

BATTERSEA DOGS' AND CATS' HOME

England & Wales · Charity number 206394

Details

Other names	BATTERSEA DOGS HOME, THE DOGS' HOME BATTERSEA (INCORPORATING THE TEMPORARY HOME FOR LOST AND STARVING DOGS), BATTERSEA DOGS AND CATS HOME
Status	Registered
Legal form	Charitable company
Company number	00278802
Registered	1962-09-22
Register	View on the Charity Commission register

Contact

Address	BATTERSEA DOGS & CATS HOME 4 Battersea Park Road London SW8 4AA
Phone	02076279000
Email	info@battersea.org.uk
Website	www.battersea.org.uk

Activities

Objects: (A) To rescue and care for, reunite with their owners, rehabilitate and re-home with new owners dogs and cats. (B) To provide veterinary and other treatment to dogs and cats in connection with the Charity which may include euthanasia. (C) To educate the public in matters pertaining to dog and cat welfare and provide support and advice to the public and wider animal welfare sector who need help with their dogs and cats including by (but not limited to) researching and addressing the causes of poor dog and cat health and welfare and sharing our findings. (D) To deal with other animals in the same manner as is provided in respect of dogs and cats by sections (A) (B) and (C) of this article.

Activities: We aim never to turn away a dog or cat in need of help. We reunite lost dogs and cats with their owners; when we cannot do this, we care for them until new homes can be found for them; and we educate the public about responsible pet ownership.

Classification

- **How:** Provides Services
- **What:** Animals
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** THE CITY OF LONDON AND METROPOLITAN POLICE DISTRICT
- Kent
- Windsor And Maidenhead
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£70,340,000	£63,432,000	£130,968,000	653
2023-12-31	£64,484,000	£58,179,000	£121,519,000	626
2022-12-31	£56,527,000	£53,037,000	£114,921,000	559
2021-12-31	£58,339,000	£47,100,000	£113,242,000	520
2020-12-31	£52,713,469	£43,603,226	£98,491,767	555

Trustees

Name	Role	Appointed
PAUL MICHAEL BALDWIN	Chair	2020-10-06
ALAN MARTIN		2017-05-02
Deri Watkins		2019-12-04
Heather Jane Bacon		2023-11-24
Helen Webb		2022-09-14
Joanne Edgley		2026-02-01
Julie May Carlyle		2023-10-11
Lucy Shamdasani		2025-03-04
Maria Novell		2021-12-08
Matthew Francis Stone		2026-01-14
PATRICK AYLMER		2017-05-02
Sir Alan Collins		2021-04-21
Susan Paterson		2020-12-06

Accounts

BATTERSEA DOGS' AND CATS' HOME
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024

Company Limited by Guarantee
Registration Number 278802 (England and Wales)

Charity Registration Number
206394

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

CONTENTS

REPORT OF THE COUNCIL OF TRUSTEES	3
REFERENCE AND ADMINISTRATIVE DETAILS	30
STRUCTURE, GOVERNANCE AND MANAGEMENT	32
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATTERSEA DOGS' AND CATS' HOME	36
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	41
CONSOLIDATED AND CHARITY BALANCE SHEET	42
CONSOLIDATED STATEMENT OF CASH FLOWS	43
NOTES AND ACCOUNTING POLICIES	44

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Report of the Council of Trustees

The Council of Trustees is pleased to present the annual report and financial statements of Battersea Dogs & Cats Home for the year ended 31 December 2024.

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

The Trustees confirm that they comply with their duty to have regard to the guidance on public benefit, published by the Charity Commission, when exercising their powers and duties.

Section 172 statement

The Trustees of Battersea, as those of all UK charitable companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A Trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its stakeholders as a whole and, in doing so have regard to:

- The likely consequences of any decisions in the long term;
- The interests of the charitable company's employees;
- The need to foster the charitable company's business relationships with suppliers, customers and others;
- The impact of the charitable company's operations on the community and environment;
- The desirability of the charitable company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the charitable company.

The following statement summarises how the Trustees fulfil their duties.

Long-term decision making

The Trustees are responsible for strategic planning and, accordingly, all key decisions are referred to and taken by the Board of Trustees with implications for all stakeholders carefully considered.

A robust governance structure is in place as outlined on page 32. Sub-committees of the Board of Trustees are responsible for ensuring oversight of key strategic areas and embedding of best practice. This ensures decision-making processes are informed, rigorous and timely and effective controls, and risk assessment and management systems are in place and regularly monitored.

People Engagement & Wellbeing

The Board of Trustees recognises that our people (employees and volunteers) are our biggest asset given their specialist skills and knowledge and propensity to go above and beyond.

In 2024, a new People Strategy was developed, following extensive consultation with key staff groups and valuable insights gained through our all-staff survey and wider sector and societal insights. 85% of employees responded to the biennial staff survey. Results showed 76% of respondents would recommend Battersea as a good place to work - a 5% improvement

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

compared with 2022, alongside positive results for Diversity & Inclusion (D&I) and line management.

The Volunteering team has further professionalised, twice achieving Investing in Volunteers accreditation - the UK quality standard for good practice in volunteer management recognising an organisation's ability to provide an outstanding volunteer experience. 95% of respondents to our volunteer survey stated that they enjoy their volunteering, and 90% would recommend Battersea as a good place to volunteer.

In addition to our existing provision for all employees of a Health Cash Plan, Employee Assistance Programme, Mental Health First Aider network and support, flu vaccinations and bereavement support, new wellbeing initiatives included Samaritans training for Academy staff to support their interactions with adults at risk and Helplines training for frontline Operations staff to support their skills in managing challenging situations as well as piloting of a dedicated wellbeing coach which provides additional in person or virtual support to teams or individuals that experience traumatic situations. We have improved our mandatory health and safety and compliance training programmes achieving high levels of completion, engagement, developing knowledge and skills in the areas of Data Protection and Cyber Security, Safeguarding, Whistleblowing, Health and Safety, Fire Safety and First Aid.

Battersea continues to engage with its employees through a variety of face to face and digital channels including our Intranet and digital communication channels, weekly news bulletins, monthly managers cascades, regular leadership updates, Strategy Roadshows, staff social events and activities, end of year events and quarterly pulse surveys. Battersea Matters is our staff consultation group, made up of elected representatives from across the whole organisation, to discuss key organisational and employee priorities. The group met four times in 2024.

Battersea continued to adapt its communications with its volunteers and foster carers to keep them engaged and up to date with Battersea's news and key projects, and to seek their feedback. As well as the regular newsletter, volunteers were invited to organisation-wide webinars and the Strategy Roadshows undertaken this year.

Community and Environment

The trustees considered the charity's environmental impact and implemented several measures to support sustainability. These are outlined in full in the SECR report on page 24.

Reputation and business conduct

All decisions were made with integrity, ensuring the charity's reputation and relationships were maintained. This includes adhering to ethical fundraising practices and safeguarding policies.

Stakeholder Engagement

Our Service Users

Battersea continues to engage with service users to help understand and improve their experience. In 2024 we:

- Surveyed users of Battersea's Pet Advice Line to understand their experience with the service and collected data to track the impact of the service.
- Polled Battersea Academy alumni on specific leadership learning needs in anticipation of a Leadership and Management programme for development in 2025.
- Conducted market research with rescue organisations in Greece and South Africa (some of whom we currently work with) to inform our understanding of the context in those countries and future country marketing strategies.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Donors

At Battersea, we are indebted to our supporters and greatly value all the donations given to us, ensuring they are carefully spent to allow us to be here for every dog and cat. This year a new Supporter Experience team was established to enhance Battersea's relationships with supporters enabling us to adopt a more holistic approach, better understand their perspectives and leverage data and insights. Loyalty scores rose from 6.07 to 6.17 out of seven, ranking Battersea 3rd among 44 charities in the About Loyalty Chase Index.

Parliamentarian and Government Policy Teams

Battersea's work to drive policy and legislative change to benefit animal welfare wouldn't be achieved without close collaboration with politicians and government policy teams. This has remained the case throughout 2024. During the year, we engaged with teams through various visits, briefings on various draft laws, consultation responses, regular meetings across Westminster and the devolved nations, and appearances at receptions and in front of committees. This was critical in building relationships with the over 300 newly elected MPs after the General Election through a range of activities including a reception in Westminster in November and the return of the Purr Minister competition. Our political engagement is based around advancing the Our Voice strategic priorities, identifying sympathetic politicians and helping them further our legislative priorities with the new Government.

Sector Partners

We continue to work with our sector partners to drive forward Battersea's 'Our Voice' strategy.

We are part of a wide range of formal and informal partnerships across a range of different issues. In 2024 this included managing the impact of the XL Bully ban with partners in the Dog Control Coalition, growing our partnerships with Mars Petcare, across the housing sector and with academia under the Pet Friendly Properties banner and working closely with 4 sector partners to try and secure passage of key priorities around imports and dog theft before the 2024 General Election. We have also partnered with The Crown Estate on the creation of their regulatory regime for dog walking, several Councils on how to manage the dog populations in their public spaces and developing a theory of change towards preventative dog control policies with the Dog Control Coalition.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Our objectives and activities

Battersea puts the health and welfare of dogs and cats at the very core of everything it does and in doing so we make a significant difference to the lives of animals through our activities.

Battersea's core operational activities are directed towards improving the lives of dogs and cats, principally those that come directly into our centres, through our intake, assessment, rehoming, and clinical activities, but also those beyond our centres through our work and engagement with key stakeholders and decision-makers in Government on animal welfare issues and supporting other organisations in the UK and worldwide through our Global Programmes.

In 2024 Battersea introduced its new five-year Strategy '**Here for Every Dog and Cat**' with a clear Mission:

*Working with others we will create lasting change for dogs and cats. We will seek to **prevent** the causes of poor dog and cat health and welfare, **support** individuals and communities who most need help with their dogs and cats, and provide and enable expert **care** for the dogs and cats that need a place in rescue.*

Our ambition through this Strategy is to help many more dogs and cats than ever before. We will champion the sharing of knowledge, learning, and experience, and a collaborative approach in responding to the challenges we face. We will place a significant, additional emphasis on upstream, preventative work and help more owners keep their pets through a new strategic focus on advice and support, all the time ensuring we are here for owners facing the heartbreaking decision to give up a much-loved pet.

By 2029, we will:

- Help more people make better choices when acquiring and caring for dogs and cats.
- Improve health and welfare standards in the breeding and sale of dogs and cats.
- Expand our efforts to reduce stray and roaming dog and cat populations.
- Help people better understand the health and welfare needs of their dogs and cats.
- Deliver targeted, accessible, empathetic, and timely advice and support to those in most need.
- Open up the benefits of pet ownership to more people.
- Invest in our centres to constantly improve their ability to meet the needs of all the dogs and cats in our care.
- Ensure Battersea is a trusted, preferred choice for those giving up or seeking a dog or cat.
- Bring the rescue and welfare sector together to share knowledge and expertise and achieve better outcomes for more dogs and cats.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Our achievements and performance

In 2024, the foundational year of this Strategy, Battersea developed new plans, partnerships, and strategic alliances that will enable us to create lasting change for dogs and cats.

In 2024, we:

- Directly helped **5,220** animals at our centres, **2,766 dogs** and **2,454 cats**, an increase of 5% on 2023. We rehomed 10% more dogs and 3% more cats year on year.
- Responded to 775 requests for support from dog owners and 716 from cat owners through our **free behaviour advice line**, the outcome of which saw 85% of these dogs and 77% of these cats remain in their homes.
- Helped an estimated **88,000 dogs and cats in our focus countries** (UK, South Africa, Greece, Sri Lanka, Thailand) through 14 new grants to empower communities to proactively manage dog and cat populations. A further, estimated **181,000 dogs and cats** were helped in the year through previously awarded grants.
- Reached **418 individual learners**, more than ever before, through our Battersea Academy **helping an estimated 90,000 animals**.
- Hosted our largest **International Dog and Cat Welfare conference** to-date with c.200 delegates from 26 countries.
- Maintained our support of **StreetVet** to help more pets owned by those experiencing homelessness. This included the approval of our first ever **Strategic Alliance to support 5,000 pets and their owners in 12 new locations over five years**.
- Celebrated the progress of the Renter's Rights Bill following our **Pet Friendly Properties** campaign.
- Published new research commissioned across three universities looking into the **financial impact of pet ownership in rental properties**, the results of which are already informing Government policy.
- Conducted **3,669 hydrotherapy and physiotherapy appointments**, treating a mix of internal cases and external referrals.
- Delivered our highest total income to date, including a record-breaking **£35.1m of fundraised income** and **£32.6m legacy income**.
- Increased year on year corporate income by **£162k** and Trusts income by **£965k**.
- Launched our new **'We're all in for them'** brand platform and campaign, placing us in the top three most trusted, loved, and distinctive rescue and rehoming charities.
- Saw high engagement scores in our biennial staff survey with **76% of respondents recommending Battersea as a good place to work**, a 5% improvement compared with 2022.
- Received **51,545 hours of support** from our onsite volunteers, an 11% increase on 2023.
- Continued to make good progress against our **D&I Action plan**, including advances towards our 2026 workforce diversity targets, embedding inclusive recruitment practices, and positive results on D&I in our staff survey.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

PERFORMANCE BY STRATEGIC THEME

PREVENT

We will prevent the causes of poor dog and cat health and welfare and reduce the numbers of dogs and cats needing rescue centres.

USING OUR VOICE

As part of our Our Voice programme, four focus areas have been defined to deliver significant animal welfare benefits over the strategy period and beyond. These are: **tackling problem demand; ethical sourcing; safety around dogs; and pet friendly properties.**

All four issues were promoted through an integrated marketing and communications campaign ahead of the **General Election**. We arranged MP visits to rescues nationwide, leading to key Battersea policies appearing in most party manifestos. Engagement with the new Labour Government began immediately, including a Parliamentary reception with 92 MPs and Peers, and our most successful Purr Minister campaign, which drew national media coverage, 11 Parliamentary entries, and 5,272 votes. Battersea was invited to help shape a new animal welfare strategy, and the Government has backed a Private Members Bill on puppy and kitten imports. However, the new Government has so far shown less focus on animal welfare than expected, so we will be working to highlight the societal benefits that accompany good animal welfare.

Alongside **informing, engaging, inspiring and mobilising** the public to **change behaviour and take action**, we are collaborating with others within and beyond the sector to improve the systems at play, influence and shape policy and legislation through relationship building and develop strong, nuanced and evidence-based policies and solutions to the issues we're seeking to address.

ENABLING BETTER CHOICES

We were involved in **132 partnerships** with other organisations including working with Defra to support owners in the run up to the introduction of **compulsory cat microchipping**, reaching owners through a series of interviews including ITV News, generating 300+ pieces of coverage with 287m reach. A new **breed disruption project** is progressing in partnership with Gumtree, aiming to tackle breed fixation in prospective owners through a test and learn approach. Alongside this, **My Developing Dog**, a breed-specific WhatsApp tool supporting new puppy owners was positively tested and will be piloted in 2025.

REDUCING STRAY AND ROAMING DOG AND CAT POPULATIONS

The Grants & Programmes team awarded **14 new grants with a total value of £5.1m**, to help empower communities to proactively manage dog and cat populations, which will help **88,000 dogs and cats**, while previously awarded grants helped a further 181,000 dogs and cats.

All programmes funded by Battersea are compliant with International Companion Animal Management coalition (ICAM) guidelines and are designed specifically to address the local and national contexts and the dog/ cat population management systems in which they operate.

In the UK Hope Rescue in Wales and RAIN Rescue in Yorkshire delivered effectively against their grants and a £600k grant was awarded to the Capital Cat Care Campaign (C4) to fund the neutering of c.9,000 cats owned by low-income households in 2025.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

In Greece Animal Action Greece and Nine Lives continued their focused trap, neuter, vaccinate and release work in Paros and Athens respectively, helping thousands of unowned cats and challenging the public's perception of this vital work. Zero Strays Pawject continued to work relentlessly to change animal welfare laws and the enforcement within national and local government, working closely with the police, judiciary, and municipalities to get owned pets registered and neutered.

In South Africa, the grants portfolio grew to 17 grants. A key achievement in this programme is that SAVA CVC has now vaccinated 100,000 cats and dogs against rabies.

In Thailand Jai Dog Rescue exceeded their sterilisation and vaccination targets, neutering 11,901 dogs against a target of 10,791. Jai Dog also expanded their education initiatives, reaching over 6,300 people through school sessions and village meetings. A new £970k grant to Soi Dog in Phuket aims to help 35,000 cats and the local community through a holistic approach to cat health and wellbeing.

In Sri Lanka Dogstar achieved their annual target of sterilising 2,750 cats. Dogstar's innovative capacity-building initiatives, including the training of eight practical learners and the development of online resources, laid a strong foundation for scaling up in 2025.

We awarded four new **Special Programmes** grants and completed our first round of research funding which includes supporting research on the animal-human bond. A new partnership with ICAM was established, and we hosted our first-ever global UN event at the World Urban Forum. Numerous scientific papers are being published on the back of our funding, achieving increased media exposure, positioning Battersea as a growing thought-leader and raising public awareness of challenges in the animal welfare sector.

SUPPORT

We will support individuals and communities who most need help with their dogs and cats to enable animals to remain where they are loved and cared for.

DELIVERING ACCESSIBLE SUPPORT TO THOSE IN MOST NEED

Across the year our canine behaviour team responded to 775 requests for support from owners through our **free behaviour advice line**, the outcome of which saw 85% of these animals stay at home, potentially avoiding admission or a return to Battersea. The feline behaviour team responded to 716 requests for support and 77% of these animals remained in their homes.

A new **Advice, Support and Education** programme was developed in 2024, ready to implement from 2025 as part of Battersea's new strategy. This will provide targeted support that will improve the welfare of dogs and cats before they need to enter Battersea's care, and support people and communities to better manage their animals. Meanwhile, research was completed with 24 Local Authority dog wardens to inform a new Stray Dog Support Programme to launch in 2025.

WORKING WITH PARTNERS

We continued to support **StreetVet** to help the pets of those experiencing homelessness. This included the development and approval of our first ever **Strategic Alliance to support 5,000 pets and their owners in 12 new locations over five years**.

A new contract was agreed to continue Battersea's partnership with **FareShare** in 2025, providing free pet food via a network of food banks.

BATTERSEA DOGS' AND CATS' HOME TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Battersea, along with Blue Cross and the RSPCA, was the largest contributor to an important **hardship fund** established to support over 1,800 low-income American Bully XL owners who otherwise would have struggled to meet neutering costs ahead of the Government deadline, potentially facing the heartbreaking decision to have their pets put to sleep.

ENCOURAGING MORE PET FRIENDLY HOMES

Our **Pet Friendly Properties** campaign continued to make great strides. The new Government introduced the **Renters' Rights Bill** which reflected our efforts to influence the new Housing Minister. **Mars Petcare** partnered with us on a joint fringe event at the Labour Party Conference and 4,150 Battersea supporters acted within the space of a week to contact their MPs before the Second Reading of the Bill. 13 MPs spoke in the debate to raise the importance of pets and housing as an issue, and over 13,000 supporters visited our campaign page before the debate.

CARE

We will provide expert care for those dogs and cats that still need a place in rescue so that they receive the support they need as soon as possible.

APPLYING OUR EXPERTISE

Battersea directly helped **5,220 animals** at our centres, an increase of 5% on 2023. As a proportion of intake, stray dogs accounted for 39% in 2024 and 33% of dogs came from local authority care. Stray cat intake again increased year on year, accounting for 31% of cat intake. These cats stayed longer on average, slowing down the throughput of cats through our centres. 725 kittens were cared for (803 in 2023), and 374 puppies (451 in 2023). 31 puppies and 52 kittens were born on site. Animals also came to us from 41 external partners including Police, vets, and other rescues such as Hope Rescue (100 dogs helped). All three centres experienced an increase in large bull breeds following the ban on American Bully XLs in early 2024, and whilst a far smaller number of XL's came into Battersea's care than expected, difficult behaviours and limited rehoming appeal for large bull breeds contributed to a longer length of stay.

We experienced a rise in **unplanned arrivals** where people turn up with cats and dogs wanting Battersea to admit them immediately. An average of 22 dogs and 37 cats each month were unscheduled arrivals to the London centre. Many of these animals were brought in by members of the public experiencing extremely difficult and desperate circumstances and the animals were frequently in a poor behavioural and/or medical state resulting in longer stays.

The **average length of stay** for **dogs** before rehoming was **38.4 days**, an additional 3.2 days compared to 2023. For **cats**, the average length of stay was **28.3 days**, an increase of 0.5 days from the previous year. **894 animals, or 16% of intake, benefitted from a placement in temporary foster.**

4,019 operations were conducted by our Clinic, **up 8%** on 2023, including an 18% increase in dog neuters and a 5% increase in cat neuters. **110 airway surgeries** were carried out, compared to 78 in 2023, including 14 on behalf of Dogs Trust. We also carried out an increased range of orthopaedic surgeries in-house and continued to offer surgical support to Dogs Trust and Blue Cross, carrying out 22 XL Bully neuters for Blue Cross clients as they struggled to complete these surgeries for their clients ahead of the Government deadline.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Hydrotherapy and physiotherapy services were both fully booked throughout the year treating a mix of internal cases and external referrals, totalling 3,669 appointments. The Clinic team completed triage training for Operations staff across all three centres to help manage medical challenges for animals under their care, and two exchange trips with members of the clinic team were arranged for grantee partners in Thailand and South Africa.

We rehomed 3,735 animals. Dog rehoming rose 10% year on year from 1,417 to 1,559 dogs and **cat rehoming rose 3%** from 2,114 to 2,176. This was despite a challenging context that saw interest in cat rehoming across the sector drop during the summer months, a growing rise in unplanned admissions and an increase in dogs put to sleep, mainly due to a rise in banned breeds.

Battersea is proud to operate a non-selective intake policy which means it takes in all dogs and cats, regardless of their breed, age, medical condition, behavioural history or any other characteristic. As a result, we receive some of the most challenging dogs and cats in society and we invest our 164 years of expertise into the care of each one. Some of our animals have untreatable medical problems or behavioural issues so severe that we believe we will be unable to safely rehome them, and some of the dogs we receive are of types banned under law. In these cases, we will put an animal to sleep. We care deeply for all the animals we look after, and such decisions are never taken lightly or in isolation. Battersea offers hope and the chance of a happy life to many dogs and cats who, if not for Battersea, would have nowhere else to go.

