman – Chairman
K Frost (appointed 26 April 2023)
L Nash (appointed 24 April 2023)
A Graham (appointed 13 March 2023)
M Boland (appointed 25 April 2022)
K Shervell (appointed 6 April 2022)
J Nhan-O-Reilly (appointed 25 November 2022,
resigned 31 March 2023)
M Green
A Addison
A Green

The administration to whom day to day management is delegated:

S Green

The principal address is:

7 Bell Yard
London
WC2A 2JR

The principal bankers are:

The Co-Operative Bank Plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

The independent examiner is:

Louise Tunley FCA CTA DChA
Monico Tunley Limited, Chartered Accountants
19 Goldington Road
Bedford
MK40 3JY

Dogstar Foundation

Trustees' report For the year ended 31 December 2022

Structure, Governance and Management

Organisational Structure

The charity's Trustees are responsible for the general control and management of the charity. The Trustees give their time freely and receive no remuneration or other benefits.

The Trustees meet each quarter. All strategic discussions and decisions are taken by the main body of Trustees at their meetings in relation to the running of the charity and the activities provided by the charity. The day to day management and leadership of the charity is with the CEO, in conjunction with administration support.

Recruitment and Appointment of Trustees

New Trustees are appointed after full discussion with the existing Trustees.

Potential Trustees are given more details of the charity's aims and activities. If all agree, they are then proposed as new Trustees at the subsequent Trustees' meeting. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Induction and Trustee training

When new Trustees join they are given an informal introduction to their role within the charity structure and their legal responsibilities. Ongoing training is taken as courses are offered through various organisations.

Risk Management

The Trustees regularly review the risk assessments undertaken by them and by the various activities. The Trustees are satisfied that systems are in place to identify and manage the risks which are identified. The principle risk faced by the charity is the reduction in income meaning sufficient funds would not be available to cover the expenditure. The Trustees consider that this risk is adequately mitigated by their policy of holding sufficient reserves in order to ensure the activities of the charity can continue in the event of any variation in funding while alternative funding sources are secured.

Dogstar Foundation

Trustees' report For the year ended 31 December 2022

Objectives and activities (including reporting under Public Benefit)

The Trustees have had due regard for the guidance published by the Charity Commission on public benefit.

Objectives

The objects of the CIO are documented in our Association document as follows:

- To prevent and alleviate, for the public benefit, the suffering of companion and community (stray) dogs and cats in Sri Lanka through the provision of veterinary care, including sterilisation, vaccinations, treatment and research for disease
- To advance public education in the health care and management of such animals

Strategies

The objectives are being pursued through the following strategies:

- Direct delivery of services in Sri Lanka by staff and volunteers
- Collaboration on fixed term projects and relief work with other international NGOs
- Humane cat and dog population management which includes surgical sterilisation programmes
- Rabies prevention and eradication programmes involving mass vaccinations
- Education programmes

Activities and achievements

The charity carries out a wide range of activities in pursuance of its charitable aims, and these aims are for the public benefit as defined by the Charities Act.

The 2022 Sri Lankan financial crisis provided a unique set of challenges for the charity's operations.

In February, a lack of foreign reserves resulted in fuel shortages for power stations. Load shedding (power rationing) was introduced with scheduled daily power cuts of between 2 and 13 hours daily.

The Central Bank's relaxation of the currency peg on March 8th resulted in rapid devaluation of the Sri Lanka Rupee against the dollar, triggering hyperinflation.

On March 12th, The IMF released a statement saying publicly for the first time that the lender had found Sri Lanka's debt to be unsustainable.

With foreign reserves depleted, restrictions were placed on importing "non-essential items." creating shortages of bottled gas and panic buying of food and medicines.

On April 12th, Sri Lanka defaulted on its sovereign debt. Fitch downgraded Sri Lanka's long-term currency IDR to "C" and further downgraded to "RD" in May.

Periods of political and social unrest followed the country was placed under state of emergency regulations three times, and the FCDO twice gave travel advice of "essential travel only." Two recently employed overseas staff based in Sri Lanka resigned, and a major grant giver cancelled a project assessment visit.

Dogstar Foundation

Trustees' report For the year ended 31 December 2022

Activities and achievements (continued)

All private fuel sales of Petrol / Diesel were suspended from June 18th till July 14th, as limited supplies returned queues of 3-4 days were common and sales, when available, were restricted to 7 litres.

The Sri Lankan President resigned following protesters storming government buildings on July 9th. Mass gatherings and protests have been banned by his successor.