In 2024, 913 dogs were put to sleep, equivalent to 31% of total intake (+1% from 2023). Whilst 19% of dogs were put to sleep for behavioural reasons (+1% from 2023), the biggest rise for PTS was due to being a banned breed. 114 dogs were put to sleep due to being a banned breed, up 185% from 40 in 2023. An additional 80 dogs were put to sleep as consented euthanasia cases, up from 68 dogs in 2023.

RAISING STANDARDS AND DRIVING A MORE CONNECTED SECTOR

Battersea's Academy reached more learners than ever before helping an estimated **90,000 animals**. 87 learning opportunities were delivered online and face to face to **1083 attendees**. 418 individual learners attended an average of three learning opportunities each and we welcomed **309 new learners**. Academy learners represented 133 UK organisations, 24 South African organisations, 7 Greek, 3 Sri Lankan organisations and one from Thailand, alongside 55 organisations from 27 other countries. A new-look Practical Week (renamed the Residential Week) was delivered with tremendous success. The Academy enjoys a consistent **Net Promoter Score in the high 80s**.

We hosted our largest annual **International Dog and Cat Welfare Conference** yet, a one-day free online event, open to anyone working or volunteering in a dog or cat shelter or rehoming organisation in the UK or overseas. Nearly 200 delegates from 26 countries joined, all with the common goal of learning and sharing. We also remained major supporters to the **Association of Dogs and Cats Homes (ADCH)** including sponsoring and speaking at its Annual Conference. Chief Executive Peter Laurie served as Trustee and Honorary Secretary throughout the year.

We undertook testing and learning of the 2025 Academy delivery schedule for a new **Foundations in Shelter Management Programme**.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

OUR ENABLERS

OUR SUPPORTERS

In 2024 we raised a total of **£70.3m** in income from all activities, thanks entirely to our generous supporters. Annual **gross fundraising income** reached **£35.1m** with **legacy income** hitting a record high of **£32.6m** representing over 850 kind gifts left to Battersea in supporters Wills.

Key achievements in 2024 include:

- Creation of a new Supporter Experience team boosted loyalty scores to 6.17/7, ranking Battersea 3rd out of 44 charities in the Chase Index.
- Two new face-to-face fundraising agencies were recruited and onboarded.
- New TV advertisements for Legacy and Regular Giving.
- Third-party events income grew by 46%.
- Our Wear Blue for Rescue campaign achieved 44% awareness among younger audiences, reaching 1.6m through social media, while collaborations with Lioness Chloe Kelly helped us reach new audiences.
- Carol concerts raised a record £51k with support from ambassadors Dame Jacqueline Wilson, Sue Perkins and Greg James.
- Battersea Backstage hosted by Ambassador Amanda Holden and TV presenter Alan Carr, was the most successful to date, raising £350k (vs. a £160k target), with ambassadors and friends of Battersea in attendance.
- Securing a major donation to upgrade the digital X-ray system at our Windsor clinic.
- People's Postcode Lottery awarded an annual grant of £2m in the tenth year of our partnership.
- Denzel's dog treats licensed, now stocked in Ocado, Co-Op, Spar, and Tesco, highlighting Battersea's brand strength.

While average gift values for the Muddy Dog Challenge increased, low registration numbers and rising costs meant the series fell short of its benchmarked targets. As a result, we have made the strategic decision to discontinue these events moving forward.

OUR PEOPLE

A new **People Strategy** was developed, following extensive consultation with key staff groups and valuable insights gained through our all-staff survey and wider sector and societal insights. 85% of employees responded to the biennial **staff survey**. Results showed 76% of respondents would recommend Battersea as a good place to work - a 5% improvement compared with 2022.

Battersea was supported by **747 volunteers** in a range of roles. This converted into 51,545 hours donated by onsite volunteers, an **11% increase** on 2023. This is the equivalent of an additional **26 full time** roles at Battersea. 129 new onsite volunteers and 120 new foster carers were recruited.

87% of staff participated in at least one non-mandatory learning and development opportunity in 2024. After a successful pilot in 2023/4, we launched a second round of the **cross-charity mentoring programme**. 33 applications were received from Battersea colleagues, 19 of whom have been and will participate in the programme that will run in 2025. We continue to make excellent use of our Apprenticeship levy, using £88,767 of funding with 16 staff enrolled on programmes, including leadership and management, fundraising, veterinary nursing, Data, and L&D. 42 managers started the final **Foundations of people management programme** cohort, and we launched a new improved Management Training programmes for new managers

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

"Leading with Impact" which will better address the needs of experienced managers joining Battersea as well as staff being promoted into their first management or leadership role.

We launched a development project with our Directors team, introducing a **360-feedback programme**, aligned with our Values and My Leadership behaviours that will be used to provide **insight** for personal and team development plans and activities for our **Directors** in 2025 as well as drive an **organisational culture of feedback** and **continuous improvement**.

A key focus in 2024 was on **inclusive recruitment** to enable us to increase the proportion of diverse candidates applying to and securing jobs at Battersea. We ran workshops for our hiring managers and developed digital inclusive recruitment learning modules (job design, shortlisting, and interviewing) that will be rolled out in 2025. We also developed new, more inclusive and accessible recruitment guidance documents for candidates - new Recruitment Packs, a 'Life at Battersea' pack, a new Employee Benefits document and a new 'How to Apply' guide and reviewed content on our careers site to provide signposting to candidates on getting adjustment support throughout the recruitment process. For the first time this year we **partnered with Flexa** to highlight our workplace flexibility within our office-based roles to attract more candidates and improve diversity – we are rated in their top 100 most flexible companies to work for.

We remain focused on the wellbeing of our people, especially our frontline animal-facing teams, and continue to trial various initiatives alongside our Employee Assistance Programme. In Q3, we introduced a wellbeing coach for Operations colleagues to offer extra support, for those facing particularly challenging and traumatic situations. Initial feedback has been positive, with a full review planned for 2025.

OUR AUDIENCES

Brand, marketing, and communications output across the year sustained our brand health, including our position in the **top three most trusted, loved, and distinctive** rescue and rehoming charities. Battersea also moved from 12th to 6th place in the 2024 YouGov Charity Brand Index.

Our new **'We're all in for them'** brand platform and campaign launched to grow awareness of our evolving work, with a digital-first paid media approach and a focus on recall to maximise investment. Tracking results across year one showed positive foundations to build on – exposure to the campaign increased key perceptions of Battersea as *Leading* and *Different*, alongside awareness, affinity and understanding of the depth and breadth of our work.

Alison Hammond was announced as the presenter of **ITV's *For the Love of Dogs***. Series 12 aired from 16 April gaining an average 1.8m consolidated viewers and generating 3,394 pieces of coverage. Although overall social media engagement dipped compared to previous series, audience sentiment became more positive as the series progressed (60-80% positive depending on channel). Contracts were signed for a 13th series (6x30') airing in 2025 and a Christmas special, which aired 19 December (1.4m viewers).

We generated 17,345 pieces of coverage across the year, a slight decline from 2023. Highlights included a BBC package reaching 18.7m highlighting how donations from the Paul O'Grady tribute fund were spent. Partnership PR opportunities included announcing a garden at Chelsea Flower Show, collaborating with The King's Foundation on a photoshoot at Highgrove, and video content with McLaren Racing.

Throughout the year we continued to approach and secure visits from high profile celebrities

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

across the world of film, TV, sport and radio for behind-the-scenes tours and rehoming. These included visits from Italian fashion designer Donatella Versace (12.2m social media followers), actor Ambika Mod, and TV presenters Kirsty Gallacher, Vicky Pattison, Jeff Brazier, Faye Winter, and Amber Gill. Ambassador Amanda Holden talked about rehoming a Battersea puppy on her Heart FM Breakfast radio show (4.2 million weekly listeners), as well as to her 2.3 million Instagram followers.

CONTINUOUS IMPROVEMENT

New **research projects** were delivered across a range of organisational areas including the rescue and rehoming landscape in Greece and South Africa to inform Academy plans; Local Authority challenges and opportunities for Battersea's Stray Dog Programme; audience profiling for key income generation products; and Legacy campaign development and creative testing. A new **Theory of Change** was developed to measure progress against Battersea's new strategy, and a new monitoring and evaluation approach was rolled out for the Academy, and our work in South Africa.

Compliance monitoring has continued to expand into new areas. Our Income Generation shadowing programme was updated, incorporating actions from income generation, directors, external monitoring, and internal monitoring. We commenced Door to Door audits with no compliance issues raised since November. We continue to enhance our Animal Welfare monitoring programme.

Our programme of **Internal Audits** continued to be used as a means of ongoing learning and development of our control environment, with a focus in the year on areas including Cyber Security, Health & Safety and Procurement. A new payroll system (Moorepay) and a new electronic cheque scanning system (Hague) were both introduced, delivering efficiencies in processing time, improved accuracy, and better-quality reporting.

TECHNOLOGY

Our **Launchpad** programme aims to transform how we collect, store and use data to deliver increased impact for our animals. This is a multi-year programme of work which, alongside wider process and organisational change, also includes the direct replacement of our two core Customer Relationship Management (CRM) systems which support the day-to-day delivery of our care for dogs and cats, and wider supporter engagement.

During 2024 we have worked together with our delivery partners on the development of the replacement systems, and with the support of our new Programme Manager the delivery of the programme is on track for implementation of the system for animal operations in the summer of 2025, with further development for our supporter CRM to follow thereafter.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Financial review

Income

Total income was £70.3m (2023: £64.5m) for the year – an increase of £5.8m from 2023. This was due to higher legacy income at £32.6m (2023: £27.6m). Income received from Donations was also higher at £26.8m (2023: £26.2m). Income from Trading activities (which includes income from our Raffle and Lottery products) remained flat versus 2023. Investment and charitable income grew year-on-year with increases of £0.2m and £0.1m respectively versus 2023.

	2024 £m	2023 £m	Change %	Ratio %
Legacies	32.6	27.6	18	46
Donations	26.8	26.2	2	38
Gifts in kind	0.7	0.7	14	1
Trading activities	7.6	7.6	0	11
Investment income	1.8	1.6	13	3
Charitable income	0.9	0.8	8	1
Total Income	70.3	64.5	9	100

Expenditure

Total expenditure increased by £5.5m to £63.4m for the year (2023: £58.2m). The amount we spent on caring for animals at Battersea increased to £23.1m (2023: £22.3m), reflecting the increase in animals helped and inflationary increases in costs. The costs of raising funds reduced versus 2023 being £16.3m (2023: £17.3m). Grant giving and Academy expenditure increased to £6.3m (2023: £3.8m) due to the compounding nature of building a multi-year grant programme. Education and awareness costs remained flat year-on-year being £8.2m (2023: £8.2m). Support and governance costs increased by £2.8m to £8.8m (2023: £6.0m) largely driven by asset impairment.

	2024 £m	2023 £m	Change %	Ratio %
Care of animals	23.1	22.3	4	36
Raising funds	16.3	17.3	-6	26
Gifts in kind	0.7	0.7	14	1
Grant giving and Academy	6.3	3.8	66	10
Education and awareness	8.2	8.2	0	13
Support and governance	8.8	6.0	47	14
Total Expenditure	63.4	58.2	9	100

Pension

Battersea operates a defined contribution pension scheme for its employees. It also has a legacy defined benefit pension scheme which was closed to new members from September 2010. At the end of September 2013 this was also closed to future benefit accrual, to help mitigate any future liability.

Despite this, Battersea will continue to have ongoing obligations, the funding of which is agreed between the Trustees of the pension scheme and the charity's Trustees. These liabilities are subject to fluctuation as assumptions change over time. As at 31 December 2024 the pension scheme was in a surplus position of £10.2m (2023: £10.1m). In line with FRS 102, the surplus

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

on the pension scheme has not been recognised in the financial statements for the year ended 31 December 2024.

Full detailed information on Battersea's pension schemes, including the defined contribution scheme, can be found in note 18.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to make any investments which the Council of Trustees see fit. The Trustees are aware of the importance of responsible investment in making decisions that align with our charitable purpose and objectives, alongside their responsibility for maximising investment returns without jeopardising the charity's reputation. They therefore require their investment advisers to refrain from investing in any company that is involved directly in the use of experimental animals for non-clinical research, or sub-contracts to companies that make use of such animals, unless there is a legal or regulatory requirement to do so. In addition, Trustees have committed to applying principles of ESG in investment decisions in so far as they do not result in significant financial detriment to the Charity and will therefore ask Sarasin & Partners and Close Brothers to make the appropriate recommendations. If in doubt, they are asked to refer to the Chair of Council. Our investment advisers confirm adherence to this policy through a formal quarterly screening of our investment portfolio.

This gives Trustees assurance that there are no listed investments adverse to the purpose of the charity, thereby complying with the requirements of the Statement of Recommended Practice (SORP) and the Charity Commission's revised guidance note CC14.

Investment diversification within the above criteria is used to reduce risk exposure. The Trustees also prohibit high-risk investment, e.g., derivatives. The Council of Trustees, together with their advisers, set benchmark weightings for the portfolio and a benchmark for income yield.

The Council of Trustees place the emphasis on maximising long-term, sustainable investment growth and actual performance is reviewed against the benchmark return with both Sarasin & Partners and Close Brothers annually.

Reserves

The aim of Battersea's Reserves Policy is to ensure that the charity's ongoing activities are protected from unexpected fluctuations in its income and expenditure. In setting the reserves Policy, the Council of Trustees is influenced by strategic risks facing the charity – not least the fact that the charity is close to wholly reliant on voluntary income to continue its charitable undertakings – which being uncertain sources of revenue may not always provide the necessary funds to cover essential costs. Trustees have affirmed the target range for free reserves to be maintained between 6 to 12 months of future budgeted charitable, support cost and capital expenditure which equates to between £24.0m and £50.5m. This would allow for our activities to continue as normal during temporary falls in income or allow contingency plans to be implemented in the event of a more significant downturn in income or unanticipated increase in expenditure. This level is deemed appropriate when considered alongside the major strategic and operational risks currently faced by the Charity.

Free reserves (that is, those unrestricted funds not tied up in tangible fixed assets or other designated funds, excluding any pension assets) increased during 2024 to £52.6m (2023: £41.5m), representing approximately 12.5 months of charitable, support cost and capital expenditure.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Trustees balance the need to maintain an appropriate level of free reserves to manage anticipated risks with funding of key initiatives to increase Battersea's charitable impact. Our plan for 2025 involves significant additional investment across charitable spend and income generation and as such an operating deficit is projected. This will reduce free reserves to between the mid-point and maximum of our target range by the end of 2025, with free reserves projected to remain within this range in future periods.

The **Fixed Asset Fund** of £61.6m (2023: £62.1m), represents the net book value of Battersea's fixed assets – principally the value of the land and buildings on our three sites.

The **Multi Year Grants fund** exists to ringfence funds for grants awarded but where conditions for release have not yet been met. At 31 December 2024, the balance on the fund stood at £8.4m (2023: £7.7m), which represents awards to nineteen organisations (2023: eleven).

The **Data Strategy fund** reflects monies set aside to deliver our Launchpad programme. The fund has decreased in the year to reflect the work underway on this project, to £3.2m (2023: £4.3m).

The **Site Development Fund** represents monies set aside to meet the costs of future planned capital refurbishment works across Battersea's three sites. As at 31 December 2024, this stands at £2.0m (2023: £5.8m).

A new **Strategic Implementation fund** has been established to meet the costs of implementing new initiatives to support the delivery of Battersea's new five-year organisational strategy. The balance on this fund at 31 December 2024 is £3.2m.

Total funds at year end were £130.9m (2023: £121.8m).

Trustees review and monitor this policy annually.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Plans for future periods

2025 represents the first full year of implementation of our new strategy. Alongside the continued delivery of existing significant programmes of work, including Launchpad, we will deliver growth in impact for dogs and cats.

In 2025 we will...

PREVENT

- Implement Our Voice strategy to deliver regulatory and behavioural change, around better welfare supply, ethical sourcing, and public safety around dogs.
- Develop a strategic approach to UK cat population management.
- Award grants to support Prevent initiatives in overseas focus countries.
- Launch Academy population management training.

SUPPORT

- Implement our Advice, Support and Education strategy.
- Help more pets owned by those experiencing homelessness through a strategic alliance with StreetVet.
- Partner with FareShare to help ensure pet food is available in food banks.
- Create a more inclusive rental market for pet owners through our Pet Friendly Properties campaign.
- Award grants to fund Support initiatives in overseas focus countries.

CARE

- Introduce new processes to improve customer experience and more efficient ways of working across key operational areas.
- Launch our strategic Stray Dog Support programme.
- Continue to invest to improve and maintain our facilities.
- Increase the number of Academy learners.
- Improve shelter standards in focus countries, including the launch of a programme to improve the professionalism and sustainability of the UK rescue sector.

OUR PEOPLE

- Year 1 of implementation of the People Strategy across three focus areas:
 - Teams and ways of working- Getting the structural foundations right to set people and teams up for success.
 - Talent and capabilities- Growing individual and organisational skills and capabilities to be more impactful in our work.
 - Our People experience- Creating a culture where people at Battersea feel included, heard and supported to make a positive impact.
- Working to improve trust in leadership and maintain connection to our cause.
- Developing inclusive, engaging communication channels for our people.

OUR SUPPORTERS

Our overarching priority for 2025 is to embed the new income generation strategy and continue setting up the building blocks for success including working with teams across the organisation to develop our strategic foundations (People, Data & Insight, Cases for Support, Cohesion and Agility & Adaptability).

Our priorities focus around our three strategic aims:

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

- Increasing the value of supporters that we have.
- Attracting and engaging new supporters.
- Developing diverse and sustainable income source.

OUR AUDIENCES

- Growing visibility and understanding of our evolving story with new and existing audiences through our brand campaign and wider storytelling. Ensuring our distinctiveness through reactive work, high profile PR opportunities and For the Love of Dogs series. Maintaining trust in our brand through international trademarking, brand architecture to guide work with partners and reputation management. Continuing to improve the effectiveness of our marketing via econometrics and campaign reviews.

TECHNOLOGY

- Deliver our new Animal CRM system within the Launchpad project and develop and implement the delivery plan for Income Generation.
- Design and implementation of a post go live target operating model to ensure a safe and effective handover of the Animal CRM system during the go live period and beyond.
- Begin the development of an organisational Technology Strategy.
- Rollout improvements and upgrades across our IT infrastructure platform.

CONTINUOUS IMPROVEMENT

- Commence work on a 5-year estates strategy.
- Implement dynamic risk profiling to further our cyber and data protection.
- Publish environmental strategy and integrate with existing organisational strategies.
- Improve employee subject access request process.
- Improve Business Continuity Planning and run a Cyber readiness exercise.
- Deliver efficiencies in tracking research and audience insight mapping.
- Introduce new Value for Money (VfM) principles
- Roll out the Battersea Theory of Change and Impact Toolkit to enable colleagues to assess and demonstrate our impact across the three pillars.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Principal Risks and Uncertainties

An organisation-wide risk management approach is in place which identifies our key strategic and operational risks, and monitors that they are effectively managed through effective controls, clear accountability, and escalation as required.

The Battersea risk management approach comprises:

- on-going review by Directors and Senior Leadership of strategic and operational risks (both existing and emerging risks), which have the potential to adversely affect the organisation;
- a quarterly review by the Finance, Audit & Risk Committee (FARC) of the strategic risks and material issues arising;
- the establishment of policies, processes, and procedures to mitigate the risks identified, as applicable; and
- the implementation of processes and procedures to minimise or manage potential impact on the Charity should those risks materialise.

Battersea considers the current major risks to the charity to be:

Category	Risk Description	Mitigation
Financial	Liquidity/Financial stability Risk that economic uncertainty or unforeseen costs affects our financial wellbeing and liquidity.	Controls have been shown to be effective in this area, and business plans have areas identified that can be amended should circumstances require.
	Fundraising - External factors negatively affect our ability to generate income.	Five-year strategy for income generation agreed alongside organisational strategy, including agreement to invest for growth.
People	Staffing – achieving desired recruitment and retention	Five-year strategy for People agreed alongside organisational strategy.
	Wellbeing - Risk that our current work environment and practices do not support good mental and physical wellbeing.	Wellbeing programme of work included in our People strategy.
Operation of Charity	Delivery of strategy - Risk that we are unable to manage our resources effectively to achieve our organisational and strategic objectives.	Implementation of change and project management principles coupled with efficient governance controls in place for strategic and high-risk projects/programmes of work.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

	Cyber - Risk that our systems are compromised due to a cyber security breach.	Refreshed BCP in 2024 with testing and monitoring regime in place specifically for Cyber.
	CRM Replacement and Data Strategy Project – ongoing CRM replacement and data strategy project fails to be delivered or fails to bring the expected facilitated benefits of the programme, requiring significant resource, time and money to resolve.	Agreed governance, risk and delivery framework in place, project on track to deliver benefits to animal welfare in summer 2025. Detailed planning and budget process for income generation utilising the new framework underway.
Compliance	Risk of negative publicity - affects public trust in Battersea, and/or the broader rescue sector.	Communications and media plan in place, with significant governance and oversight controls for all areas of our activity to ensure that Battersea is operating within its charitable purpose and to the highest standards.
	Regulatory Failure - Material failure to comply with regulatory or statutory requirements	Three-lines-of-defence model in place with dedicated Governance, Risk and Compliance team monitoring key regulatory risks.
	Major Incident (BCP) - Major unforeseen event such as arson, natural disaster, terrorism or major IT infrastructure failure.	Refreshed BCP in 2024 with testing and monitoring regime in place for all key risks to continuous ability to work.
	Health and Safety – risk that our Health and Safety controls are ineffective, leading to injury, regulatory reprisal, financial settlements and/or legal proceedings.	Implementation of training, rolling programme of risk assessments, and maintenance of our estate, alongside comprehensive H&S reporting, with dedicated internal resource to assess and advise on H&S issues.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Fundraising standards

Open and accountable

All fundraising at Battersea is carried out with the full oversight of the Directors and the Council of Trustees. Battersea strives to provide an excellent service to all our supporters, and this is reflected in the low levels of complaints that we receive. Complaints are dealt with by our experienced Supporter Services team and are generally resolved without the need for escalation. Battersea takes any complaints very seriously and sees them as an opportunity to continue to improve our relationship with our supporters and the public.

Complaints

We record and monitor all fundraising related complaints received and these are reported to our Trustees annually. We aim to acknowledge complaints within one working day with the vast majority being resolved within three working days.

- As a percentage against the volume of fundraising activity Battersea undertakes, we have received a very low number of complaints. For 2024, we recorded 458 complaints – 0.00011% of our total volume of fundraising activity (2023: 569 complaints – 0.00013% of our total volume of fundraising activity) and we continue to strive to improve how we measure, record and resolve complaints across Battersea.
- In 2024, we continued to use the tiering and tracking system introduced in 2022. This approach enables us to identify themes and trends, and areas where complaints are increasing, so we can take proactive action to manage this and ensure that the trends do not persist.
- We also improved our complaints management and reporting further by implementing an Overarching Complaints Procedure. This sets out clear roles and responsibilities for the management of all complaints across Battersea including fundraising and is reinforced with new complaints reporting to Trustees.

Protecting the vulnerable

Battersea takes its responsibility towards supporters who may be considered vulnerable very seriously. We have a Vulnerable Persons Policy which is shared with staff and agencies working for us and we review our agencies policies to ensure these align with our own. Our Income Generation and Supporter Services teams have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance.

Contacting our supporters and supervising our fundraisers

Battersea prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations. We are registered with the Fundraising Regulator and as such their logo appears on our fundraising collateral as a kitemark of approval. All contracts with our third-party agencies include clauses to be able to monitor, mystery shop and train their fundraisers. Each agency is required to commit to the Code of Practice and provide copies of their compliance policies. Weekly status calls with our agencies allow us to monitor their operating procedures.

Battersea manages two society lottery products; the Paw Draw weekly lottery and the Superdraw quarterly raffle. We take steps to ensure the product design, marketing and fulfilment adheres to Licensing Conditions and Codes of Practice requirements of the

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Gambling Commission and best practice. Our marketing strategy is ethical and age specific. Battersea follows the UN Rights of the Child and perceives a child to be anyone under the age of 18. As such, whilst legislation permits gambling products to be open to those over 16, we require players to be over 18 years of age.

This approach to age informs our marketing activity and we will not actively market to anyone we know is under 18 years of age.

We deliver a robust training programme to agencies working on our behalf, adhering to the Fundraising Code of Practice, and demonstrating best practice. Each training session has a section on compliance, consent for future contact preferences and dealing with vulnerable people and is delivered quarterly. We recognise that staff turnover at agencies can be high, so it is key that we ensure that anyone representing Battersea is aware of what is expected of them in this area. We actively engage with and encourage our agency fundraisers to be proud Battersea ambassadors. Our mystery shopping and call monitoring programme ensures that fundraisers are treating our potential donors fairly, respectfully, and appropriately. Our staff aim to shadow our third-party fundraisers across all channels on a quarterly basis and provide feedback and/or recommendations for any improvement. We also carry out monthly independent shadowing of our face-to-face agencies. All these visits are recorded and form part of an annual report to our Council of Trustees.

We also regularly attend the agency induction training sessions to observe and audit the content and delivery of the fundraisers' initial training using the Chartered Institute of Fundraising (CIOF) /Fundraising Regulator checklist. Battersea is a member of the CIOF and the Fundraising Regulator and takes part in their compliance round table events.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Streamlined Energy and Carbon Reporting (SECR)

Our SECR obligations

Battersea understands that, like all organisations, our activities and services have an impact on the environment. As such, we are committed to the continual improvement of our environmental performance and ensure compliance with all relevant environmental legislation, including the Streamlined Energy and Carbon Reporting (SECR) scheme. Implemented in 2019, SECR requires all qualifying businesses to comply for financial years starting on or after 1 April 2019. This report corresponds to our financial year ending December 2024, though the previous year (2023) is revisited as well.

The greenhouse gas (GHG) emissions associated with our core business operations have been measured and verified in accordance with SECR category guidance; Scope 1 (direct resource use), Scope 2 (bought resources for use in our direct operations), and specific Scope 3 emissions (indirect emissions due to business activities) surplus to compliance requirements. We have also identified appropriate intensity ratios to normalise and monitor our carbon emissions and energy efficiency measures, which support our drive to minimise costs and improve productivity whilst reducing carbon emissions in line with the UK's 2050 net zero target.

Our Carbon Impact

Table 1

Scope	GHG Emissions Source	2024	2023	2019
1	Natural Gas	176.24	177.67	486.25
	Propane	20.49	53.89	58.14
	Fleet Transport	12.87	41.53	38.45
	Isoflurane	26.89	27.85	49.78
	Nitrous Oxide	17.76	8.88	149.76
	Refrigerants	38.48	120.60	N/A
2	Purchased Electricity	596.80	569.33	675.47
3	Purchased Goods and Services (water only)	3.25	3.77	10.13
	Fuel & Energy-Related Activities	231.59	232.78	231.32
	Waste Generated in Operations (wastewater only)	3.55	3.87	20.86
Total (tCO2e)		1,127.92	1,240.17	1,720.16

All data used to calculate the table above has been tracked monthly, where possible. However, due to gaps in recording, some electricity, natural gas, and water values for the month of December 2023 have been estimated based on their respective 11-month average. For two water meters, missing monthly values have been estimated using their 10-month and 8-month averages. For 2023 and 2024, transport data for fleet vehicles has been obtained from fuel card records and data for staff transport expenses has been recorded in miles. For 2019, all transport data was obtained from miles.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Reporting Year (2024)

The total GHG emissions associated with our combined business operations during this SECR period (2024) were 1,127.92 tonnes of carbon dioxide equivalents (tCO₂e). Utilities at our three sites accounted for approximately 91% of our emissions, with the remaining amount pertaining to transport, anaesthetic gas use within our clinic operations, and refrigerants. Like the previous reporting years, this proportionality indicates that our approach to carbon reduction should continue to primarily target the operational efficiency of our building operations.

As in previous years, we have expanded the scope of our reporting to exceed mandatory requirements by including emissions associated with water use, transmission distribution (T&D) of electricity to site, and well-to-tank (WTT) emissions for all fuels. In future years we will look to include further Scope 3 emissions, such as employee commuting, purchased goods and services, and remote working. We will also aim to present any green tariffs and renewable energy generation that we can procure as part of our wider sustainability goals.

Previous Reporting Year (2023)

For the previous reporting year (2023), our combined business operations during the previous SECR period were 1,240.17 tCO₂e. Utilities at our three sites accounted for approximately 84% of our emissions, with the remaining amount pertaining to transport, anaesthetic gas use within our clinic operations, and refrigerants.

Baseline Year (2019)

Due to COVID-19 impacts on our operational capacity, we were unable to use our Year 1 or Year 2 datum as an accurate baseline. Therefore, we have also retroactively calculated our carbon emissions for 2019 to represent a "business as usual" baseline. The total GHG emissions associated with our operations during 2019 was 1,720.16 tCO₂e.

Emission Intensity Ratios

Current government environmental reporting guidance recommends the development of at least two Key Performance Indicators (KPIs) associated with key environmental impacts. In Table 2, we have identified two intensity ratios which divide our carbon emissions by an appropriate normalisation factor to enable performance tracking over time and comparison against organisations operating in equivalent sectors. These include (1) average carbon emissions per £100k turnover and (2) average carbon emissions per FTE employee. We chose to incorporate an employee-based indicator to encourage staff engagement with our organisational aim to minimise our impact on the environment.

Table 2

	tCO ₂ e/£100k	tCO ₂ e/FTE
2024	1.67	1.87
2023	1.94	2.19
2019	3.91	3.29

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Calculation Methodology

The raw consumption data of our 2024 business operations has been obtained using a combination of direct meter reads, half-hourly meter data, utility and product invoices, expense reports, fuel card data (fleet), and mileage data (staff transport expenses). Where averages or estimates have been used, this is identified. All carbon emissions have been calculated in accordance with guidance provided by the UK Government, GHG Reporting Protocol, and using DEFRA conversion factors. For our anaesthetics, recommended conversion factors from the NHS Sustainable Development Unit (SDU) were followed.

Energy Saving Measures

Considering our key emissions areas and previous Energy Savings Opportunity Scheme (ESOS) recommendations, we have continued to focus much of our energy saving efforts on improving building efficiency, including ongoing work to develop a unified Building Management System (BMS) across all three of our sites. At its core, this project aims to optimise the visibility of plant health and building statuses, therefore ensuring that the conditions of our facilities are safe and suitable for our dogs and cats. In addition, the project also brings greater visibility to our energy consumption patterns, providing us with the data and information necessary to identify key trends, make informed adjustments, and track our progress over time.

To further improve cost efficiency and reduce our reliance on natural gas, we have transitioned eight of our remaining Brands Hatch and Old Windsor boilers to air source heat pumps, which absorb latent heat from outside air and transfer it to radiators and underfloor heating. Additionally, we implemented new air handling unit schedules for eight systems at our Battersea site, removing unnecessary run times by an average of 8 hours/ day. We have continued LED installations, replacing some of our less energy efficient light fixtures across all three sites. Additionally, during a recent contract renewal process, all our half-hourly energy supplies were switched to a 100% zero-carbon mix (renewables and nuclear only).

In response to findings from a TM44 audit, we also underwent full servicing of all air conditioning equipment across our three sites, helping to improve their efficiency and performance. Several other energy saving actions were identified during this audit, and an associated action plan is being developed.

Behavioural change programmes have been continued internally, including providing staff with relevant environmental updates and informational communications on sustainable/ energy-efficient working. Lastly, we are planning to renew our Silver level accreditation for our environmental management system through Investors in the Environment, which requires ongoing monitoring of resources and demonstrating the progress being made towards meeting our reduction targets.

Energy Consumption Data

Table 3

kWh Consumption Totals				
Scope	GHG Emissions Source	2024	2023	2019
	Natural Gas	593,766	883,292	2,380,311

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

1	Propane	240,432	231,720	252,464
	Fleet Transport	137,591	169,879	147,928
2	Purchased Electricity	2,882,379	2,749,165	2,642,581

Other Consumption Totals					
Scope	GHG Emissions Source	Unit	2024	2023	2019
1	Isoflurane	250ml bottles	141	146	261
	Nitrous Oxide	9,000L canisters	4	2	30
	Refrigerants	kg	20	62.68	N/A
3	Water	m ³	21,249	21,351	29,457

All figures have been rounded to the nearest whole number. 2023 consumption figures for natural gas, propane/transport (fleet), and transport (staff expenses) were converted to kWh from m³, L, and miles, respectively, by using the relevant year's UK Government's GHG Conversion Factors for Company Reporting. For 2019 transport mileage figures, 2020 UK Government GHG conversion factors were used as these were not provided in the 2019 UK Government guidance.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Diversity & Inclusion

At Battersea, we are committed to developing and supporting a diverse workforce and inclusive culture in all that we do. We aim to ensure that this commitment, reinforced by our values, is embedded in our day-to-day working practices and our work together.

We want to ensure that everyone who comes into contact with Battersea is welcomed, valued and respected regardless of their race, age, gender, sex, disability, sexual orientation, social class, religion or belief. We strive to create lasting change for animals and the people that care for them and believe that creating a truly diverse and inclusive Battersea, which is proudly open to all, will be essential in our mission to deliver greater impact for dogs and cats everywhere.

Our comprehensive Diversity & Inclusion Action plan has been in place since 2021 with 2024 marking an extremely positive year, including the following successes:

- D&I forming a key cornerstone of our newly launched People Strategy around 'Our People Experience', ensuring people feel valued, included, heard and supported to make a positive impact in their work.
- Implementation of inclusive recruitment recommendations including the design of new digital learning modules and live workshops for all hiring managers for roll out in 2025.
- Completing a site accessibility audit for our London site to maximise the inclusivity of our buildings, environment and service so everyone who comes into contact with Battersea feels welcome. Recommendations are feeding into our longer-term design and refurbishment plans. Further audits will be completed for Windsor and Brands Hatch in due course.
- Progress has been made towards our five-year diversity target for 2026 of 15% for our two most underrepresented workforce communities by end of 2026. At the end of 2024 12.8% of our workforce had declared a disability, a 1% increase from 2023 and ethnic diversity remained in line with 2023 at 10.6%.
- Our bi-annual all staff survey in 2024 saw 79% positive responses to our question 'I feel that I belong at Battersea and can be myself at work' (up 7% from our 2022 survey).
- With active involvement from leadership, our four inclusion networks (listed below) have continued to grow in membership and impact throughout 2024, creating safe spaces for staff and volunteers from under-represented groups to support each other, raise issues and work together with allies to continuously improve inclusion at Battersea:
 - Disability and Wellbeing Network and allies
 - Ethnic Diversity Network and allies
 - LGBTQ+ Network and allies
 - Menopause Support Network and allies

Developing an even more diverse and inclusive Battersea is a priority for us. Future planned activities include:

- Delivering on our D&I calendar to celebrate the diversity of our people throughout the year, involving our networks to celebrate events and develop initiatives which are meaningful and impactful.
- Provide opportunities for staff to understand the lived experience of underrepresented groups at Battersea and how they can help build a more inclusive environment for all.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

- Externally showcase Battersea's commitment to D&I to help attract a more diverse workforce, and demonstrate our ongoing commitment to D&I.
- Further embedding of D&I in Management and Leadership courses.
- Further work on creating an inclusive culture including work on inclusive language and challenging microaggressions.
- Ongoing monitoring of progress against our benchmarks and targets, including D&I questions in our bi-annual staff survey and ongoing pulse surveys throughout the year.
- Connect with other animal welfare charities on shared D&I challenges and work to collectively address barriers to D&I in our sector.

Employment of Disabled Persons

Battersea is committed to supporting employees with disabilities. Our recruitment and employment practices ensure equal opportunities and compliance with the Equality Act 2010. Adjustments are made to accommodate individual needs wherever possible, and training and ongoing development is provided to all staff and volunteers to support inclusion.

Battersea remains committed to developing an inclusive environment and will continue to monitor and improve its practices to support disabled persons in its workforce.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Reference and administrative details

Charity number: 206394
Company number: 278802
Registered office: 4 Battersea Park Road, London SW8 4AA

Council of Trustees

Paul Baldwin	Chair
Patricia Stafford	Vice Chair
Patrick Aylmer	
Heather Bacon	
Julie Carlyle	
Sir Alan Collins	
Sunwinder Mann	(resigned 24 April 2024)
Alan Martin	
Maria Novell	
Susan Paterson	
Lucy Shamdasani	(appointed 4 March 2025)
David Turner	(resigned 4 March 2025)
Deri Watkins	
Helen Webb	
The Worshipful Mayor of Wandsworth	(Ex Officio)

Senior Staff

Peter Laurie	Chief Executive
Ciara Bosworth	Programme Director (resigned 30 August 2024)
Kelly Brown	Director of Finance & Corporate Services
Bryony Glenn	Director of Human Resources
Lucy Hastings	Director of Operations
Julian Holmes-Taylor	Director of Income Generation
Paul Marvell	Director of Global Programmes
Sarah Matthews	Director of Marketing & Communications
Shaun Opperman	Director of Veterinary Services

Our advisers

External Auditors

Moore Kingston Smith LLP
9 Appold Street
London EC2A 2AP

Internal Auditors

RSM UK Risk Assurance Services LLP
Davidson House
Forbury Square
Reading
Berkshire RG1 3EU

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Solicitors

Bates Wells
10 Queen Street Place
London EC4R 1BE

Investment Advisers

Sarasin & Partners
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Close Brothers Asset Management
55 Grosvenor Street
Mayfair
London W1K 3HY

Bankers

Barclays Bank Plc
7-11 St John's Hill
London SW11 1TR

Lloyds Bank Plc
25 Gresham Street
London EC2V 7HN

National Westminster Bank Plc
250 Bishopsgate
London EC2M 4AA

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Structure, Governance and Management

Trustee appointments

Battersea is governed by a Council of Trustees (who are also Directors of the charitable company for the purposes of company law). Trustees, who are volunteers with distinguished careers and experience in a wide variety of fields, are subject to fixed term appointments and election or re-election according to procedures set out in the Memorandum and Articles.

New Trustees are nominated via an external search led by the Chair of Trustees, interviewed by a panel of Trustees and the Chief Executive, and appointed where they have the necessary skills to contribute to the charity's governance and strategic development. New Trustees undergo tailored induction programs covering legal obligations, Charity Commission guidance, Memorandum and Articles of Association, committee structure, decision-making processes, strategic plan, and financial performance.

More information on Battersea's Trustees and Executive Team can be found on Battersea's website.

Trustee delegation

The Council is responsible for setting strategic direction, agreeing the financial plan and approving the delegation of financial authority through the Chief Executive, with specific limits imposed on delegation. The Council acts on advice and information from regular meetings with the Chief Executive. The Council met formally five times during 2024.

The Chief Executive is responsible for the day-to-day management of the Charity and for implementing policies agreed by the Council. The Chief Executive is assisted by a group of directors and senior managers.

The Finance, Audit and Risk Committee meets at least quarterly to oversee all financial aspects of the charity. It takes delegated responsibility for ensuring there is a framework for accountability and for ensuring that the charity complies with all financial aspects of the law, relevant regulations, and good practice. The Committee is also responsible for reviewing the performance of the charity's investment portfolio. It met four times during 2024.

A Governance and Nominations Committee was established to review compliance with appropriate legislation and codes issued by the Charity Commission and other regulatory bodies and to lead on any process for appointments to Council and committees. The Committee met three times in 2024.

The People Committee was formed to address key areas of focus for the Trustees including reviewing and approving Battersea's remuneration policy, diversity, safeguarding, and learning and development. The Committee met three times in 2024.

The Global Programmes Committee provides governance oversight of Battersea's Global Programmes work (encompassing Grant Programmes and the Academy). Key responsibilities of the Committee include overseeing the development and outcomes of the Global Programmes Strategy, reviewing the performance of Battersea's existing portfolio of work, as well as reviewing new proposals for major investments in grants and strategic partnerships. The Committee met four times in 2024.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

The Animal Health and Welfare Committee was formed in 2024 and met once in the year. It provides governance oversight and support in respect of the animal health and welfare activities across the charity, including our operations and veterinary work.

During 2024 the following served as Trustees:

	Attendance at Council Meeting (max 5)	Attendance at Finance, Audit & Risk Committee (max 4)	Attendance at Governance & Nominations Committee (max 3)	Attendance at People Committee (max 3)	Attendance at Global Programmes Committee (max 4)	Attendance at Animal Health & Welfare Committee (max 1)
Paul Baldwin (Council Chair and Chair of Governance & Nominations Committee)	5/5	-	3/3	3/3	-	-
Patricia Stafford (Vice Chair of Council and Chair of People Committee)	3/5	-	2/3	3/3	-	-
Julie Carlyle (Chair of Finance, Audit & Risk Committee)	5/5	4/4	1/1	-	-	-
Alan Martin (Chair of Global Programmes Committee)	5/5	4/4	3/3	-	4/4	-
Susan Paterson (Chair of Animal Health and Welfare Committee)	4/5	-	-	-	2/4	1/1
Patrick Aylmer	4/5	2/2	2/2	-	-	-
Heather Bacon	3/5	-	-	-	2/3	1/1
Alan Collins	5/5	-	3/3	-	4/4	-
Sunwinder Mann	2/2	-	-	1/1	-	-
Maria Novell	4/5	3/4	-	-	-	-
David Turner	2/5	-	-	-	-	-
Deri Watkins	2/5	-	-	-	4/4	-
Helen Webb	4/5	-	-	3/3	-	-

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Related parties

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or senior executive with a related party or competitor of the charity must be disclosed to the Council of Trustees. In the current year, no such related party transactions were reported. Donations made by Trustees and Directors to Battersea totalled £11,367 (2023: £9,377) for the year.

The charity has two wholly owned subsidiaries: Battersea Dogs Home Limited (BDH), which operates the Battersea's trading activities; and Bell Mead Kennels Limited, under which name the charity's annex at Old Windsor operated. Bell Mead Kennels Limited is now dormant. The companies' trading results and balance sheets are consolidated with those of the charity.

Pay policy for the Executive Team

Executive pay at Battersea reflects the market rate for comparable jobs in comparable organisations, the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with each role. Our pay policy aims to:

- recruit and retain talented individuals to lead and further develop our rapidly growing organisation.
- develop and sustain high performance, and;
- recognise individual performance in the preceding year.