A weekly fuel allowance per vehicle was introduced in August by use of a QR code
In September, the IMF announced a staff-level agreement to support Sri Lanka with a 48-month Extended Fund Facility

The year ended with key inflation easing slightly to 57.2 %, down from a high of 69.8% in September.

During this time, understandably, our program delivery was frequently impacted due to the shortages of power, fuel, consumables, curfews and restrictions on movement.

Multiple staff experienced well-being issues caused by stress, uncertainty and financial factors. Support systems were introduced, including emergency payments.

Despite all of the above, the teams were able to surgically sterilise 6983 dogs and 2609 cats and vaccinate 7922 dogs and cats against Rabies, a fatal zoonotic disease.

These accomplishments are a clear testament to the team's professionalism, unwavering dedication, and sheer perseverance in the face of unprecedented challenges. They also highlight the exemplary leadership of the CEO (UK National), who chose to stay in Sri Lanka throughout 2022 despite the travel advice issued by FCDO.

Dogstar Foundation

Trustees' report For the year ended 31 December 2022

Plans for next year

The Trustees have several plans for the future which they are working on implementing in a suitable timeframe. These include:

- Bringing all subcontractors in-house
- Recruiting additional veterinary surgeons
- Increasing holding of consumables from 3 to 6 months
- Purchasing the rented truck being used for the dog spay-neuter program
- Refurbishing the surgery truck surgical suite
- Adding solar capacity to the surgery truck
- Opening a dedicated cat spay-neuter clinic
- Developing training opportunities for Sri Lanka Vets and Veterinary assistants.

Financial Review

Grants and donations are the major source of income for the charity, being £773,780 (2021: £20,005) including gift aid. This represents 99.0% (2021: 100.00%) of total income of £780,043 (2021: £20,005). 30.7% of all income was restricted (2021: £nil).

Total expenditure of £569,782 (2021: £nil) was significantly spent on the charity's activities. Expenditure of £57,102 was incurred in relation to fund generation costs.

The net result for the year was an increase in total funds of £210,261 (2021: increase of £20,005).

At the year end total unrestricted funds were £459,267 (2021: £20,005) and total restricted funds were £nil (2021: £nil). A detailed analysis of the year-end asset and liabilities is shown on the Balance Sheet.

Reserves Policy

It is the policy of the Trustees to hold available reserves representing three to six months of General Fund expenditure in order to ensure the activities of the charity can continue in the event of any variation in funding. At 31 December 2022 the free reserves of the charity were £430,416 (2021: £20,005). This is higher than the desired level but the trustees are expecting to cover cost pressures from these reserves.

Dogstar Foundation

Trustees' report For the year ended 31 December 2022

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees on 30 October 2023 and signed on their behalf by

Richard Hayman
Trustee

Independent Examiner's Report to the Trustees of Dogstar Foundation

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2022 which are set out on pages 8 to 17.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 and in carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Louise Tunley FCA CTA DChA

ICAEW, Chartered Accountant

19 Goldington Road
Bedford
MK40 3JY

Date: 30 October 2023

Dogstar Foundation

Statement of financial activities (including Income and Expenditure Account) For the year ended 31 December 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations		476,443	-	476,443	20,005
Grants		58,064	239,273	297,337	-
Trading income		6,263	-	6,263	-
Total income		<u>540,770</u>	<u>239,273</u>	<u>780,043</u>	<u>20,005</u>
Expenditure on:					
Fund raising activities		57,102	-	57,102	-
Expenditure on charitable activities:					
Animal welfare	3	<u>240,471</u>	<u>272,209</u>	<u>512,680</u>	<u>-</u>
Total expenditure		<u>297,573</u>	<u>272,209</u>	<u>569,782</u>	<u>-</u>
Net income		243,197	(32,936)	210,261	20,005
Transfers between funds	14	<u>(32,936)</u>	<u>32,936</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>210,261</u>	<u>-</u>	<u>210,261</u>	<u>20,005</u>
Reconciliation of funds:					
Fund balances as at 1 January 2022		20,005	-	20,005	-
Transferred from unincorporated charity		<u>229,001</u>	<u>-</u>	<u>229,001</u>	<u>-</u>
Fund balances carried forward at 31 December 2022	11, 12	<u><u>459,267</u></u>	<u><u>-</u></u>	<u><u>459,267</u></u>	<u><u>20,005</u></u>

The charity's incoming resources and resources expended all relate to continuing operations.

The charity has no recognised gains or losses other than those included above.

The notes to the financial statements also form part of these financial statements.

Dogstar Foundation

Balance sheet (Company No. 12279065) As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets:			
Intangible fixed assets	8	22,300	-
Tangible fixed assets	9	6,551	-
Total fixed assets		<u>28,851</u>	<u>-</u>
Current assets:			
Cash at bank and in hand		439,765	20,005
Debtors	10	2,417	-
Total current assets		<u>442,182</u>	<u>20,005</u>
Liabilities:			
Creditors: amounts falling due within one year	11	(11,766)	-
Net current assets		<u>430,416</u>	<u>-</u>
Total assets less current liabilities		<u>459,267</u>	<u>20,005</u>
Net assets		<u>459,267</u>	<u>20,005</u>
The funds of the charity:			
Unrestricted funds	12	459,267	20,005
Restricted funds	13	-	-
Total charity funds		<u>459,267</u>	<u>20,005</u>

The notes to the financial statements also form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the Board of Trustees on 30 October 2023 and signed their behalf by

Richard Hayman
Trustee

Dogstar Foundation

Notes to the financial statements For the year ended 31 December 2022

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The key risk to the charity is the potential reduction in income but the level of reserves held is sufficient to mitigate this risk for the foreseeable future and is not considered to cast any doubt over the going concern basis. The trustees do not currently believe there is an impact on the charity's ability to continue as a going concern.

1.2 Fund accounting

- (i) The charity's general fund is available for use by the charity at its discretion.
- (ii) The charity's restricted funds are those where the donor has imposed restrictions on the use of the funds which are legally binding.

1.3 Income

- (i) All voluntary income is included as income on receipt.
- (ii) Restricted income is included in the restricted statement of financial activities account on receipt.
- (iii) Donations under deeds of covenant and gift aid are recognised as income when the donation is received. The associated tax is accrued in the same period as the donation.
- (iv) Trading income is accounted for at the point of shop sale.

1.4 Financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Dogstar Foundation

Notes to the financial statements For the year ended 31 December 2022

1.5 Investment income

Interest is accrued on a daily basis and is credited on this basis in the Statement of Financial Activities.

1.6 Allocation of expenditure

Costs are charged directly to the charitable activities wherever appropriate. Liabilities are recognised in the period to which they relate.

1.7 Governance costs

The charity has identified costs of governance as both external costs related to the reporting accountants, legal fees and a proportion of the costs of the administrative staff. These salary costs have been estimated based on time spent on Trustee related activities.

1.8 Fixed assets and depreciation

Fixed assets are included in the financial statements at their historical cost and are written off over their estimated useful lives by amortisation and depreciation on a straight-line basis through the statement of financial activities at the following rates:

Intangible assets	20%
Equipment	33%

1.9 Pensions

Contributions payable to pension schemes are charged to the statement of financial activities in the period to which they relate. Pension costs are allocated between unrestricted and restricted funds according to the nature of funds received to cover the expenditure for each staff member.

1.10 Critical accounting judgements and key sources of estimation uncertainty

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

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

In the opinion of the Trustees there are no critical accounting judgements or estimation uncertainties within the charity.

Dogstar Foundation

Notes to the financial statements For the year ended 31 December 2022

2 Comparative Statement of Financial Activities

The Statement of Financial Activities for the year ended 31 December 2021 is presented for illustrative purposes.

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income and endowments from:			
Donations	5	-	5
Transfer from related charity	20,000	-	20,000
Total income	<u>20,005</u>	<u>-</u>	<u>20,005</u>
Expenditure on:			
Expenditure on charitable activities	-	-	-
Total expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Net income	20,005	-	20,005
Transfers between funds	-	-	-
Net movement in funds	<u>20,005</u>	<u>-</u>	<u>20,005</u>
Reconciliation of funds:			
Fund balances as at 1 January 2021	-	-	-
Fund balances carried forward at 31 December 2021	<u><u>20,005</u></u>	<u><u>-</u></u>	<u><u>20,005</u></u>

Dogstar Foundation

Notes to the financial statements For the year ended 31 December 2022

3 Analysis of expenditure on charitable activities

2022	Staff Costs £	Other staff costs £	Depreciation £	Other Costs £	2022 Total £
Animal welfare:					
Direct costs	-	23,398	-	293,420	316,818
Support costs	143,006	7,553	2,334	39,669	192,562
Governance costs	1,000	-	-	2,300	3,300
	<u>144,006</u>	<u>30,951</u>	<u>2,334</u>	<u>335,389</u>	<u>512,680</u>

Of the above expenditure, £272,209 is restricted in nature (2021: £nil).

The Trustees believe that at all times the activities undertaken by the charity support the charity's aims and satisfy the requirements issued by the Charity Commission on public benefit.