The People Committee are responsible for overseeing the remuneration of Battersea's Executive Team. The Executive Team's annual pay reviews are paid in accordance with the wider organisational approach to pay reviews, which is currently to pay the same fixed percentage pay increase to staff at all levels. Pay for all roles at all levels is re-benchmarked on a triennial basis using externally validated voluntary sector pay data and adjusted accordingly to ensure competitive pay for comparable roles.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Statement of Responsibilities of the Council of Trustees

The Council of Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council of 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 the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the Council of Trustees is required to:

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

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

The Council of Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Council of Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the Council of Trustees, having made enquiries of fellow Trustees and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Council of Trustees



Paul Baldwin (Chair)
Approving the Report of the Council of Trustees and the Strategic Report
8 July 2025

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Independent Auditor's Report to the Members of Battersea Dogs' and Cats' Home

Opinion

We have audited the financial statements of Battersea Dogs and Cats Home Limited for the year ended 31 December 2024 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Council of Trustees' responsibilities statement set out on page 35, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date 28/07/2025

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Consolidated Statement of Financial Activities

For the year ended 31 December 2024

	Notes	Unrestricted 2024 £000	Restricted 2024 £000	Total 2024 £000	Total 2023 £000
Income from:					
Donations and legacies	2	58,938	410	59,348	53,755
Gifts in kind	3	741	-	741	651
Trading activities	4	7,575	-	7,575	7,632
Investment income	5	1,807	-	1,807	1,648
Charitable activities:					
Animal sales and claim fees		869	-	869	798
Total income		69,930	410	70,340	64,484
Expenditure on:					
Cost of raising funds:	6				
Donations and legacies		13,741	-	13,741	14,325
Gifts in kind		741	-	741	651
Trading activities		3,257	-	3,257	3,631
Investment management fees		361	-	361	116
		18,100	-	18,100	18,722
Charitable activities:	6				
Care of dogs and cats		29,092	427	29,519	26,539
Grant giving and Academy		6,464	143	6,606	4,022
Education and awareness		9,206	-	9,206	8,895
		44,763	569	45,332	39,457
Total expenditure		62,863	569	63,432	58,179
Net (losses)/gains on investments	12	2,767	-	2,767	739
Net income/(expenditure)	7	9,834	(159)	9,675	7,044
Other recognised losses					
Actuarial gains/(losses) on defined benefit pension scheme	18	(226)	-	(226)	(466)
Net movement in funds		9,608	(159)	9,449	6,598
Reconciliation of funds:					
Total funds at 1 January		121,273	246	121,519	114,921
Total funds at 31 December	16	130,882	86	130,968	121,519

All amounts are derived from continuing activities. All gains and losses recognised in the year are included above.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Consolidated and Charity Balance Sheet

As at 31 December 2024

		Group		Charity	
	Notes	2024	2023	2024	2023
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9	6,557	4,291	6,557	4,291
Tangible assets	10	54,996	57,763	54,996	57,763
Investments:					
Investment in subsidiary undertakings	11	-	-	5	5
Other fixed asset investments	12	33,331	29,974	33,331	29,974
		94,884	92,028	94,889	92,033
Current assets					
Stock	13	70	138	-	-
Debtors	14	10,796	8,669	11,383	10,884
Short term investments		8,198	3,000	8,198	3,000
Cash at bank and in hand		23,652	23,931	23,050	21,751
		42,716	35,738	42,632	35,635
Liabilities					
Creditors: amounts falling due within one year	15	(6,632)	(6,247)	(6,553)	(6,149)
Net current assets		36,084	29,491	36,079	29,486
Total assets less current liabilities		130,968	121,519	130,968	121,519
Defined benefit pension scheme asset	18	-	-	-	-
Net assets		130,968	121,519	130,968	121,519
Funds					
Unrestricted funds					
- Designated	16	78,306	79,783	78,306	79,783
- General	16	52,575	41,490	52,575	41,490
		130,882	121,273	130,882	121,273
Restricted funds	16	86	246	86	246
Total funds		130,968	121,519	130,968	121,519

As permitted by s408 Companies Act 2006, the charitable company has not presented its own income and expenditure statement and related notes. The charitable company's surplus for the year was £9.3m (2023: £6.5m).

The financial statements were approved and authorised for issue by the Council of Trustees and were signed on its behalf on 8 July 2025.



P Baldwin, Chair of Trustees



J Carlyle, Chair of Finance, Audit and Risk Committee

Company registration number 278802

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

		Group	
		2024	2023
	Notes	£000	£000
Cash inflow from operating activities	(a)	3,690	6,481
Returns on investments	(b)	1,807	1,648
Capital expenditure and financial investment	(c)	(5,777)	(14,899)
Cash (outflow)/inflow before use of liquid resources		(280)	(6,770)
 (Decrease)/Increase in cash in the year	 (d)	 (280)	 (6,770)

Notes to the cash flow statement

a) Net cash from operating activities

Net income	9,449	6,598
Losses/(gains) on investments	(2,767)	(739)
Depreciation and amortization	4,420	4,289
Decrease/(increase) in stocks	67	(55)
Decrease/(increase) in debtors	(2,126)	123
Decrease/(increase) in short term investments	(5,198)	(3,000)
(Decrease)/Increase in creditors	385	913
Bank interest receivable	(567)	(388)
Interest income received	(782)	(814)
Interest received from defined benefit scheme pension	(457)	(446)
Impairment loss on fixed assets	1,270	-
(Profit) / Loss on sale of fixed assets	(3)	-
Net cash inflow from operating activities	3,690	6,481

b) Returns on investments

Interest received	567	388
Investment income received	782	814
Interest received from defined benefit scheme pension	457	446
	1,807	1,648

c) Capital expenditure and financial investment

Purchase of tangible fixed assets	(1,336)	(3,490)
Purchase of intangible fixed assets	(3,854)	(771)
Proceeds from sale of fixed assets	3	-
Purchase of investments	(14,903)	(27,658)
Proceeds from sale of investments	14,974	16,104
Decrease/(Increase) in portfolio cash	(660)	916
	(5,777)	(14,899)

d) Analysis of consolidated net cash resources

	At 1 January 2024	Cash flow	At 31 December 2024
	£000	£000	£000
Cash at bank and in hand	23,931	(280)	23,652

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Notes and Accounting Policies

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP including Update Bulletin 2), the Companies Act 2006 and Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

(b) Basis of consolidation

The consolidated accounts include the accounts of the charitable company, Battersea Dogs & Cats Home, and its trading subsidiary Battersea Dogs' Home Limited, which is consolidated on a line-by-line basis. No separate Statement of Financial Activities ("SOFA") has been presented for the charity as permitted by Section 408 of the Companies Act 2006. Bell Mead Kennels remains dormant and therefore is not included in the consolidated accounts. For 2024 the Charity entity had income, including gains and losses, of £72.1m (2023: £64.1m) and incurred expenditure of £62.8m (2023: £57.6m).

(c) Incoming resources

Legacies are credited to incoming resources when the charity becomes entitled to the income, there is probability of receipt, and the amount is quantifiable. Legacies received in the form of investments are included at probate value. Legacy income is recognised as accrued income under the following circumstances: (1) There has been a grant of probate. (2) Any conditions attached to the legacy are either within our control or have been met. (3) It is probable that the legacy will be received, and its value can be measured reliably. For a legacy to be accrued, there must be no known claims or legal challenges that exist which may reduce the probability of Battersea receiving a legacy. Life interest and other residual legacies, where there is uncertainty of the amount to be received, are not accrued.

Donations and sponsorship income is recognised as income when the conditions for its receipt have been met.

Proceeds from lottery and raffle income are recorded gross of prize money and other expenditure. Income is recognised when the conditions for its receipt have been met.

Donated goods are recognised at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of the goods or service provided, at the same value and time.

Income from trading activities predominately relates to income generated by Battersea Dogs Home Limited and paid to the charity annually. The accounts of the Company set out the income recognition policies applied. Income from trading activities also relates to income received in respect of insurance commission which is accrued for in the period in which it relates.

Battersea recognises the income from a charitable fundraising event in the year in which the event takes place. Income received for an event taking place in a future period is treated as deferred income in the Balance Sheet.

Where income is received for a specific purpose, the income is included in restricted funds.

All other income is accounted for on a receivable basis.

(d) Expenditure

The costs of raising funds and charitable expenditure comprise staff and other costs directly attributable

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

to an activity and an allocation of support costs. Where costs have been allocated, this has been done based on staff costs directly attributable to each of the charity's activities. The costs of generating funds are those incurred in seeking voluntary contributions and do not include costs of disseminating information in support of the charitable objectives. Governance costs are those incurred in compliance with constitutional and statutory requirements.

Grants payable are considered to be part of cost of activities in furtherance of the objectives of the charity. Our accounting policy is to recognise grant expenditure when grant awards are appropriately approved and conditions for making the payment are met. When grants span more than one financial year and conditions are still to be met, a designated fund is created for the balance remaining on the award. We diligently evaluate substantive review conditions to ensure compliance, mitigating the risk of grant reversals.

(e)(i) Tangible fixed assets and depreciation

A tangible fixed asset is capitalised if (a) the cost is greater than £5,000 or (b) is less than £5,000 but is part of a larger project. It is depreciated over its estimated useful life as follows: -

Freehold land	nil
Freehold and long leasehold properties	25 years
Short leasehold properties	Over the shorter of the remaining period of the lease or 25 years
Equipment, fittings, and vehicles	4 to 10 years

Where fixed assets are purchased with restricted funding, the purchase or building of the assets is the fulfilment of the restriction. The asset then becomes part of unrestricted funds.

Assets under construction consist of expenditure incurred in respect of tangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(ii) Intangible fixed assets and amortisation

Intangible fixed assets comprise website, trademarks, and management system costs. Intangible fixed assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised to write off the cost or valuation of the assets less their residual values over their useful lives on the following bases:

Website development & management systems	2 to 5 years
Trademarks	10 years

The capitalisation threshold for intangible fixed assets is £5,000.

Assets under construction consist of expenditure incurred in respect of intangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(iii) Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangibles with indefinite useful lives and intangible assets not yet available for use are tested for

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

impairment annually, and whenever there is an indication that the asset may be impaired.

(f) Going Concern

The Trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In making this assessment the Trustees, have considered the charitable group's revised forecasts and projections for income and expenditure, as well as long term cash flow. These continue to be regularly monitored by Directors and Trustees. Battersea holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash.

After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(g) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

(h) Investments

Fixed Asset Investments are stated at market value. It is Battersea's policy to keep valuations up to date so that, when investments are sold, no gain or loss arises. As a result, the SOFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SOFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Pensions

In accordance with FRS 102 "Retirement Benefits", the movement in the defined benefit pension scheme liability, as determined by the actuary, is charged to the SOFA each year. Current and past service costs

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

and experience gains are allocated across the SOFA expense categories in proportion to total salary costs in each category. Where expected returns on assets and interest costs result in a net charge this is also allocated on the above basis. Where it results in a net income this is included within investment income. Actuarial gains or losses are shown separately on the face of the SOFA.

(k) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

(l) Funds

Unrestricted funds, including designated funds, are expendable at the Trustees' discretion in furtherance of the charity's objects. Restricted funds can be spent only in accordance with the donors' specific requirements.

(m) Gifts in kind

Gifts in kind and donated services and facilities are recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods.

(n) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(o) Critical accounting estimates and areas of judgement

In view of the Trustees applying the accounting policies adopted, the following estimates were required that have a significant effect on the amounts recognised in the financial statements:

The charity operated a defined benefit pension scheme, which closed to further accrual at the end of September 2013. An actuarial valuation of the scheme is undertaken to reflect the current position as at the year ended 31 December 2024. Assumptions used in this calculation, which include the level of future salary increases and the applicable discount rate, all require elements of estimation.

2. Donations and legacies

	2024	2023
	£000	£000
Legacies	32,568	27,596
Donations	26,780	26,159
	59,348	53,755

The estimated value of legacies notified but neither received nor accrued into income (as they do not meet the SORP recognition criteria) at 31 December 2024 is £29.9m (2023: £28.3m).

Included in the above figure is unrestricted income of £58.9m (2023: £51.1m) and restricted income of £0.4m (2023: £2.6m).

3. Gifts in kind

	2024	2023
	£000	£000
Donated goods	372	186

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Donated facilities	-	4
Donated services	369	461
	741	651

4. Trading activities

	2024	2023
	£000	£000
Sale of shop goods	403	384
Fundraising events, raffle, and lottery	6,845	6,881
Sundry activities	327	367
	7,575	7,632

Fundraising events income includes donations received from Battersea's Lottery and Raffle functions. Sundry activities include hydrotherapy, physiotherapy, public training courses, admissions, programme fees, royalties, commercial filming, advances, rental income and sale of fixed assets. All amounts relate to unrestricted income in the current and prior year.

5. Investment income

	2024	2023
	£000	£000
Listed investment income	782	814
Finance income on defined benefit pension	567	388
Deposit and bank interest	457	446
	1,807	1,648

All amounts relate to unrestricted income in the current and prior year.

6. Group analysis of total expenditure

	Direct activities £000	Support costs £000	2024 £000	Direct activities £000	Support costs £000	2023 £000
Cost of raising funds						
Donations and legacies	12,871	870	13,741	13,800	525	14,325
Gifts in kind	741	-	741	651	-	651
Trading activities	3,026	231	3,257	3,341	290	3,631
Investment management fee	361	-	361	116	-	116
Total cost of raising funds	16,999	1,101	18,100	17,908	815	18,723
Charitable activities						
Care of dogs and cats	23,123	6,396	29,519	22,278	4,260	26,538
Grant giving and Academy	6,296	311	6,606	3,810	213	4,023
Education and awareness	8,168	1,039	9,206	8,189	706	8,895
Total cost of charitable activities	37,587	7,745	45,332	34,277	5,179	39,456
Total Group expenditure	54,586	8,846	63,432	52,185	5,994	58,179

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Analysis of support costs
Support costs – 2024

	Donations and legacies £000	Cost of raising funds £000	Care of cats and dogs £000	Grant giving and Academy £000	Education and awareness £000	2024 £000
Support cost						
Finance	207	55	1,519	74	247	2,101
Facilities	18	5	129	6	21	179
IT	288	77	2,119	103	344	2,930
HR	197	52	1,452	71	236	2,008
Secretariat	58	15	428	21	70	593
Governance	102	27	749	36	122	1,036
	870	231	6,396	311	1,039	8,846

Governance costs consist of accountancy and audit fees, as well as other compliance costs.

Support costs – 2023

	Donations and legacies £000	Cost of raising funds £000	Care of cats and dogs £000	Grant giving and Academy £000	Education and awareness £000	2023 £000
Support cost						
Finance	95	145	765	38	127	1,170
Facilities	10	3	81	4	13	112
IT	115	39	931	47	154	1,285
HR	164	55	1,335	67	221	1,843
Secretariat	65	22	529	26	88	730
Governance	76	26	619	31	103	854
	525	290	4,260	213	706	5,994

7. Net income before transfers

Net income before other recognised (losses)/gains is stated after charging the following items:

	2024 £000	2023 £000
Auditor's remuneration charged by Moore Kingston Smith LLP:		
- Charity	40	40
- Subsidiary	7	6
- Other audit work	19	12
Non audit services charged by Moore Kingston Smith LLP:		
- Tax advice	22	21
- Other tax work	3	6
Depreciation	4,102	3,948

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Amortisation	318	341
Impairment losses on intangible assets	1,270	-
Operating lease rentals:		
- Land	479	466
- Other	8	9

8. Staff costs

	2024 £000	2023 £000
Salaries and wages	21,281	19,389
Social security costs	2,075	1,858
Pension costs	1,380	1,243
Other employee benefits	283	280
	<u>25,018</u>	<u>22,770</u>

The actual average number of employees involved in the following activities during the year was as follows:

	2024 Number	2023 Number
Donations and legacies	56	49
Trading activities	15	17
Care of dogs and cats	412	398
Grant giving and Academy	20	20
Education and awareness	67	66
Support staff	84	77
	<u>653</u>	<u>626</u>

The number of employees whose emoluments exceeded £60,000 for the year was:

	2024 Number	2023 Number
£60,001 - £70,000	25	17
£70,001 - £80,000	6	2
£80,001 - £90,000	4	1
£90,001 - £100,000	2	3
£100,001 - £110,000	1	2
£110,001 - £120,000	1	3
£120,001 - £130,000	1	
£140,001 - £150,000	1	1
£150,001 - £160,000	-	
£160,001 - £170,000	-	-

During the year, retirement pension benefits of £78,187 and other benefits of £6,619 were accrued to 10 higher paid employees (2023: 9).

£141 of reimbursed expenditure was paid to members of the Council of Trustees during the year (2023: £842). No remuneration was paid to members of the Council of Trustees during the year (2023: Nil), nor were any emoluments waived in the year (2023: £Nil). Indemnity insurance was provided in the year, covering Trustees and staff, at a cost of £4,595 (2023: £4,595) to the charity.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Additional information:

The key management personnel of Battersea comprise the Trustees, the Chief Executive Officer, and the Directors of Finance and Corporate Services, Operations, Veterinary, Global Programmes, Fundraising, Marketing & Communications, Human Resources and the Programme Director. The total employee benefits (including salaries, employer pension contributions and national insurance) of the key management personnel of the charity were £1,114,808 (2023: £1,134,696).

Battersea operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. The amount for pension cost shown above includes Battersea's contribution to this scheme during the year of £1,380,000 (2023: £1,243,000).

Pension costs also include the administration costs of Battersea's defined benefit pension scheme of £4,000 (2023: £28,000). Pension costs related to the defined benefit scheme are covered by the fund itself.

Total redundancy and termination payments during the year of £5,238 (2023: £20,070) for 1 employee (2023: 4 employees) were recognised as an expense and did not give rise to a funding requirement.

9. Intangible fixed assets

Charity and Group	Intangible assets £000	Assets under construction £000	Total £000
Cost			
At 1 January 2024	1,271	3,810	5,082
Additions	177	3,677	3,854
Transfers	559	(559)	-
Impairment loss		(1,270)	(1,270)
Disposals	(146)	-	(146)
At 31 December 2024	1,862	5,658	7,520
Amortisation			
At 1 January 2023	790	-	790
Charge for the year	318	-	318
Disposals	(146)	-	(146)
At 31 December 2024	963	-	963
Net book value			
At 31 December 2024	899	5,658	6,557
At 31 December 2023	481	3,810	4,291

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

10. Tangible assets

Group and Charity	Land and buildings			Equipment, fittings, and vehicles	Assets under construction	Total
	Freehold land and buildings	Long leasehold	Short leasehold			
	£000	£000	£000	£000	£000	£000
Cost:						
At 1 January 2024	32,187	59,779	1,048	3,724	105	96,842
Additions	-	-	-	1,146	190	1,336
Disposals	-	-	-	(254)	-	(254)
At 31 December 2024	32,187	59,779	1,048	4,617	294	97,925
Depreciation:						
At 1 January 2024	14,132	21,942	689	2,317	-	39,080
Charge for the year	1,208	2,218	42	634	-	4,102
Disposals	-	-	-	(254)	-	(254)
At 31 December 2024	15,340	24,160	731	2,698	-	42,928
Net book value:						
At 31 December 2024	16,847	35,619	317	1,919	294	54,996
At 31 December 2023	18,055	37,836	359	1,407	105	57,762

All assets held in Tangible Fixed Assets are for charity use only.

11. Investment in subsidiary undertakings

Battersea Dogs Home Limited (company number 3472633) and Bell Mead Kennels Limited (company number 247077) are both wholly owned subsidiaries, being companies incorporated in Great Britain. The principal activity of Battersea Dogs Home Limited is that of operating the shop of Battersea Dogs & Cats Home and developing commercial income streams. Bell Mead Kennels Limited continues to be a dormant company.

	2024	2023
	£	£
Shares at cost:		
Bell Mead Kennels Limited	5,000	5,000
Battersea Dogs Home Limited	100	100
	5,100	5,100

A summary of the trading results and balance sheet of Battersea Dogs Home Limited is shown below:

	2024	2023
	£000	£000
Profit and loss account		
Turnover	747	683
Administrative expenses	(614)	(593)
Interest paid on intergroup balance	(4)	(4)

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Net profit/(loss)	130	86
Tax on ordinary activities	-	-
Profit/(loss) on ordinary activities for the year before distribution	130	86
Balance sheet		
Current assets	823	2,523
Current liabilities	(823)	(2,522)
Net current assets/(liabilities) and total assets/(liabilities)	1	1
Capital and reserves		
Called up share capital	1	1
Opening Profit and loss account	-	-
Profit/(loss) during the year	130	86
Amounts distributed to parent charity	(130)	(86)
Equity shareholders' funds	1	1

Bell Mead Kennels Limited ceased trading on 31 December 1998 and has been dormant since that date. It has a current asset debtor of £5,000 and called up share capital of £5,000 at 31 December 2024 and 31 December 2023.

12. Other fixed asset investments

	2024 £000	2023 £000
Shares at cost and market valuation		
Market value at 1 January	29,628	17,335
Acquisitions at cost	14,903	27,658
Disposal proceeds	(14,974)	(16,104)
Realised (loss)/gain on disposal	(184)	(1,415)
(Loss)/gain on revaluation during the year	2,952	2,154
Market value at 31 December	32,325	29,628
Cash held in portfolio at 31 December	1,005	346
	33,331	29,974
 Historical cost at 31 December	28,800	29,057
Cash held in portfolio at 31 December	1,005	346
Historical cost and cash held in portfolio at 31 December	29,805	29,403
 Listed investments at market value comprise:		
	2024 £000	2023 £000
UK fixed interest securities	10,501	10,600
UK equity investments	1,694	1,550
Overseas equity investments	17,248	14,413

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

UK and European alternative investments	2,883	3,065
Cash deposits held as part of portfolio	1,005	346
	33,331	29,974

At 31 December 2024 and at 31 December 2023, no single investment was considered material to the overall portfolio held.

13. Stock

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Goods for resale	70	137	-	-

14. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Amounts due within one year:				
Operating debtors	170	243	68	79
Due from subsidiary undertaking	-	-	739	2,419
Other debtors	1,490	1,693	1,490	1,693
Prepayments and accrued income	9,135	6,733	9,086	6,693
	10,796	8,669	11,383	10,884

15. Creditors

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Amounts falling due within one year:				
Operating creditors	3,869	3,397	3,806	3,333
Amounts due to subsidiary undertaking	-	-	5	5
Taxation and social security	509	499	509	499
Other creditors	368	235	368	235
Grant accruals	870	485	870	485
Other accruals	957	1,517	956	1,508
Deferred income	59	114	39	84
	6,632	6,247	6,553	6,149

Included within the figures above is £200,341 (2023: £168,358) relating to outstanding pension commitments at 31 December 2024.

Deferred income analysis

Group

B/f	Released	Deferred in the year	C/f
-----	----------	----------------------	-----

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

£114,192	(£114,192)	£58,673	£58,673
----------	------------	---------	---------

Charity

B/f	Released	Deferred in the year	C/f
£84,192	(£84,192)	£38,673	£38,673

Deferred income of £38,673 carried forward in the Charity entity relates to donations and registration fees paid in 2024 relating to events taking place in 2025. Deferred income of £20,000 carried forward in the Trading subsidiary relates to income received in 2024 for sponsorship and branding of a cat pen in the London cattery to take place in 2025.

16. Group Funds

	At 1 January 2024 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2024 £000
Unrestricted funds:						
General fund	41,490	69,183	(47,835)	2,541	(12,804)	52,575
Battersea Dogs Home Limited	-	747	(618)	-	(130)	-
Designated funds						
Fixed asset fund	62,054	-	(5,690)	-	5,190	61,554
Site development fund	5,800	-	-	-	(3,800)	2,000
Strategic implementation fund	-	-	-	-	3,150	3,150
Multi year grants fund	7,670	-	(5,168)	-	5,894	8,396
Data Strategy fund	4,259	-	(3,552)	-	2,500	3,207
	121,273	69,930	(62,863)	2,541	-	130,882
Other restricted funds						
Welfare of dogs and cats	22	163	(170)	-	-	15
Global Programmes	-	143	(143)	-	-	-
Other	224	104	(256)	-	-	72
	246	410	(569)	-	-	86
Total funds	121,519	70,340	(63,432)	2,541	-	130,968

Group Funds – prior year

	At 1 January 2023 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2023 £000
Unrestricted funds:						
General fund	36,510	61,235	(45,722)	293	(10,826)	41,490
Battersea Dogs Home Limited	-	683	(597)	-	(86)	-
Designated funds						
Fixed asset fund	62,082	-	(4,289)	-	4,261	62,054
Site development fund	6,000	-	-	-	(200)	5,800
Multi year grants fund	4,544	-	(2,547)	-	5,673	7,670
Data Strategy fund	5,700	-	(2,620)	-	1,179	4,259
Capital fund						
Bell Mead Kennels	5	-	(5)	-	-	-
	114,841	61,918	(55,780)	293	-	121,273

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

Other restricted funds

Welfare of dogs and cats	-	765	(743)	-	-	22
Vehicles	-	45	(45)	-	-	-
Global programmes	-	146	(146)	-	-	-
Sighthound paddock	10	-	(10)	-	-	-
External treatments	20	-	(20)	-	-	-
Data Strategy fund	-	500	(500)	-	-	-
Other	50	1,109	(935)	-	-	224
	80	2,565	(2,399)	-	-	246
Total funds	114,921	64,484	(58,179)	293	-	121,519

Designated Funds

The fixed asset fund represents the net book value of Battersea's fixed tangible and intangible assets. These are all used for operational purposes in pursuance of Battersea's charitable activities. Transfers from the general fund to the fixed asset fund represents fixed asset additions and depreciation charges made in the year.

The site development fund is an amount set aside to cover planned upgrade works to Battersea's infrastructure across our three sites e.g. plant and power upgrades and energy efficiency initiatives. Movements to the fund reflect any changes to planned expenditure following an annual review, together with any costs incurred in relation to works previously planned.

The strategic implementation fund represents monies which have been set aside to meet the costs of implementing new initiatives to support the delivery of Battersea's new five-year organisational strategy. Movements represent the establishment of the fund following a review of planned expenditure.

The multi-year grants designated fund represents funds set aside for where the conditions to release the funds have not yet been met. Movements to the fund represent the net of new grants set aside and a drawdown of funds on previous grants as conditions are met.

The Data Strategy Fund represents monies set aside to meet the future costs of implementation of the data strategy, including the replacement of core systems. Movements to the fund represent any changes to planned expenditure to deliver the data strategy, together with any costs incurred in relation to the implementation as previously planned

The above funds are explained further in the reserves policy in the Trustees Report.

Restricted Funds

There were three restricted funds in the year: Welfare restricted are monies where the donor has restricted their use to the care and welfare of either dogs or cats across the charity as a whole or specifically to one of its three locations; Global Programmes restricted are monies only to be spent on grants assisting other dogs and cats rescue centres, or training courses for other rescue centres delivered by the Academy; Other restricted are monies where the donor has restricted their use for certain expenditure in the future.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

17. Analysis of funds between net assets

2024	Fixed assets £000	Investments £000	Net current assets £000	2024 £000
General funds	-	33,331	19,245	52,575
Fixed asset fund	61,554	-	-	61,554
Site development fund	-	-	2,000	2,000
Strategic implementation fund	-	-	3,150	3,150
Multi year grants fund	-	-	8,396	8,396
Data Strategy fund	-	-	3,207	3,207
Restricted fund	-	-	86	86
Total funds	61,554	33,331	36,084	130,968

2023	Fixed assets £000	Investments £000	Net current assets £000	2023 £000
General funds	-	29,974	11,516	41,490
Fixed asset fund	62,054	-	-	62,054
Site development fund	-	-	5,800	5,800
Multi year grants fund	-	-	7,670	7,670
Data Strategy fund	-	-	4,259	4,259
Restricted fund	-	-	246	246
Total funds	62,054	29,974	29,491	121,519

18. Pensions

Battersea operated a defined benefit pension scheme which closed to new members in September 2010 and closed to further accrual at the end September 2013. The assets of the scheme are held separately from those of Battersea, being invested with an insurance company which generates the funds to pay pensions as they fall due.

The most recent full actuarial valuation was carried out as at 1 January 2021. Employer contributions ceased in April 2016 as the scheme was deemed no longer in deficit. Employees were transferred to a group personal pension scheme where employer contributions range from between 5.33% and 10% dependent on employee contributions.

The most recent FRS 102 valuation was based on the state of affairs as at 31 December 2024.

The principal financial assumptions are:

	2024	2023
Inflation	3.15%	3.0%
Rate of increase in salaries	N/A	N/A
Rate of increase for pensions in payment	1.95%	1.85%
Scheme liabilities discount rate	5.45%	4.6%

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

Pre and post-retirement mortality tables used

100% of S4NXA tables, based on members' year of birth, improving in line with CMI_2023 projections with a long-term rate of improvement of 1.00% p.a.

Weighted average life expectancy for mortality tables used to determine benefit obligations

Average expected future life at age 65 for:

Member aged 65 (current life expectancy) - male	21.3 years
Member aged 65 (current life expectancy) - female	23.8 years
Member aged 45 (current life expectancy) - male	22.2 years
Member aged 45 (current life expectancy) - female	24.9 years

The assets in the scheme and their expected rate of return are:

	2024	% of fair value of plan assets	Expected overall return on plan assets	2023	% of fair value of plan assets	Expected overall return on plan assets
	£000		%	£000		%
Equities	-	0%		10,630	39%	
Bonds	25,163	99%		8,456	31%	
Alternatives	-	0%		8,103	30%	
Cash	148	1%		66	0%	
Annuity policies	49	0%		48	0%	
Total value of assets	25,360		1.4	27,303		1.4
Present value of scheme liabilities	(15,185)			(17,240)		
Surplus/ (Deficit)	10,175			10,063		
Brought forward surplus restriction	(10,063)			(9,291)		
Surplus restriction	(112)			(772)		
Surplus position on the Balance Sheet	Nil			Nil		

Movements in fair value of plan assets:

	2024	2023
	£000	£000
Value of assets at 1 January	27,303	25,633
Expected return	1,245	1,223
Actuarial gains/(losses)	(2,724)	757
Expenses paid	(231)	-
Benefits paid	(233)	(310)
Value of assets at 31 December	25,360	27,303

The actual return on plan assets was a loss of £1,479,000 (2023: gain of £1,980,000).

The fair value of the plan assets at the reporting period end was £25,360,000 (2023: £27,303,000).

Movements in the liability value over the year:

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024

	2024 £000	2023 £000
Value of liabilities at 1 January	17,240	16,342
Interest on liabilities	788	777
Actuarial losses / (gains):		
From change in financial assumptions	(2,133)	585
From change in demographic assumptions	(244)	(491)
From experience	(233)	337
Benefits paid	(233)	(310)
Value of liabilities at 31 December	15,185	17,240

Expected contributions for the year ended 31 December 2025

	£000
Defined benefit pension plans	
Employer	Nil – as closed to accrual

Amounts recognised in the Statement of Financial Activities.

	2024 £000	2023 £000
Net interest income	457	446
Scheme administration expenses	(231)	-
Total credit	226	446

Analysis of actuarial gains:

	2024 £000	2023 £000
Actuarial (losses)/gains from assets	(2,724)	757
Actuarial (losses)/gains from a change in financial assumptions	2,133	(585)
Actuarial (losses)/gains from a change in demographic assumptions	244	491
Actuarial (losses)/gains from experience	233	(337)
Decrease / (increase) in irrecoverable surplus	(112)	(772)
Actuarial Gains/(losses)	(226)	(446)

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024**

19. Financial commitments

The group's total future minimum operating payments are as follows:

	Land and buildings 2024 £000	Other 2024 £000	Land and buildings 2023 £000	Other 2023 £000
Operating lease commitments:				
- within 1 year	479	11	466	8
- between 1- 5 years	1,859	39	1,862	26
- more than 5 years	5,892	3	6,315	3
From the balance sheet date				

20. Capital Commitments

There were capital commitments of £2.3m at 31 December 2024 (2023: £nil).

21. Related party transactions

No disclosure has been made of transactions between the parent and subsidiary undertaking in accordance with the exemptions allowed by FRS 102.

Total donations received in the year from seven trustees and one director amounted to £11,367 (2023: £9,377 from five trustees and one director). Total shop purchases made in the year by one trustee amounted to £534 (2023: £nil).

Total reimbursements of expenses and professional fees paid in the year to one trustee and nine directors amounted to £2,045.

22. Company Limited by Guarantee

The guarantee given by the members of the charity is £1 per member in the event of there being a deficiency of assets should the charitable company be wound up. In 2024 there were 12 members (2023: 13 members).

Accounts

BATTERSEA DOGS' AND CATS' HOME
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

Company Limited by Guarantee
Registration Number 278802 (England and Wales)

Charity Registration Number
206394

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

CONTENTS

REPORT OF THE COUNCIL OF TRUSTEES	3
REFERENCE AND ADMINISTRATIVE DETAILS	25
STRUCTURE, GOVERNANCE AND MANAGEMENT	27
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATTERSEA DOGS' AND CATS' HOME	33
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	38
CONSOLIDATED AND CHARITY BALANCE SHEET	39
CONSOLIDATED STATEMENT OF CASH FLOWS	40
NOTES AND ACCOUNTING POLICIES	41

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Report of the Council of Trustees

The Council of Trustees is pleased to present the annual report and financial statements of Battersea Dogs & Cats Home for the year ended 31 December 2023.

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

The Trustees confirm that they comply with their duty to have regard to the guidance on public benefit, published by the Charity Commission, when exercising their powers and duties.

Our objectives and activities

Battersea puts the health and welfare of dogs and cats at the very core of everything we do and in doing so we make a significant difference to the lives of animals through our activities. This is best articulated in our Mission:

We aim never to turn away a dog or cat in need of our help, ensuring they receive the best care possible no matter how long it takes to find them a place to live. We are experts in championing and supporting vulnerable dogs and cats, creating lasting change for animals and those who care for them, wherever they are.

Battersea's core operational activities are directed towards improving the lives of dogs and cats, principally those that come directly into our centres, through our intake, assessment, rehoming, and clinical activities, but also those beyond our three centres through our work and engagement with key stakeholders and decision-makers in Government on animal welfare issues and supporting other organisations in the UK and worldwide through our Global Programmes.

2023 marked the final year of Battersea's five-year strategic plan '*Here for every dog and cat*' which is built around the following five themes:

- 1. Directly helping more dogs and cats in need:** We will deliver a programme of service expansion, innovation, and continuous improvement.
- 2. Reframing rescue:** We will seek to change people's perceptions towards rescue animals to help more dogs and cats be treated with compassion, care, and respect.
- 3. Our Voice:** We will use our respected, authoritative, and influential position as a leader in the sector to tackle existing and emerging animal welfare issues and to remove barriers to greater pet ownership.
- 4. Increasing Our Impact:** We will extend our impact beyond our physical centres to help more animals by working in partnership with other dog and cat welfare organisations in the UK and around the world.
- 5. Our Enablers:** We will ensure our people, income, technology, and systems support the effective delivery of our strategy.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Impact against Battersea's Five Strategic Themes

DIRECTLY HELPING MORE DOGS AND CATS IN NEED

Through service expansion, innovation and continuous improvement

1.1 CENTRE OPERATIONS

Intake

In 2023, Battersea directly helped 4,981 animals comprising 2,529 dogs and 2,452 cats, an increase of 10% (450) on 2022. Stray dog intake increased by 35% compared to 2022, with a 75% rise at the London centre. 928 dogs were brought in by local authority wardens across all centres. As a proportion of intake, stray dogs accounted for 45% in 2023, compared to 30% in 2019 (pre-pandemic year). Cat stray intake also increased by 29% on 2022 and total cat intake increased 9% year on year, with the highest recorded figure since 2017. 803 kittens were cared for (196 more than 2022), and 451 puppies (a sharp rise from 293 in 2022) requiring significant collaborative effort between Operations and Clinic teams to provide the required care, including hand rearing. 68 puppies and 66 kittens were born on site. The Animal Partnerships team were responsible for the intake of 175 dogs and 53 cats from 48 rescue organisations.

1,025 lost dogs and cat reports were logged through our Lost Dogs Line and Lost Cats Line (compared to 2,531 in 2022). Of these, 242 dogs and 23 cats were reunited at Battersea, and 284 dogs and 146 cats reunited outside Battersea.

Rehoming

Dog rehoming rose 13% year-on-year, from 1,258 to 1,417 dogs. Cat rehoming rose 16% year on year from 1,819 to 2,114, returning to pre-pandemic levels. The average length of stay for rehomed dogs remained 35 days and 28 days for rehomed cats. 69 cats were rehomed to working outlets and 19 dogs were rehomed as service dogs.

Battersea operates a non-selective intake policy which means it takes in all dogs and cats, regardless of their breed, age, medical condition, behavioural history or any other characteristic. As a result, we receive some of the most challenging dogs and cats in society and we invest our 163 years of expertise into the care of each one. Some of our animals have untreatable medical problems or behavioural issues so severe that we believe we will be unable to safely rehome them, and some of the dogs we receive are of types banned under law. In these cases we will put an animal to sleep. We care deeply for all the animals we look after, and such decisions are never taken lightly or in isolation. Battersea offers hope and the chance of a happy life to many dogs and cats who, if not for Battersea, would have nowhere else to go.

In 2023, 682 dogs were put to sleep (PTS) in total, amounting to 27% of total intake. 18% of dogs were put to sleep for behavioural reasons, up 4% from 2022. 5% were put to sleep for medical reasons. 38 dogs were put to sleep due to being a banned breed, up from 15 in 2022. An additional 68 dogs were put to sleep as consented euthanasia* cases, up from 48 dogs in 2022. A total of 7% of all cats received were put to sleep, down from 10% in 2022. Behavioural PTS accounted for just 0.9% of cat intake.

As well as training and assessing the dogs in our care, our Animal Behaviour team provided behavioural advice and support to the owners of 810 dogs through a free behaviour advice line. In 79% of cases, the behaviours were sufficiently resolved to enable the dogs to remain in their homes. The service was extended to cats in November, helping 51 cat owners in its first two months. The team delivered 176 hours of online training classes to the public and 406

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

hours of training to staff and volunteers. Throughout the year Battersea experts spoke out on dog safety in the media. This included interviews with BBC Politics London, Radio 5 Live, The Times, and BBC News.

We responded to the Government decision to ban XL Bullies, planning for an increase in intake, and supporting owners with training, advice, and neutering. Our Animal Behaviour team set up free online training classes for owners, provided practical advice on muzzle training and lead walking and our Rehoming team worked hard to find homes for the XL Bullies in our care before the 31 December deadline. In response to the costs associated with the exemption process, Battersea, Blue Cross, and RSPCA set up a collaborative hardship scheme for owners experiencing financial pressures to claim costs towards neutering, with Battersea providing an initial contribution of £100,000.

*Consented Euthanasia is offered on occasions when, following careful consideration of behavioural and/or medical information provided by a customer prior to the intake of a dog or cat at Battersea, it is our professional view that euthanasia is the only option we can responsibly offer to help the animal, and the customer wants to proceed on that basis.

1.2 VOLUNTEERING, FOSTERING & COMMUNITIES

45,806 hours were donated by onsite volunteers during 2023, a 31% increase on 2022. This is the equivalent of an additional 23 full time roles at Battersea. 100 new onsite volunteers and 109 new foster carers were recruited. 869 animals were placed in temporary foster homes, a 13% increase on 2022. A decision was made to close our Communities programme based on value for money and a change in emphasis within our centre operations. 12 (28%) of our community rehoming volunteers became foster carers and one joined the volunteering programme.

1.3 CLINIC

3,718 operations were carried out by our veterinary teams at London and Old Windsor in 2023, up 8% year on year, including 2,564 dog and cat neuters and 1,160 dental surgeries. 605 kittens were given early neuters, up from 408 in 2022 and 78 brachycephalic obstructive airway syndrome (BOAS) surgeries were completed to widen the airways of dogs and cats, a 39% increase on 2022. The team also continued to provide vital veterinary support to sector partners by carrying out 46 cat neuters for Cats Protection, 25 surgeries for RSPCA, 14 BOAS surgeries for Dogs Trust, and nine surgeries for StreetVet, as well as maintaining a relationship with North Downs Referral Service for pro bono case advice.

The Clinic team supported over 2,000 hydrotherapy sessions and over 500 physiotherapy sessions in London in the year.

An amended rabies policy was put in place following expert input from Government and sector colleagues, including shortening the overall quarantine period for unvaccinated strays from rabies endemic countries.

1.4 DIGITAL

Paid promotion of our digital pet advice content achieved over 73m impressions and 1m clicks, 4,195 pet care guide requests, and 500 email sign ups. Promotion across our own social media channels generated a further 287,000 interactions, exceeding targets. We ran our first audio

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

campaign on Spotify with a calming classical playlist for dogs to support owners and pets during fireworks season, reaching 764,000 listeners.

Online search advertising was used to generate 112 new working cat applications and to support XL Bully owners, directing them to the support available on our website and resulting in 23,000 click throughs and 20 sign ups to our free online training classes.

A website upgrade was completed, resulting in a future-proofed website which enables efficient and cost-effective ongoing developments. Accessibility for audiences with diverse needs was improved and a new design system that embraces best practice and provides a foundation for ongoing improvements was created and applied to all pages. An innovation solution was developed to engage unsuccessful online rehoming applicants and direct them to reputable acquisition sources.

REFRAMING RESCUE

Presenting rescue as a compelling proposition

2.1 WEAR BLUE FOR RESCUE

Our annual Wear Blue for Rescue campaign helped us engage with new and existing rescue supporters throughout September. Activity included live and on-demand TV slots, out of home advertising, and paid digital promotion which resulted in 42m ad impressions, 4.1m views of our campaign video, and retail sales of £67,000. Five branded buses and 23 branded black cabs took the campaign onto the streets of London, and partnerships with theatre hit The Play That Goes Wrong, PayPal, Canine Cottages, Vitabiotics, Petplan, CarStore, Tower 42, QPR and Surrey County Cricket Club, reached 2m people. PR coverage generated a total reach of 72m, and our website, email and social media programme engaged our existing supporters.

We worked with popular and quirky young content creators to spread Wear Blue messages to new audiences on Instagram, reaching over 370,000 users, and celebrities including Heart FM DJ Pandora, singer Nicole Appleton, and presenters Kate Lawler and Ben Cajee supported the campaign on social media. A new measurement framework was introduced, with 74% of those surveyed agreeing that Wear Blue for Rescue shows Battersea is a leader in the rescue sector, and 35% agreeing that rescue is a vital cause to support. 54% of those claiming to have supported Wear Blue for Rescue were new to Battersea.

2.2 BUILDING BRAND VISIBILITY

Over 20,400 items of media coverage were generated throughout the year with an estimated potential reach of 34.3bn. Coverage was led by the tragic loss of Battersea Ambassador Paul O'Grady and Battersea's presence at his funeral in Kent, leading to 8,000+ press mentions (14bn reach) and over 40 broadcast interviews. The Digital Engagement team responded to an outpouring of support, with a peak of over 12,000 social media comments in a single day (vs a daily average of 150–200 comments). A bespoke online tribute fund and email journey was created, which raised £490,000. A tribute fund plan was developed, with the media announcement generating c.1,000 pieces of coverage and a reach of 835m.

The 11th and final series Paul O'Grady: For the Love of Dogs aired in September, gaining a large audience share. Related social media posts generated strong reach and engagement (559,000 impressions and 40,000 interactions). The series won 'Best Factual' at the National Television Awards, generating significant media coverage as Battersea staff and dogs took to

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

the stage to accept the award and pay tribute to Paul O'Grady. It also collected the Best Factual TRIC Award.

An integrated marketing campaign was launched in April to highlight Battersea's support for pet owners struggling with the cost of living. The campaign reached over 985,000 of our target audience of 18–35-year-olds and research showed it increased the breadth of our work. The media continued to cover Battersea's statistics on the cost of pet ownership and stories of pet abandonment throughout the year.

Throughout the year we secured visits from 28 high profile celebrities including actors Tom Holland, Zendaya, Keeley Hawes, Matthew MacFadyen, Amanda Mealing, Kedar Williams Stirling, and Justin Theroux, Arsenal footballer and Lioness Beth Mead and Vivianne Miedemam, and BBC Strictly Come Dancing's Shirley Ballas.

At the end of the year, we hosted a joint event with charity Children with Cancer, through our Ambassador David Gandy who attended with fellow Ambassador Dame Jacqueline Wilson.

OUR VOICE

Tackling animal welfare issues and removing barriers to greater pet ownership.

3.1 PET FRIENDLY PROPERTIES

Battersea's Pet Friendly Properties campaign is focused on closing the gap between the number of renters who want pets, and the availability of affordable private rented housing which accepts them. We worked with the Department for Levelling Up, Housing & Communities to welcome the introduction of the Renter's Reform Bill in October. Comments from Battersea were featured in several national and housing trade media outlets. The announcement followed months of proactive marketing and communications activity which generated 23,489 campaign pledges (of which 18,495 were driven by display advertising on Zoopla). PR activity included reports on BBC News and BBC Morning Live, a joint 'petiquette guide' with Mars Petcare, and a new Battersea Talks film. Battersea has been a much-quoted source of research and advice for MPs as the Renters Reform Bill makes its way through Parliament. 34,000 people have signed our online campaign pledge to date and over a million people have engaged with our campaign posts on social media.

3.2 SECTOR COLLABORATION

We participated in over 120 different collaborative workstreams, taking a lead role in 30. These range from holding a joint Parliamentary event with Dogs Trust and several wildlife groups calling for the Kept Animals Bill measures to be brought back, joining the Steering Group of the Time for Change coalition, and counter briefing MSPs to rebut untruths around banning shock collars.