4 Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown below.

	Support costs £	Governance costs £	2022 Total £	2021 Total	Basis of apportionment
Staff costs	143,006	1,000	144,006	-	Time spent
Other staff costs	7,553	-	7,553	-	Time spent
Office costs	14,996	-	14,996	-	Invoiced cost
Travel	1,251	-	1,251	-	Invoiced cost
Bank and merchant charges	9,799	-	9,799	-	Invoiced cost
Professional fees	13,504	900	14,404	-	Invoiced cost
Independent Examination fees	-	900	900	-	Governance
Depreciation	2,334	-	2,334	-	Asset use
Sundry expenses	619	-	619	-	Invoiced cost
	<u>193,062</u>	<u>2,800</u>	<u>195,862</u>	<u>-</u>	

Governance costs for the period ended 31 December 2021 were £nil.

Dogstar Foundation

Notes to the financial statements For the year ended 31 December 2022

5 Staff costs and numbers

	2022	2021
	£	£
Staff costs:		
Wages and salaries	134,349	-
Social security costs	7,596	-
Pensions	2,061	-
	<hr/>	<hr/>
	144,006	-
	<hr/>	<hr/>

The average number of employees was 4 (2021: nil).

The charity considers its key management personnel to comprise the trustees and the staff team. The total employment benefits of the key management personnel were therefore as outlined above.

No employee received remuneration of more than £60,000 (2021: none).

6 Trustees

The Trustees received no remuneration nor were reimbursed any expenses during the year (2021: none).

7 Taxation

The Charity is a registered charity and exempt from Corporation Tax.

Dogstar Foundation

Notes to the financial statements For the year ended 31 December 2022

8 Intangible fixed assets

	Website £	Total £
Cost		
At 1 January 2022	-	-
Additions	24,000	24,000
	<hr/>	<hr/>
At 31 December 2022	24,000	24,000
	<hr/>	<hr/>
Accumulated depreciation		
At 1 January 2022	-	-
Charge for the year	1,700	1,700
	<hr/>	<hr/>
At 31 December 2022	1,700	1,700
	<hr/>	<hr/>
Net book values		
At 31 December 2022	22,300	22,300
	<hr/>	<hr/>
At 31 December 2021	-	-
	<hr/>	<hr/>

9 Tangible fixed assets

	Plant and machinery £	Equipment £	Total £
Cost			
At 1 January 2022	-	-	-
Additions	3,735	3,451	7,186
	<hr/>	<hr/>	<hr/>
At 31 December 2022	3,735	3,451	7,186
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 January 2022	-	-	-
Charge for the year	230	405	635
	<hr/>	<hr/>	<hr/>
At 31 December 2022	230	405	635
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 December 2022	3,505	3,046	6,551
	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	-	-
	<hr/>	<hr/>	<hr/>

The net book value represents fixed assets used for direct charitable purposes.

Dogstar Foundation

Notes to the financial statements For the year ended 31 December 2022

10 Debtors

	2022 £	2021 £
Prepayments and other debtors	2,417	-
	<u>2,417</u>	<u>-</u>

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Taxation and social security	3,199	-
Accruals	7,987	-
Other creditors	580	-
	<u>11,766</u>	<u>-</u>

12 Unrestricted funds

	Balance at 1 Jan 2022 £	Movement in year		Transfers between funds £	Balance at 31 Dec 2022 £
		Incoming £	Outgoing £		
General fund	20,005	769,771	(297,573)	(32,936)	459,267
	<u>20,005</u>	<u>769,771</u>	<u>(297,573)</u>	<u>(32,936)</u>	<u>459,267</u>

13 Restricted funds

	Balance at 1 Jan 2022 £	Movement in year		Transfers between funds £	Balance at 31 Dec 2022 £
		Incoming £	Outgoing £		
Spay – Neuter programme	-	239,273	(272,209)	32,936	-
	<u>-</u>	<u>239,273</u>	<u>(272,209)</u>	<u>32,936</u>	<u>-</u>

14 Transfers between funds

A transfer of £32,936 was made from the general fund to restricted funds to cover the unrestricted element of the restricted fund expenditure.

Dogstar Foundation

Notes to the financial statements For the year ended 31 December 2022

15 Pension costs

During the year pension contributions of £2,061 (2021: £nil) were paid on behalf of 4 (2021: nil) employees to a defined contribution pension scheme administered independently of the charity. Pension costs of £654 were outstanding at the end of the year (2021: £nil) and are included in creditors.

16 Financial commitments

At 31 December 2022 the charity had no financial commitments (2021: none).