Battersea has been one of the leading organisations trying to act as a two-way funnel for information between Government and those affected by the XL Bully ban. Acting as one of 10 members of the Dog Control Coalition, Battersea has been able to influence the sector response to the ban and secured an important concession ensuring that height be considered a disqualifying feature when assessing breed type. This will save the lives of thousands of pocket bullies and other similar breeds. We also provided updates to Local Authorities, Animal Partners, Association of Dogs and Cats Homes (ADCH) members and the Royal Veterinary College.

The Chief Executive served as a non-executive Director on the Government's Animal Health and Welfare Board for England (AHWBE) that provides strategic advice to ministers on kept

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

animal issues, and as Chairman of the Greyhound Forum, an assembly of welfare charities and representatives from the racing industry focused on monitoring Greyhound welfare and driving improvements.

3.3 KEPT ANIMALS BILL

We developed an integrated campaign to bring back the Kept Animal Bill, including comprehensive supporter engagement via email and a photo stunt outside Parliament with a physical hand in of signatures to No. 10, generating coverage across social media and press. The campaign resulted in 22,000 emails to the PM. In Q2 we led a coordinated sector response to the Bill being withdrawn by the Government in May. Following our campaigning, key elements of the Bill – pet abduction, puppy and kitten smuggling and livestock worrying have been brought forward as Private Members Bills.

3.4 COMPULSORY CAT MICROCHIPPING

We teamed up with Number 10 and Defra to promote mandatory cat microchipping. This included hosting the Secretary of State to Battersea in March to launch the new regulations, and a visit to Larry at Downing Street on International Cat Day, generating several pieces of national media coverage.

3.5 WORKING WITH PARLIAMENTARIANS AND GOVERNMENT POLICY TEAMS

2023 has seen considerable advances in our relationships with politicians, with high profile visits from the DEFRA leads of the Conservative (Therese Coffey MP), Labour (Jim McMahon MP), Liberal Democrat (Tim Farron MP) and SNP (Stephen Bonnar MP) parties as well as a formal visit from the House of Commons Environment Committee as part of its inquiry into pet abuse. In addition, we have had MPs table over 40 questions and held 32 visits to Battersea.

Another busy year of negotiation with officials on a wide range of topics saw Battersea respond to 19 different consultations. 13 of these have been in our own right (and 6 Battersea writing on behalf of either ADCH, the Canine and Feline Sector Group or Companion Animal Welfare Network Wales). They include DEFRA's consultation on Fixed Penalty Notices, the Scottish Government consultation on licensing and its snaring ban, EFRA's pet abuse inquiry, and the Welsh Government review of the private rented sector.

INCREASING OUR IMPACT

Helping more animals by working in partnership with other dog and cat welfare organisations in the UK and around the world.

2023 saw the first full year of implementation of the Global Programmes Strategy (2023-2027) with a significant scaling up of activity, which collectively helped 600,911 dogs and cats from 2023 interventions alone (original target for the five-year strategy period was 476,000).

Battersea's International Dog & Cat Welfare Conference took place in September, with over 120 attendees, and we presented at the International Companion Animal Management (ICAM) and ADCH conferences, along with attending the International Companion Animal Welfare Conference (ICAWC), Asia for Animals Conference, StreetVet conference and the first Northern Ireland Animal Welfare Conference.

4.1 BATTERSEA ACADEMY

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

The Academy delivered 31 online and face to face courses attended by 366 individual delegates from 181 organisations spanning 31 countries. Over 1,000 individual learners have been welcomed since the Academy began in 2018. We transformed the five-day onsite dog and cat intensive courses into an online modular 'Foundations in Shelter Management' course, and developed the Academy Monitoring, Evaluation and Learning framework to capture impact measurement more effectively.

A baseline analysis of the professionalism and sustainability of the UK, Greece, and South Africa rescue sectors was conducted to enable the completion of Global Programmes country strategies. The ongoing analysis will also help Battersea assess how its work is shaping these sectors. Research was also commissioned to help inform a new marketing strategy to be rolled out in 2024.

4.2 GRANT GIVING

20 new grants were awarded (totalling £5.7m) that are estimated to help over a million dogs and cats over the next five years. These include multi-year grants to Dogstar in Sri Lanka (£1.2m over 5 years); SAVA-CVC in South Africa (£1.3m over 3 years); Mdzananda Animal Clinic in South Africa (£0.5m over 3 years); Hope Rescue in Wales (£0.7m over 3 years); and International Cat Care under our Global Enabler Programme (£1.5m over 3 years).

We facilitated the first vet learning exchange between our grantees WECare Worldwide in Sri Lanka, the Soi Dog Foundation and Jai Dog in Thailand. A second vet exchange between two Battersea vets and Jai Dog took place later in the year. Two of our Animal Behaviour Training team visited Jai Dog to work with Thai street dogs, both studying and support their wellbeing in a shelter environment and boosting their chances of being rehomed by local households.

As part of the Battersea funded Communities Against Rabies initiative, the Global Alliance for Rabies Control (GARC) identified a network of approximately 1,100 potential Dog Health Champions. 31 organisations in three focus countries received training on GARC tools.

We led on curating and delivering the first ever collaborative national workshop between large and small cat rescue organisations aimed at building trust and developing solutions with approximately 40 attendees. On the back of this, we have continued to work closely with the other organisers to develop a longer-term strategy for working effectively with small cat rescues. Under our grant awarded in 2022, the London Cat Care & Control Consortium (C4) recruited a Project Manager to drive the neutering scheme forward.

We continued stewardship of our existing grants in our focus countries along with nine Cost of Living Rescue Packages, and research grants with the Royal Veterinary College and University of Newcastle. This included a co-funded research project looking at the current funding of canine health and welfare research in the UK.

Battersea's first ever comprehensive Grants Policy and Guidance Document was launched, and we developed 15 measurement frameworks with our grantees to effectively monitor and measure the impact of the work being funded.

4.3 PET FOOD PARTNERSHIP

In April we announced a **Pet Food Partnership** with Dogs Trust, RSPCA, Cats Protection, Fareshare, and Petplan to secure and distribute food to pets in need and help those struggling

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

with the cost of living in the UK. Over 1.7m meals were distributed and the partnership was covered in trade press.

OUR ENABLERS

Ensuring our people, income, technology, and systems support the effective delivery of this strategy, recognising their vital impact and contribution.

5.1 OUR PEOPLE

We had an extremely positive year in implementing our Diversity & Inclusion (D&I) action plan and are progressing towards our five-year diversity target for 2026 of 15% for our two most underrepresented workforce communities, with 10.3% ethnic minority staff and 13.6% declaring a disability in Q4 2023. Encouragingly, 79% of respondents to our Q3 and Q4 pulse survey reported feeling that they can be themselves at work, and our inclusion networks have grown in membership and impact. We made several changes to make our recruitment more inclusive including signing Disability Confident, Show the Salary and Menopause friendly pledges.

We launched a refreshed, mandatory **People Management training programme** for all new line managers and flexible modules for existing managers alongside launching a new Aspiring Managers programme. Insights Discovery workshops were delivered to Senior Leadership Teams to support better communication, collaboration, and ways of working. 19 employees were supported through Management and Leadership Apprenticeships, six members of staff undertook Data Technician or Data Analyst apprenticeships and three studied specialist subject apprenticeships - a total of 28 apprenticeships. We utilised a total of £104,123 (119%) of our Apprenticeship Levy over the year (a 50% increase from 2022).

We launched a cross-organisational mentoring programme with other animal charities (Dogs Trust, RSPCA, Blue Cross, Guide Dogs and Cats Protection) with eight participants from Battersea and refreshed our Operational Induction achieving City and Guilds assurance, resulting in 71 dog-handling staff receiving C&G certifications. A Cat induction which meets C&G assurance requirements will be launched in 2024.

We delivered “helplines” training to support frontline staff in dealing with challenging situations and adults at risk and ran a pilot programme of reflective practice sessions to support the wellbeing of operations staff dealing with PTS, compassion fatigue and emotionally challenging work including work arising from the XL Bullies Ban. We rolled out resilience training e-learning and trained 21 new Mental Health First Aiders (MHFA's) across the organisation as well as refresher training of our existing 11 MHFA's - we now have a ratio of around 1 MHFA:20 staff. We continue to invest in staff, income generation, technology and systems to support the effective delivery of our strategy.

5.2 INSIGHT & IMPACT

A new Results Framework launched, with teams reporting every quarter against key indicators to help assess performance against Battersea's strategic priorities. A Market Monitor was set up to capture ongoing public perceptions on a range of animal welfare issues including the impact of the cost of living on pet ownership, perceptions of dangerous dogs and breed specific legislation, and the pet consideration and acquisition journey. Various research projects were conducted to gauge public opinion and inform a range of Battersea activities, including engaging younger audiences, cost of living, training and dangerous dogs, wider fostering recruitment, and the financial impact of pet ownership in rental properties. Multiple sources of

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

internal and external research were also synthesized, providing strategic insight to guide the development of the new organisational strategy and Our Voice strategy.

5.3 INCOME GENERATION

£27.6m was donated in legacy bequests, up 15% from £24.0m in 2022. Legacy notifications were up 9% on the previous year. We were notified of our highest ever legacy of over £3m this year and have worked hard on stewarding our supporters including behind-the-scenes group tours that were nominated for an industry award. The number of legacy enquiries/pledgers recruited is up by 46% on 2022 year-end, the highest ever volume we've acquired in one year (over 3,000). The number of living legacy pledgers/enquirers has grown from 1.9k to 14.7k in the last 10 years.

We increased gross income by £3.1m compared to 2022 and net income by £3.3m. We recruited 63,000 new regular givers and our raffle programme exceeded its target by £140,000. The Christmas Raffle Response Rate was on par with 2022, a significant achievement in the current economic climate.

We secured a doubling of People's Postcode Lottery (PPL) funding from £1m/annum currently, meaning their annual funding will have increased by nearly 200% in three years, from £700,000 in 2021 to £2m in 2024. In addition, we secured an additional £100k in PPL one off funding in 2023.

Corporate Partnerships saw a strong renewal rate with Canine Cottages (£25k), Vitabiotics (£25k) and CarStore (£60k) all extending their contracts, as well as a successful Cause Related Marketing campaign with Waitrose which generated a reach of 43m nationwide and £20k in funds. It was a successful year for growing our partnership with Mars, increasing their giving to £192k compared to £103k in 2022, through a variety of means including a CRM campaign (£73k), supplying food for Battersea's centres (£53k approx.), donations to support food banks with FareShare, Communities and Animal Partners (£56k) and sponsorship of the Carol Concert (£10k). Corporate Partnerships also generated an increase in income through Gift in Kind, from £72k in 2022 to £153k in 2023.

At £384k in gross income, 2023 is our strongest year to date for retail with a 51% increase on 2022. This is due largely to vast improvement in onsite sales in London (103% increase versus 2022), and substantial growth in online (75% increase versus 2022). In the first year of running Google Shopping ads to promote online retail products, 6,959 orders resulted in over £140k in revenue. Licensees continued to make progress at retail with new products now available in Waterstones, Halfords, and Clintons.

5.4 FINANCE & CORPORATE SERVICES

Our Launchpad project remains a strategic priority, an organisation-wide programme of work that aims to transform how we collect, store, and use information and data about our animals and supporters. We developed a new customer relationship management (CRM) platform with Philanthropy, Partnerships & Trusts teams, rolling out training on the new platform, and began discovery workshops for our animal facing teams across Operations and Clinic to unify and simplify processes and ways of working across sites and teams. Multiple workshops have taken place throughout the year to inform the design of the new CRM and some immediate improvements have already been made in Operations to reduce customer waiting lists. A People and Culture workstream has been created to ensure staff working on and supporting the programme understand the aims and benefits of the programme and have the skills and

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

knowledge they need to contribute effectively.

A new Infrastructure team was set up, merging the existing IT and Estates and Facilities teams. Priority upgrades were delivered to improve heating and cooling in the London Cattery and Old Windsor Clinic. IIE (environmental) Silver accreditation was achieved.

Section 172 statement

The Trustees of Battersea, as those of all UK charitable companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A Trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to the:

- Likely consequences of any decisions in the long term;
- Interests of the charitable company's employees;
- Need to foster charitable company's business relationships with suppliers, customers and others;
- Impact of the charitable company's operations on the community and environment;
- The charitable company's reputation for high standards of business conduct; and
- Need to act fairly between members of the charitable company.

The following paragraphs summarise how the Trustees fulfil their duties:

Our Rehoming Customers

Battersea continues to engage with rehoming customers to help understand and improve their experience. In 2023 we have:

- Surveyed users of Battersea's Pet Advice Line to understand their experience with the service and collected data to track the impact of the service.
- Developed the website application process and email communications around rehoming as well as improving our aftercare service.
- Engaged with unsuccessful rehoming applicants to improve their customer experience, retain their affinity with the Battersea brand, and discourage them from sourcing their pets from unscrupulous sources. Findings from this research will be integrated into our complex needs messaging within the consumer journey.

Donors

At Battersea, we are indebted to our supporters and greatly value all the donations given to us, ensuring they are carefully spent on providing the best possible future for the animals in our care and beyond our gates. A research project commenced in 2023 to further understand the needs, wants and motivations of mid-value and major donors. Findings will be used to develop innovative, long-term engagement solutions for these audiences, expand current portfolios and inform future campaign plans.

Employees

Battersea engages with its employees consistently and through various channels. During 2023 we continued to engage with staff through All-Staff webinars which included regular updates from the Chief Executive, Directors, and Senior Managers from across the organisation and provided staff with opportunities to put questions to the leadership team.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

We continue to engage with our employees through the Battersea Matters staff consultation group, which is made up of elected representatives from across the whole organisation, to discuss on key organisational and employee priorities. The group met four times in 2023.

In 2023 we launched our quarterly cross-organisational pulse survey to encourage ongoing feedback from staff about their experiences of working at Battersea. 60% or more staff completed the survey each quarter, with the results being fed back to all staff within three weeks of each survey closing and explored in more detail with each team.

During 2023 we consulted with staff via Battersea Matters, our Senior Leadership Team and through an all-staff survey to formalise our move from annual performance reviews to quarterly performance conversations building a culture of regular, open, and honest two-way communication. To enable breadth of insight and engagement in the development of our new organisational strategy, in 2023 we consulted with Battersea Matters, our Senior Leadership Team and all staff and volunteers on its development and content.

Our organisational Diversity & Inclusion plan was developed following detailed consultation with our staff. As part of the implementation of this plan, in 2023 our first four Inclusion Network Groups were established to offer insight into and a voice for the lived experiences of underrepresented colleagues at Battersea, and an opportunity for them to inspire and help create a more inclusive workplace where all colleagues feel listened to and valued. Based on feedback from staff and volunteers the first Network Groups are Disability and Wellbeing, Ethnic Diversity, LGBTQ+ and Menopause Support - these are chaired and led by staff, with active support and engagement from Senior Leadership through a Director and Trustee sponsor for each group. A maternity leave returners forum was also established to learn from the experiences of these staff. We engaged with and sought feedback from external and internal candidates for jobs with us to gain feedback on their experiences to inform our organisational inclusive recruitment review.

During the year, Battersea's Senior Leadership Team, a cross-organisational group of Heads of Functions, established their role as a key group involved in decision making on operationalising the organisational strategy, and identifying and implementing cross-organisational programmes and initiatives, and helped revise and oversee the Annual Business Planning process to drive a more effective collaborative and consultative approach across Battersea. The Senior Leadership Team established a meeting routine of governance and strategic meetings every 6 weeks, and, with the Directors Group, was actively involved and engaged with developing Battersea's new five-year organisational strategy.

Volunteers and Foster Carers

Battersea continued to adapt its communications with its volunteers and foster carers to keep them engaged and up to date with Battersea's news and key projects, and to seek their feedback. As well as the regular newsletter, volunteers were invited to organisation-wide webinars on the XL Bully ban, and to celebrate key events such as neurodiversity week.

Communities

In 2023 we made the difficult decision to close the Communities programme following consultation with affected staff. This decision has been made as the original aim of the Communities programme is no longer meeting Battersea's future strategic direction, and we must consider where we most effectively use our charitable resources, to ensure we're having the biggest impact on the lives of dogs and cats. Where possible, community rehoming volunteers joined our existing fostering programme.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Academy attendees

During the year we engaged alumni in two pieces of research: one on the professionalism and sustainability of the sector, and the second around market research of the Academy in the UK. The second area of research led to a marketing strategy for Academy which is being rolled out across the UK in 2024.

Grant recipients

In 2023 we engaged with rescues in the UK, South Africa, Greece, Thailand, and Sri Lanka to better understand the challenges faced in their contexts which fed into the development of the Global Programmes national strategies and our grant making approach. In our focus countries, this also led to strategic decisions on how to utilise our grant making to address the root causes of problems faced by dogs and cats. Several grants were awarded to respond to strategic opportunities identified.

Parliamentarian and Government Policy Teams

Battersea's work to drive policy and legislative change to benefit animal welfare wouldn't be achieved without close collaboration with politicians and government policy teams. During the year, we engaged with teams through various visits, briefings on various draft laws, consultation responses, regular meetings across Westminster and the devolved nations, and appearances at receptions and in front of committees. These engagements led to a change in what we aim to address with Battersea's Our Voice work moving forward, and shaped plans under our new strategy in light of likely legislative and regulatory developments expected by the end of 2024.

Sector Partners

We continue to work with our sector partners to drive forward Battersea's 'Our Voice' strategy. In 2023 this included partnerships on a wide range of policy issue areas including Pet Friendly Properties, safety around dogs and regulation of the rescue sector. An outcome of these partnerships is the establishment of the neutering fund for XL bully owners alongside Blue Cross and RSPCA. These activities have also enabled us to shape Battersea's priority areas under our Our Voice strategy.

Financial review

Income

Total income was £64.5m (2022: £56.5m) for the year – an increase of £8m from 2022. This was due to higher legacy income at £27.6m (2022: £24.0m). Income received from Donations and Trading Activities was also higher at £33.8m (2022: £30.8) due to higher income from individual giving and corporate income. Investment Income also performed more strongly year-on-year with an increase of £1.1m compared to 2022.

	2023 £m	2022 £m	Change %	Ratio %
Legacies	27.6	24.0	15	43
Donations	26.2	29.4	-11	41
Gifts in kind	0.7	0.4	63	1
Trading activities	7.6	1.4	445	12
Investment income	1.6	0.6	177	3
Charitable income	0.8	0.7	14	1
Total Income	64.5	56.5	14	100

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Expenditure

Total expenditure increased by £5.1m to £58.2m for the year (2022: £53.1m). The amount we spent on caring for animals at Battersea increased to £22.3m (2022: £20.5m), reflecting the increase in animals helped and inflationary increases in costs. The costs of raising funds remained in line with 2023 figures being £17.3m (2022: £17.0m). Grant giving and Academy expenditure increased to £3.8m (2022: £2.9m) due to the increase in grants awarded in 2023 as we further developed our Global Programmes work. Education and awareness costs increased in the year by £1.6m to £8.2m (2022: £6.6m). There was a slight increase in Support costs of £0.3m to £6.0m (2022: £5.7m).

	2023 £m	2022 £m	Change %	Ratio %
Care of animals	22.3	20.5	9	38
Raising funds	17.3	17.0	2	30
Gifts in kind	0.7	0.4	63	1
Grant giving and Academy	3.8	2.9	31	7
Education and awareness	8.2	6.6	24	14
Support and governance	6.0	5.7	5	10
Total Expenditure	58.1	53.1	10	100

Pension

Battersea operates a defined contribution pension scheme for its employees. It also has a legacy defined benefit pension scheme which was closed to new members from September 2010. At the end of September 2013 this was also closed to future benefit accrual, to help mitigate any future liability.

Despite this, Battersea will continue to have ongoing obligations, the funding of which is agreed between the Trustees of the pension scheme and the charity's Trustees. These liabilities are subject to fluctuation as assumptions change over time. As at 31 December 2023 the pension scheme was in a surplus position of £10.1m (2022: £9.3m). In line with FRS 102, the surplus on the pension scheme has not been recognised in the financial statements for the year ended 31 December 2023.

Full detailed information on Battersea's pension schemes, including the defined contribution scheme, can be found in note 18.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to make any investments which the Council of Trustees see fit. The Trustees are aware of the importance of responsible investment in making decisions that align with our charitable purpose and objectives, alongside their responsibility for maximising investment returns without jeopardising the charity's reputation. They therefore require their investment advisers to refrain from investing in any company that is involved directly in the use of experimental animals for non-clinical research, or sub-contracts to companies that make use of such animals, unless there is a legal or regulatory requirement to do so. In addition, Trustees have committed to applying principles of ESG in investment decisions in so far as they do not result in significant financial detriment to the Charity and will therefore ask Sarasin & Partners and Close Brothers to make the appropriate recommendations. If in doubt, they are asked to refer to the Chair of Council. Our investment advisers confirm adherence to this policy through a formal quarterly screening

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

of our investment portfolio and the issuing of a compliance report to the Finance, Audit and Risk Committee.

This gives Trustees assurance that there are no listed investments adverse to the purpose of the charity, thereby complying with the requirements of the Statement of Recommended Practice (SORP) and the Charity Commission's revised guidance note CC14.

Investment diversification within the above criteria is used to reduce risk exposure. The Trustees also prohibit high-risk investment, e.g., derivatives. The Council of Trustees, together with their advisers, set benchmark weightings for the portfolio and a benchmark for income yield.

The Council of Trustees place the emphasis on maximising long-term, sustainable investment growth and actual performance is reviewed against the benchmark return with both Sarasin & Partners and Close Brothers every quarter.

Reserves

The aim of Battersea's Reserves Policy is to ensure that the charity's ongoing activities are protected from unexpected fluctuations in its income and expenditure. In setting the reserves Policy, the Council of Trustees is influenced by strategic risks facing the charity – not least the fact that the charity is close to wholly reliant on voluntary income to continue its charitable undertakings – which being uncertain sources of revenue may not always provide the necessary funds to cover essential costs. Trustees have affirmed the target range for free reserves to be maintained between 6 to 12 months of future budgeted charitable and support cost expenditure which equates to between £22.3m and £44.6m. This would allow for our activities to continue as normal during temporary falls in income or allow contingency plans to be implemented in the event of a more significant downturn in income or unanticipated increase in expenditure. This level is deemed appropriate when considered alongside the major strategic and operational risks currently faced by the Charity.

Free reserves (that is, those unrestricted funds not tied up in tangible fixed assets or other designated funds, excluding any pension assets) increased during 2023 to £41.5m (2022: £36.5m), representing approximately 11 months of charitable and support cost expenditure.

Trustees balance the need to maintain an appropriate level of free reserves with funding key strategic initiatives such as investment in the charity's infrastructure and facilities. In 2024, Trustees will continue to focus on increasing Battersea's charitable impact and progressing Launchpad, enabling the charity to help every dog and cat more effectively in future.

Battersea had identified the need for the development of existing facilities, particularly at the London and Windsor sites. Battersea is committed to ensuring every dog and cat coming to our doors can stay in safe accommodation that meets their individual health and welfare needs. To achieve this vision the **Site Development Fund** was created. As at 31 December 2023, this stands at £5.8m (2022: £6.0m). Works have begun to scope options for the development of the Old Windsor Cattery, reflecting the need to undertake a number of upgrades to the plant and building.

The **Fixed Asset Fund** of £62.1m (2022: £62.1m), represents the net book value of Battersea's fixed assets – principally the value of the land and buildings on our three sites.

The **Multi Year Grants fund** was created to ringfence funds for grants awarded but where conditions for release have not yet been met. At 31 December 2023, the balance on the fund stood at £7.7m (2022: £4.5m), which represents awards to eleven organisations (2022: eight).

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

The **Data Strategy fund** reflects monies set aside to deliver our Launchpad programme. The fund has decreased in the year to reflect the work underway on this project, to £4.3m (2022: £5.7m).

Total funds at year end were £121.5m (2022: £114.9m).

Trustees review and monitor this policy annually.

OUR NEW STRATEGY: HERE FOR EVERY DOG AND CAT 2024 - 29

In early 2024 we have launched our new five-year organisational strategy. Battersea has always been here to improve the lives of dogs and cats, and we remain committed to our pioneering founder Mary Tealby's promise, to aim to help any dog or cat that needs us. This promise to be here for all dogs and cats – not just those who are easy to care for or rehome – is fundamental to our work and embedded within the DNA of Battersea. It is a commitment that inspires us, motivates us, and requires us to be resilient and determined in helping many of society's most challenging animals.

In the UK and across the globe, dogs and cats need us more than ever. Our new strategy is built around three central pillars of PREVENT, SUPPORT and CARE. Working with others we will create lasting change for dogs and cats. We will seek to prevent the causes of poor dog and cat health and welfare, support individuals who most need help with their dogs and cats, and provide expert care to the dogs and cats what need us.

Our aim is to help many more dogs and cats than ever before. We will champion the sharing of knowledge, learning, and experience, and a collaborative approach in responding to the challenges we face.

We will place a significant, additional emphasis on upstream, preventative work and help more owners keep their pets through a new strategic focus on advice and support, all the time ensuring we are here for owners facing the heartbreaking decision to give up a much-loved pet.

By 2029, we will:

- Help more people make better choices when acquiring and caring for dogs and cats.
- Improve health and welfare standards in the breeding and sale of dogs and cats.
- Expand our efforts to reduce stray and roaming dog and cat populations.
- Help people better understand the health and welfare needs of their dogs and cats.
- Deliver targeted, accessible, empathetic, and timely advice and support to those in most need.
- Open up the benefits of pet ownership to more people.
- Invest in our centres to constantly improve their ability to meet the needs of all the dogs and cats in our care.
- Ensure Battersea is a trusted, preferred choice for those giving up or seeking a dog or cat.
- Bring the rescue and welfare sector together to share knowledge and expertise and achieve better outcomes for more dogs and cats.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

You can download full and summary versions of our Strategy from our website: [Our Strategy | Battersea Dogs & Cats Home](#). Or please contact us to request a copy.

Diversity & Inclusion (D&I)

At Battersea, we are committed to developing and supporting a workforce and inclusive culture in all that we do. We aim to ensure that this commitment, reinforced by our values, is embedded in our day-to-day working practices and our work together.

We want to ensure that everyone who comes into contact with Battersea is welcomed, valued and respected regardless of their race, age, gender, sex, disability, sexual orientation, social class, religion or belief. We strive to create lasting change for animals and the people that care for them and believe that creating a truly diverse and inclusive Battersea, which is proudly open to all, will be essential in our mission to deliver greater impact for dogs and cats everywhere.

Our comprehensive Diversity & Inclusion Action plan has been in place since 2021 with 2023 marking an extremely positive year, including the following successes:

- Progress has been made towards our five-year diversity target for 2026 of 15% for our two most underrepresented workforce communities, with 10.3% Black, Asian, Minority Ethnic staff and 13.6% declaring a disability in Q4 2023.
- 79% of respondents to our quarterly pulse survey reported feeling they can be themselves at work.
- Our four inclusion networks (listed below) have grown in membership and impact:
 - Disability and Wellbeing Network and allies
 - Ethnic Diversity Network and allies
 - LGBTQ+ Network and allies
 - Menopause Support Network and allies
- Ongoing changes to make our recruitment processes and practices more inclusive including signing the Show the Salary Pledge, committing to becoming a Menopause Friendly Employer and achieving Disability Confident Committed status.

Developing an even more diverse and inclusive Battersea is a priority for us. We are committed to continue the implementation of our action plan in 2024 with key priorities including:

- The further development of our well-established inclusion networks, creating safe spaces for staff and volunteers from under-represented groups together with allies.
- Externally showcase Battersea's commitment to D&I to help attract a more diverse workforce, and demonstrate our ongoing commitment to D&I.
- Implementation of our inclusive recruitment review recommendations, plus training for all hiring managers on inclusive recruitment.
- Further embedding of D&I in Management and Leadership courses, develop toolkit around role modelling inclusive behaviours for 2025 release.
- Carry out a site Accessibility Audit and build a comprehensive plan for improvements.

Fundraising standards

Open and accountable

All fundraising at Battersea is carried out with the full oversight of the Directors and the Council of Trustees. Battersea strives to provide an excellent service to all our supporters, and this is reflected in the low levels of complaints that we receive. Complaints are dealt with by our experienced Supporter Services team and are generally resolved without the need for

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

escalation. Battersea takes any complaints very seriously and sees them as an opportunity to continue to improve our relationship with our supporters and the public.

Complaints

We record and monitor all fundraising related complaints received and these are reported to our Trustees annually. We aim to acknowledge complaints within one working day with the vast majority being resolved within three working days.

- As a percentage against the volume of fundraising activity Battersea undertakes, we have received a very low number of complaints. For 2023, we recorded 569 complaints – 0.00013% of our total volume of fundraising activity (2022: 629 complaints – 0.00011% of our total volume of fundraising activity) and we continue to strive to improve how we measure, record and resolve complaints across Battersea.
- In 2023, we continued to use the tiering and tracking system introduced in 2022. This approach enables us to identify themes and trends, and areas where complaints are increasing, so we can take proactive action to manage this and ensure that the trends do not persist.

Protecting the vulnerable

Battersea takes its responsibility towards supporters who may be considered vulnerable very seriously. We have a Vulnerable Persons Policy which is shared with staff and agencies working for us. Our Income Generation and Supporter Services teams have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance.

Contacting our supporters and supervising our fundraisers

Battersea prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations. We are registered with the Fundraising Regulator and as such their logo appears on our fundraising collateral as a kitemark of approval. All contracts with our third-party agencies include clauses to be able to monitor, mystery shop and train their fundraisers. Each agency is required to commit to the Code of Practice and provide copies of their compliance policies. Weekly status calls with our agencies allow us to monitor their operating procedures.

Battersea manages two society lottery products; the Paw Draw weekly lottery and the Superdraw quarterly raffle. We take steps to ensure the product design, marketing and fulfilment adheres to Licensing Code and Codes of Practice requirements of the Gambling Commission and best practice. Our marketing strategy is ethical and age specific. Battersea follows the UN Rights of the Child and perceives a child to be anyone under the age of 18. As such, whilst legislation permits gambling products to be open to those over 16, we require players to be over 18 years of age.

This approach to age informs our marketing activity and we will not actively market to anyone we know is under 18 years of age.

We deliver a robust training programme to agencies working on our behalf, adhering to the Fundraising Code of Practice, and demonstrating best practice. Each training session has a section on compliance, consent for future contact preferences and dealing with vulnerable people. We actively engage with and encourage our agency fundraisers to be proud Battersea ambassadors.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Following the training provided by Fundraising Compliance in 2021 to all agencies covering Battersea's policy, and expectations, around dealing with vulnerable persons, we continue to ensure that all agency staff are appropriately trained on this every quarter. We recognise that staff turnover at agencies is high, so it is key that we ensure that anyone representing Battersea is aware of what is expected of them in this area.

Our mystery shopping and call monitoring programme ensures that fundraisers are treating our potential donors fairly, respectfully, and appropriately. Our Directors and staff shadow our third-party fundraisers across all channels on an annual basis and provide feedback and/or recommendations for any improvement. These visits are recorded and form part of an annual report to our Council of Trustees.

We also regularly attend the agency induction training sessions to observe and audit the content and delivery of the fundraisers' initial training using the Chartered Institute of Fundraising (CIOF) /Fundraising Regulator checklist. Battersea is a member of the CIOF and the Fundraising Regulator and takes part in their compliance round table events.

Streamlined Energy and Carbon Reporting (SECR)

Our SECR obligations

Battersea Dogs & Cats Home understands that, like all organisations, our activities and services have an impact on the environment. As such, we are committed to the continual improvement of our environmental performance and ensure compliance with all relevant environmental legislation, including the Streamlined Energy and Carbon Reporting (SECR) scheme. Implemented in 2019, SECR requires all qualifying businesses to comply for financial years starting on or after 1 April 2019. This report corresponds to our financial year ending December 2023, though the previous year (2022) is revisited as well.

The greenhouse gas (GHG) emissions associated with our core business operations have been measured and verified in accordance with SECR category guidance; Scope 1 (direct resource use), Scope 2 (bought resources for use in our direct operations) and specific Scope 3 emissions (indirect emissions due to business activities) surplus to compliance requirements. We have also identified appropriate intensity ratios to normalise and monitor our carbon emissions and energy efficiency measures, which support our drive to minimise costs and improve productivity whilst reducing carbon emissions in line with the UK's 2050 net zero target.

Our carbon impact

Table 1

2023	Scope 1 (tCO₂e)	Scope 2 (tCO₂e)	Scope 3 (tCO₂e)	Proportion (nearest whole number)
Electricity	0.00	569.28	186.35	61%
Natural Gas	177.67	0.00	29.34	17%
Propane	53.89	0.00	6.34	5%
Water	0.00	0.00	7.64	1%
Transport (Fleet + Expenses)	45.17	0.05	11.56	5%
Isoflurane	27.85	0.00	0.00	2%
Nitrous Oxide	8.88	0.00	0.00	1%
Refrigerants	120.6	0.00	0.00	10%

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Totals (tCO₂e)	434.06	569.33	241.23	1,244.62
----------------------------------	---------------	---------------	---------------	-----------------

All data used to calculate the table above has been tracked monthly, where possible. However, due to gaps in recording, some electricity, natural gas, and water values for the month of December 2023 have been estimated based on their respective 11-month average. For two water meters, missing monthly values have been estimated using their 10-month and 8-month averages. Transport data for both fleet vehicles and claimed expenses has been collected in miles. For four of our fleet vehicles, missing monthly values have been estimated using an average of the available 9-month data.

Table 1 shows that the total GHG emissions associated with our combined business operations during this SECR period were 1,244.62 tonnes of carbon dioxide equivalents (tCO₂e). Utilities at our three sites accounted for approximately 84% of our emissions, with the remaining amount pertaining to transport, anaesthetic gas use within our clinic operations, and refrigerants. Like the previous reporting years, this proportionality indicates that our approach to carbon reduction should continue to primarily target the operational efficiency of our building operations.

We have expanded the scope of our reporting to exceed mandatory requirements by including emissions associated with water use, transmission distribution (T&D) of electricity to site, and well-to-tank (WTT) emissions for all fuels. In future years we will look to include further Scope 3 emissions, such as employee commuting, purchased goods and services, and remote working. We will also aim to present any green tariffs and renewable energy generation that we can procure as part of our wider sustainability goals.

Table 2

2022	Scope 1 (tCO₂e)	Scope 2 (tCO₂e)	Scope 3 (tCO₂e)	Proportion (nearest whole number)
Electricity	0.00	507.40	178.87	52%
Natural Gas	222.10	0.00	37.84	20%
Propane	61.93	0.00	7.24	5%
Water	0.00	0.00	6.53	1%
Transport Mileage	61.02	0.00	15.89	6%
Isoflurane	30.14	0.00	0.00	2%
Nitrous Oxide	49.92	0.00	0.00	4%
Refrigerants	139.27	0.00	0.00	10%
Totals (tCO₂e)	564.38	507.40	246.37	1,318.15

Table 2 shows that the total GHG emissions associated with our combined business operations during the previous SECR period were 1,318.15 tonnes of carbon dioxide equivalents (tCO₂e). Utilities at our three sites accounted for 78% of our emissions and the remaining 22% were associated with transport, anaesthetic gas use within our clinic operations, and refrigerants.

Table 3

2019	Scope 1 (tCO₂e)	Scope 2 (tCO₂e)	Scope 3 (tCO₂e)	Proportion (nearest whole number)
Electricity	0.00	675.47	151.56	48%
Natural Gas	486.25	0.00	63.24	32%

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Propane	58.14	0.00	7.31	4%
Water	0.00	0.00	30.99	2%
Fleet Mileage	38.45	0.00	9.21	3%
Isoflurane	49.78	0.00	0.00	3%
Nitrous Oxide	149.76	0.00	0.00	8%
Totals (tCO₂e)	782.38	675.47	262.31	1,720.16

Due to COVID-19 impacts on our operational capacity, we were unable to use our Year 1 or Year 2 datum as an accurate baseline. Therefore, we have also retroactively calculated our carbon emissions for 2019 to represent a “business as usual” baseline. Table 3 shows that the total GHG emissions associated with our combined business operations during 2019 was 1,720.16 tCO₂e.

Emission Intensity Ratio

Current government environmental reporting guidance recommends the development of at least two Key Performance Indicators (KPIs) associated with key environmental impacts. In Table 4, we have identified two intensity ratios which divide our carbon emissions by an appropriate normalisation factor to enable performance tracking over time and comparison against organisations operating in equivalent sectors. These include (1) average carbon emissions per £100k turnover and (2) average carbon emissions per FTE employee. We chose to incorporate an employee-based indicator to encourage staff engagement with our organisational goal to minimise our impact on the environment.

Table 4

	tCO₂e/£100k	tCO₂e/FTE
2023	1.97	2.20
2022	2.33	2.37
2019	3.91	3.29

Calculation Methodology

The raw consumption data of our business operations has been calculated using a combination of direct meter reads, half-hourly meter data, utility and product invoices, expense reports, and recorded transport mileage data. Where averages or estimates have been used, this is identified. All carbon emissions have been calculated in accordance with guidance provided by the UK Government, GHG Reporting Protocol, and using DEFRA conversion factors. For our anaesthetics, recommended conversion factors from the NHS Sustainable Development Unit (SDU) were followed.

Baseline Calculation Methodology

As our first and previous SECR reporting years occurred either fully or partially during the lockdown/COVID 19 period, none are suitable years to represent a baseline year against which future energy saving measures can be evaluated. As the current reporting year has not been impacted by any COVID restrictions, this will likely serve as a baseline going forward. For the purposes of this report, our retroactively calculated 2019 datum will serve as an interim baseline.

Energy Saving Measures

Since our last SECR report submission, we have acquired Silver level accreditation for our environmental management system through Investors in the Environment, which required

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

monitoring the use of additional resources and demonstrating the progress being made towards meeting our reduction targets. To address the climate impacts of our commuter and operational transport, we also developed a Sustainable Travel Plan, aimed at implementing essential management tools that empower our staff and volunteers to make informed, sustainable travel choices. This plan includes detailed guides for active and public transport to each site, guidance on fuel-efficient driving techniques, and a 9-point action plan aimed at bolstering relevant communications and governance, promoting sustainable modes of transport, and improving our fleet performance. We aim to review and update this plan every two years to ensure continued effectiveness.

Considering our key emissions areas and previous Energy Savings Opportunity Scheme (ESOS) recommendations, we have focused much of our energy saving efforts on improving building efficiency, including a new piece of work to develop a unified Building Management System (BMS) across all three of our sites. At its core, this project aims to optimise the visibility of plant health and building statuses, therefore ensuring that the conditions of our facilities are safe and suitable for our dogs and cats. In addition, the project also brings greater visibility to our energy consumption patterns, providing us with the data and information necessary to identify key trends, make informed adjustments, and track our progress over time. To further improve cost efficiency and reduce our reliance on natural gas, we have also transitioned several of our Old Windsor heating systems to air source heat pumps, which absorb latent heat from outside air and transfer it to radiators and underfloor heating. We have also continued LED installations, replacing some of our less energy efficient light fixtures across all three sites.

Behavioural change programmes have been continued internally, including providing staff with relevant educational webinars, informational communications on sustainable / energy-efficient working, and various environmentally oriented activities.

Lastly, we offset our 2022 Scope 1, 2, and 3 (partial) through Climate Impact Partners, supporting sustainable energy transition via CDM Project 3668: Yunnan Gaohe River 3rd level Hydropower Project.

Energy Consumption Data

Table 5

2023			2022		
ENERGY TYPE	UNIT	CONSUMPTION	ENERGY TYPE	UNIT	CONSUMPTION
Electricity	kWh	2,749,165	Electricity	kWh	2,623,874
Natural Gas	kWh (net CV)	883,292	Natural Gas	kWh (net CV)	1,098,037
Propane	kWh (net CV)	231,720	Propane	kWh (net CV)	266,285
Fleet Mileage	kWh (net CV)	183,697	Fleet Mileage	kWh (net CV)	246,013
OTHER			OTHER		
Water	m ³	21,351	Water	m ³	15,512
Isoflurane	250ml bottles	146	Isoflurane	250ml bottles	158
Nitrous Oxide	9,000L canisters	2	Nitrous Oxide	9,000L canisters	5
R410A	kg	62.68	R410A	kg	66.7

2019		
ENERGY TYPE	UNIT	CONSUMPTION
Electricity	kWh	2,642,581

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Natural Gas	kWh (net CV)	2,380,311
Propane	kWh (net CV)	252,464
Fleet Mileage	kWh (net CV)	147,928
OTHER		
Water	m ³	29,457
Isoflurane	250ml bottles	261
Nitrous Oxide	9,000L canisters	30

Energy consumption values (kWh) are representative of Scope 1 and 2 only. All figures have been rounded to the nearest whole number. Consumption figures for natural gas, propane/LPG, and transport mileage were converted to kWh from m³, L, and miles, respectively, by using the relevant year's UK Government's GHG Conversion Factors for Company Reporting. For 2019 transport mileage figures, 2020 UK Government GHG conversion factors were used as these were not provided in the 2019 UK Government guidance.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Reference and administrative details

Charity number: 206394
Company number: 278802
Registered office: 4 Battersea Park Road, London SW8 4AA

Council of Trustees

Paul Baldwin	Chair
Patrick Aylmer	Honorary Treasurer
Heather Bacon	(appointed 24 November 2023)
Julie Carlyle	(appointed 11 October 2023)
Sir Alan Collins	
Sunwinder Mann	(resigned 24 th April 2024)
Alan Martin	
Cassie Newman	(resigned 17 September 2023)
Maria Novell	
Susan Paterson	
Patricia Stafford	
David Turner	
Deri Watkins	
Helen Webb	
The Worshipful Mayor of Wandsworth	(Ex Officio)

Senior Staff

Peter Laurie	Chief Executive
Ciara Bosworth	Programme Director (appointed 13 March 2023)
Kelly Brown	Director of Finance & Corporate Services
Bryony Glenn	Director of Human Resources
Lucy Hastings	Director of Operations
Julian Holmes-Taylor	Director of Income Generation
Paul Marvell	Director of Global Programmes
Sarah Matthews	Director of Marketing & Communications
Shaun Opperman	Director of Veterinary Services

Our advisers

Auditors

Moore Kingston Smith LLP
9 Appold Street
London EC2A 2AP

RSM UK Risk Assurance Services LLP
Davidson House
Forbury Square
Reading
Berkshire RG1 3EU

Solicitors

Bates Wells

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

10 Queen Street Place
London EC4R 1BE

Investment Advisers

Sarasin & Partners
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Close Brothers Asset Management (appointed March 2023)
55 Grosvenor Street
Mayfair
London W1K 3HY

Bankers

Barclays Bank Plc
7-11 St John's Hill
London SW11 1TR

Lloyds Bank Plc
25 Gresham Street
London EC2V 7HN

National Westminster Bank Plc
250 Bishopsgate
London EC2M 4AA

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Structure, Governance and Management

Trustee appointments

Battersea Dogs & Cats Home is governed by a Council of Trustees (who are also Directors of the charitable company for the purposes of company law). Trustees, who are volunteers with distinguished careers and experience in a wide variety of fields, are subject to fixed term appointments and election or re-election according to procedures set out in the Memorandum and Articles.

New Trustees are nominated via an external search led by the Chair of Trustees, interviewed by a panel of Trustees and the Chief Executive, and appointed where they have the necessary skills to contribute to the charity's governance and strategic development. New Trustees undergo tailored induction programs covering legal obligations, Charity Commission guidance, Memorandum and Articles of Association, committee structure, decision-making processes, strategic plan, and financial performance.

More information on Battersea's Trustees and Executive Team can be found on Battersea's website.

Trustee delegation

The Council is responsible for setting strategic direction, agreeing the financial plan and approving the delegation of financial authority through the Chief Executive, with specific limits imposed on delegation. The Council acts on advice and information from regular meetings with the Chief Executive. The Council met formally five times during 2022.

The Chief Executive is responsible for the day-to-day management of the Charity and for implementing policies agreed by the Council. The Chief Executive is assisted by a group of directors and senior managers.

The Finance, Audit and Risk Committee meets at least quarterly to oversee all financial aspects of the charity. It takes delegated responsibility for ensuring there is a framework for accountability and for ensuring that the charity complies with all financial aspects of the law, relevant regulations, and good practice. The Committee is also responsible for reviewing the performance of the charity's investment portfolio. It met four times during 2023.

A Governance and Nominations Committee was established to review compliance with appropriate legislation and codes issued by the Charity Commission and other regulatory bodies and to lead on any process for appointments to Council and committees. The Committee met four times in 2023.

The People Committee was formed to address key areas of focus for the Trustees including reviewing and approving Battersea's remuneration policy, diversity, safeguarding, and learning and development. The Committee met three times in 2023.

The Global Programmes Committee provides governance oversight of Battersea's Global Programmes work. Key responsibilities of the Committee include overseeing the development and outcomes of the Global Programmes Strategy, reviewing the performance of Battersea's existing portfolio of work, as well as reviewing new proposals for major investments in grants and strategic partnerships. The Committee met five times in 2023.

During 2023 the following served as Trustees:

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

	Attendance at Council Meeting (max 5)	Attendance at Finance, Audit & Risk Committee (max 4)	Attendance at Governance & Nominations Committee (max 4)	Attendance at People Committee (max 3)	Attendance at Global Programmes Committee (max 5)
Paul Baldwin (Council Chair and Chair of Governance & Nominations Committee)	5/5	-	4/4	2/3	-
Patrick Aylmer (Chair of Finance, Audit & Risk Committee)	4/5	4/4	4/4	-	-
Alan Martin (Chair of Global Programmes Committee)	5/5	4/4	4/4	-	5/5
Patricia Stafford (Chair of People Committee)	4/5	-	4/4	3/3	-
Heather Bacon	1/1	-	-	-	-
Julie Carlyle	1/1	1/1	-	-	-
Alan Collins	3/5	-	4/4	-	5/5
Sunwinder Mann	4/5	-	-	1/1	3/4
Cassie Newman	2/3	-	-	1/2	2/4
Maria Novell	4/5	2/4	-	-	-
Susan Paterson	2/5	-	-	-	5/5
David Turner	1/5	-	-	-	-
Deri Watkins	3/5	-	-	-	3/5
Helen Webb	3/5	-	-	3/3	-

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Battersea Governance and Management Structure



**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Related parties

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or senior executive with a related party or competitor of the charity must be disclosed to the Council of Trustees. In the current year, no such related party transactions were reported. Donations made by Trustees to Battersea totalled £6,674 (2022: £1,289) for the year.

The charity has two wholly owned subsidiaries: Battersea Dogs Home Limited (BDH), which operates the Battersea's trading activities; and Bell Mead Kennels Limited, under which name the charity's annex at Old Windsor operated. Bell Mead Kennels Limited is now dormant. The companies' trading results and balance sheets are consolidated with those of the charity.

Pay policy for the Executive Team

Executive pay at Battersea reflects the market rate for comparable jobs in comparable organisations, the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with each role. Our pay policy aims to:

- recruit and retain talented individuals to lead and further develop our rapidly growing organisation.
- develop and sustain high performance, and;
- recognise individual performance in the preceding year.

The People Committee are responsible for overseeing the remuneration of Battersea's Executive Team. The Executive Team's annual pay reviews are paid in accordance with the wider organisational approach to pay reviews, which is currently to pay the same fixed percentage pay increase to staff at all levels. Pay for all roles at all levels is re-benchmarked on a triennial basis using externally validated voluntary sector pay data and adjusted accordingly to ensure competitive pay for comparable roles.

Risk management

An organisation-wide risk management approach is in place which identifies our key strategic and operational risks, and monitors that they are effectively managed through effective controls, clear accountability, and escalation as required.

The Battersea risk management approach comprises:

- on-going review by Directors and Senior Leadership of strategic and operational risks (both existing and emerging risks), which have the potential to adversely affect the organisation.
- a quarterly review by the Finance, Audit & Risk Committee (FARC) of the strategic risks and material issues arising.
- the establishment of policies, processes, and procedures to mitigate the risks identified, as applicable; and
- the implementation of processes and procedures to minimise or manage potential impact on the Charity should those risks materialise.

Battersea considers the current major risks to the charity to be:

Risk	Mitigation
Financial - economic uncertainty	We manage this risk through a number of measures including budgetary control, income pipeline reviews, investment in staff, capital expenditure planning, diversifying income, and cash flow forecasting. Also mitigating

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Risk	Mitigation
affecting financial wellbeing and liquidity	this risk is the level of free reserves, which are set at a level sufficient to withstand short-term financial impacts and are regularly reviewed.
Systems – Risk of compromised IT systems (e.g., system failure, cyber-attack, or constricting growth due to technical limitations)	To address the aging of its current Customer Relationship Management (CRM) systems, Battersea is investing in a multi-year programme to develop a new CRM and supporting IT processes and infrastructure (referred to as Launchpad). This will further strengthen Battersea's cyber-security controls, the management and effective use of its data, and move all human-related data (donor base) to a cloud-based solution (from its current on-premises solution). Battersea recognises the importance of this investment, which is therefore subject to rigorous testing, and close scrutiny by the Executive team and Data Strategy Steering Group, to monitor that delivery milestones are met, and budgetary rigor is applied. The new CRM system will be subject to our existing controls to minimise cyber security and information security risks, including regular penetration testing, single sign-on, robust record retention, etc.
Compliance - risk of regulatory failure e.g., Health & Safety, GDPR, or Fundraising regulations	Given the importance of having an effective and resilient approach to regulatory compliance, the Governance, Risk and Compliance function at Battersea has implemented additional assurance and monitoring activities. This is in addition to the comprehensive internal audit programme, covering key areas including Procurement, Legacies, Cyber Security and Health and Safety planned for 2024.
Operational - Increase in number of dogs with severe behavioural issues	Battersea has seen an increase in the number of dogs with severe behavioural and medical challenges needing our help. This poses an increased risk to our ability to successfully rehome and satisfy demand, plus adds risk to the safety of staff, volunteers, and potential customers who rehome our animals. To mitigate this risk, Battersea has robust intake processes in place to support strays and gifted animals coming into Battersea, including assessment protocols for dogs with notable behavioural issues.
Wellbeing – Risk of poor staff or volunteer physical or mental wellbeing.	Given the number of challenges impacting Battersea's people, for example from the cost-of-living crisis, to managing the risks noted above, the charity is very cognisant of the importance of focussing on wellbeing. To help mitigate this risk a number of measures are in place including, but not limited to access to an employee assistance programme (EAP), resilience training, and to mental health first aiders.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Statement of Responsibilities of the Council of Trustees

The Council of Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council of 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 the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the Council of Trustees is required to:

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

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

The Council of Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Council of Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the Council of Trustees, having made enquiries of fellow Trustees and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Council of Trustees



Paul Baldwin (Chair)
Approving the Report of the Council of Trustees
11 July 2024

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Independent Auditor's Report to the Members of Battersea Dogs' and Cats' Home

Opinion

We have audited the financial statements of Battersea Dogs and Cats Home Limited for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 29, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date

19/07/2024

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Consolidated Statement of Financial Activities

For the year ended 31 December 2023

	Notes	Unrestricted 2023 £000	Restricted 2023 £000	Total 2023 £000	Total 2022 £000
Income from:					
Donations and legacies	2	51,190	2,565	53,755	53,408
Gifts in kind	3	651	-	651	361
Trading activities	4	7,632	-	7,632	1,469
Investment income	5	1,648	-	1,648	596
Charitable activities:					
Animal sales and claim fees		798	-	798	693
Total income		61,919	2,565	64,484	56,527
Expenditure on:	6				
Cost of raising funds:					
Donations and legacies		14,325	-	14,325	15,511
Gifts in kind		651	-	651	361
Trading activities		3,631	-	3,631	2,222
Investment management fee		116	-	116	100
		18,722	-	18,722	18,194
Charitable activities:	6				
Care of dogs and cats		24,286	2,253	26,539	24,141
Grant giving and Academy		3,876	146	4,022	3,160
Education and awareness		8,895	-	8,895	7,542
		37,058	2,399	39,457	34,843
Total expenditure		55,780	2,399	58,179	53,037
Net (losses)/gains on investments	12	739	-	739	(2,103)
Net income	7	6,878	166	7,044	1,387
Other recognised losses					
Actuarial gains/(losses) on defined benefit pension scheme	18	(446)	-	(446)	292
Net movement in funds		6,432	166	6,598	1,679
Reconciliation of funds:					
Total funds at 1 January		114,841	80	114,921	113,242
Total funds at 31 December	16	121,273	246	121,519	114,921

All amounts are derived from continuing activities. All gains and losses recognised in the year are included above.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Consolidated and Charity Balance Sheet
As at 31 December 2023

		Group		Charity	
	Notes	2023	2022	2023	2022
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9	4,291	1,142	4,291	1,142
Tangible assets	10	57,763	60,940	57,763	60,940
Investments:					
Investment in subsidiary undertakings	11	-	-	5	5
Other fixed asset investments	12	29,974	18,596	29,974	18,596
		92,028	80,678	92,033	80,683
Current assets					
Stock	13	138	83	-	-
Debtors	14	8,669	8,792	10,884	10,729
Short term investments		3,000	-	3,000	-
Cash at bank and in hand		23,931	30,702	21,751	28,786
		35,738	39,577	35,635	39,515
Liabilities					
Creditors: amounts falling due within one year	15	(6,247)	(5,334)	(6,149)	(5,277)
Net current assets		29,491	34,243	29,486	34,238
Total assets less current assets		121,519	114,921	121,519	114,921
Defined benefit pension scheme liability	18	-	-	-	-
Net assets		121,519	114,921	121,519	114,921
Funds					
Unrestricted funds					
- Designated	16	79,783	78,331	79,783	78,331
- General	16	41,490	36,510	41,490	36,510
		121,273	114,841	121,273	114,841
Restricted funds	16	246	80	246	80
Total funds		121,519	114,921	121,519	114,921

As permitted by s408 Companies Act 2006, the charitable company has not presented its own income and expenditure statement and related notes. The charitable company's surplus for the year was £6.6m (2022: £1.7m).

The financial statements were approved and authorised for issue by the Council of Trustees and were signed on its behalf on 11 July 2024.



P Baldwin, Chairman



P Aylmer, Honorary Treasurer

Company registration number 278802

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	Group 2023 £000	2022 £000
Cash inflow from operating activities	(a)	6,481	8,300
Returns on investments	(b)	1,648	596
Capital expenditure and financial investment	(c)	(14,899)	(4,040)
Cash (outflow) inflow before use of liquid resources		(6,770)	4,856
(Decrease)/Increase in cash in the year	(d)	(6,770)	4,856

Notes to the cash flow statement

a) Net cash from operating activities

Net income	6,598	1,387
Losses/(gains) on investments	(739)	2,103
Depreciation and amortisation	4,289	4,379
Decrease/(increase) in stocks	(55)	5
Decrease/(increase) in debtors	123	306
Decrease/(increase) in short term investments	(3,000)	-
Increase in creditors	913	687
Bank interest receivable	(388)	(124)
Interest received from defined benefit scheme pension	(446)	-
Investment income receivable	(814)	(472)
Sale of fixed asset investments	-	29
Net cash inflow from operating activities	6,481	8,300

b) Returns on investments

Interest received	388	124
Interest received from defined benefit scheme pension	446	-
Returns on investments	814	472
	1,648	596

c) Capital expenditure and financial investment

Purchase of tangible fixed assets	(3,490)	(3,520)
Purchase of intangible fixed assets	(771)	(567)
Purchase of investments	(27,658)	(8,667)
Proceeds from sale of investments	16,104	8,012
Decrease/(Increase) in portfolio cash	916	702
	(14,899)	(4,040)

d) Analysis of consolidated net cash resources

	At 1 January 2023 £000	Cash flow £000	At 31 December 2023 £000
Cash at bank and in hand	30,701	(6,770)	23,931

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

Notes and Accounting Policies

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP including Update Bulletin 2), the Companies Act 2006 and Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

(b) Basis of consolidation

The consolidated accounts include the accounts of the charitable company, Battersea Dogs & Cats Home, and its trading subsidiary Battersea Dogs' Home Limited, which is consolidated on a line-by-line basis. No separate Statement of Financial Activities ("SOFA") has been presented for the charity as permitted by Section 408 of the Companies Act 2006. Bell Mead Kennels remains dormant and therefore is not included in the consolidated accounts. For 2023 the Charity entity had income, including gains and losses, of £64.1m (2022: £53.7m) and incurred expenditure of £57.6m (2022: £51.9m).

(c) Incoming resources

Legacies are credited to incoming resources when the charity becomes entitled to the income, there is probability of receipt, and the amount is quantifiable. Legacies received in the form of investments are included at probate value. Legacies received following year end for which estate accounts have been received are included in the year being reported. Life interest and other residual legacies, where there is uncertainty of the amount to be received, are not accrued.

Donations and sponsorship income is recognised as income when the conditions for its receipt have been met.

Proceeds from lottery and raffle income are recorded gross of prize money and other expenditure. Income is recognised when the conditions for its receipt have been met.

Donated goods are recognised at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of the goods or service provided, at the same value and time.

Income from trading activities predominately relates to income generated by Battersea Dogs Home Limited and paid to the charity annually. The accounts of the Company set out the income recognition policies applied. Income from trading activities also relates to income received in respect of insurance commission which is accrued for in the period in which it relates.

Battersea recognises the income from a charitable fundraising event in the year in which the event takes place. Income received for an event taking place in a future period is treated as deferred income in the Balance Sheet.

Where income is received for a specific purpose, the income is included in restricted funds.

All other income is accounted for on a receivable basis.

(d) Expenditure

The costs of raising funds and charitable expenditure comprise staff and other costs directly attributable to an activity and an allocation of support costs. Where costs have been allocated, this has been done based on staff costs directly attributable to each of the charity's activities. The costs of generating funds are those incurred in seeking voluntary contributions and do not include costs of disseminating

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

information in support of the charitable objectives. Governance costs are those incurred in compliance with constitutional and statutory requirements.

Grants payable are considered to be part of cost of activities in furtherance of the objectives of the charity. Our accounting policy is to recognise grant expenditure when grant awards are appropriately approved and conditions for making the payment are met. When grants span more than one financial year and conditions are still to be met, a designated fund is created for the balance remaining on the award. We diligently evaluate substantive review conditions to ensure compliance, mitigating the risk of grant reversals.

(e)(i) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £5,000 are capitalised and depreciated over their estimated useful lives as follows: -

Freehold land	nil
Freehold and long leasehold properties	25 years
Short leasehold properties	Over the shorter of the remaining period of the lease or 25 years
Equipment, fittings, and vehicles	4 to 10 years

Where fixed assets are purchased with restricted funding, the purchase or building of the assets is the fulfilment of the restriction. The asset then becomes part of unrestricted funds.

Assets under construction consist of expenditure incurred in respect of tangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(ii) Intangible fixed assets and amortisation

Intangible fixed assets comprise website, trademarks, and management system costs. Intangible fixed assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised to write off the cost or valuation of the assets less their residual values over their useful lives on the following bases:

Website development & management systems	2 to 5 years
Trademarks	10 years

The capitalisation threshold for intangible fixed assets is £5,000.

Assets under construction consist of expenditure incurred in respect of intangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(iii) Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangibles with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

(f) Going Concern

The Trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In making this assessment the Trustees, have considered the charitable group's revised forecasts and projections for income and expenditure, as well as long term cash flow. These continue to be regularly monitored by Directors and Trustees. Battersea holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash.

After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(g) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

(h) Investments

Fixed Asset Investments are stated at market value. It is Battersea's policy to keep valuations up to date so that, when investments are sold, no gain or loss arises. As a result, the SOFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SOFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Pensions

In accordance with FRS 102 "Retirement Benefits", the movement in the defined benefit pension scheme liability, as determined by the actuary, is charged to the SOFA each year. Current and past service costs and experience gains are allocated across the SOFA expense categories in proportion to total salary costs in each category. Where expected returns on assets and interest costs result in a net charge this is also

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

allocated on the above basis. Where it results in a net income this is included within investment income. Actuarial gains or losses are shown separately on the face of the SOFA.

(k) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

(l) Funds

Unrestricted funds, including designated funds, are expendable at the Trustees' discretion in furtherance of the charity's objects. Restricted funds can be spent only in accordance with the donors' specific requirements.

(m) Gifts in kind

Gifts in kind and donated services and facilities are recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods.

(n) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(o) Critical accounting estimates and areas of judgement

In view of the Trustees applying the accounting policies adopted, the following estimates were required that have a significant effect on the amounts recognised in the financial statements:

Battersea adds an estimate on residuary legacy cases when the entity has received a copy of draft or final estate accounts and a copy of the grant of probate. In addition to this, the legacy income received into the bank shortly after year end is accrued for, if Battersea was notified about these cases by the year end date of 31st December 2023.

The charity operated a defined benefit pension scheme, which closed to further accrual at the end of September 2013. An actuarial valuation of the scheme is undertaken to reflect the current position as at the year ended 31 December 2023. Assumptions used in this calculation, which include the level of future salary increases and the applicable discount rate, all require elements of estimation.

2. Donations and legacies

	2023	2022
	£000	£000
Legacies	27,596	24,027
Donations	26,159	29,381
	53,755	53,408

The estimated value of legacies notified but neither received nor accrued into income (as they do not meet the SORP recognition criteria) at 31 December 2023 is £28.3m (2022: £23.3m).

Included in the above figure is unrestricted income of £51.1m (2022: £53.3m) and restricted income of £2.6m (2022: £0.1m).

3. Gifts in kind

	2023	2022
	£000	£000
Donated goods	186	1

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Donated facilities	4	1
Donated services	461	359
	651	361

4. Trading activities

	2023	2022
	£000	£000
Sale of shop goods	384	248
Fundraising events, raffle, and lottery	6,881	853
Sundry activities	367	368
	7,632	1,469

Raffle and Lottery included within Trading Activities from 2023 onwards. Comparative not restated. Sundry activities include admissions and rental income. All amounts relate to unrestricted income in the current and prior year.

5. Investment income

	2023	2022
	£000	£000
Listed investment income	814	472
Finance income on defined benefit pension	388	-
Deposit and bank interest	446	124
	1,648	596

All amounts relate to unrestricted income in the current and prior year.

6. Group analysis of total expenditure

	Direct activities £000	Support costs £000	2023 £000	Direct activities £000	Support costs £000	2022 £000
Cost of raising funds						
Donations and legacies	13,800	525	14,325	14,968	543	15,511
Gifts in kind	651	-	651	361	-	361
Trading activities	3,341	290	3,631	1,952	270	2,222
Investment management fee	116	-	116	100	-	100
Total cost of raising funds	17,908	815	18,723	17,381	813	18,194
Charitable activities						
Care of dogs and cats	22,278	4,260	26,538	20,479	3,662	24,141
Grant giving and Academy	3,810	213	4,023	2,936	224	3,160
Education and awareness	8,189	706	8,895	6,560	982	7,542
	34,277	5,179	39,456	29,975	4,868	34,843
Total Group expenditure	52,185	5,994	58,179	47,356	5,681	53,037

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Analysis of support costs
Support costs – 2023

	Donations and legacies £000	Cost of raising funds £000	Care of cats and dogs £000	Grant giving and Academy £000	Education and awareness £000	2023 £000
Support cost						
Finance	95	145	765	38	127	1,170
Facilities	10	3	81	4	13	112
IT	115	39	931	47	154	1,285
HR	164	55	1,335	67	221	1,843
Secretariat	65	22	529	26	88	730
Governance	76	26	619	31	103	854
	525	290	4,260	213	706	5,994

Governance costs consist of accountancy and audit fees, as well as other compliance costs.

Support costs – 2022

	Donations and legacies £000	Cost of raising funds £000	Care of cats and dogs £000	Grant giving and Academy £000	Education and awareness £000	2022 £000
Support cost						
Finance	148	73	996	61	268	1,546
Volunteer management	42	21	285	17	76	441
Facilities	14	7	93	6	25	145
IT	110	55	743	45	199	1,152
HR	140	70	945	58	253	1,466
Secretariat	74	37	502	31	135	779
Governance	15	7	98	6	26	152
	543	270	3,662	224	982	5,681

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

7. Net income before transfers

Net income before other recognised (losses)/gains is stated after charging the following items:

	2023	2022
	£000	£000
Auditor's remuneration charged by Moore Kingston Smith LLP:		
- Charity	40	31
- Subsidiary	6	6
- Other audit work	12	19
Non audit services charged by Moore Kingston Smith LLP:		
- Tax advice	21	32
- Other tax work	6	-
Depreciation	3,948	3,946
Amortisation	341	431
Operating lease rentals:		
- Land	466	463
- Other	9	1

8. Staff costs

	2023	2022
	£000	£000
Salaries and wages	19,389	16,826
Social security costs	1,858	1,672
Pension costs	1,243	1,050
Other employee benefits	280	223
	22,770	19,771

The actual average number of employees involved in the following activities during the year was as follows:

	2023	2022
	Number	Number
Donations and legacies	49	48
Trading activities	17	21
Care of dogs and cats	398	369
Grant giving and Academy	20	12
Education and awareness	66	51
Support staff	77	58
	626	559

The number of employees whose emoluments exceeded £60,000 for the year was:

	2023	2022
	Number	Number
£60,001 - £70,000	25	12
£70,001 - £80,000	10	7
£80,001 - £90,000	1	-
£90,001 - £100,000	3	2
£100,001 - £110,000	2	3

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

£110,001 - £120,000	2	1
£120,001 - £130,000	2	1
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

During the year, retirement pension benefits of £82,803 and other benefits of £6,210 were accrued to 9 higher paid employees (2022: 9).

£842 of reimbursed expenditure was paid to members of the Council of Trustees during the year (2022: £181). No remuneration was paid to members of the Council of Trustees during the year (2022: Nil), nor were any emoluments waived in the year (2022: £Nil). Indemnity insurance was provided in the year, covering Trustees and staff, at a cost of £4,595 (2022: £4,595) to the charity.

Additional information:

The key management personnel of Battersea comprise the Trustees, the Chief Executive Officer, and the Directors of Finance and Corporate Services, Operations, Veterinary, Global Programmes, Fundraising, Marketing & Communications and Human Resources, and the Programme Director. The total employee benefits (including salaries, employer pension contributions and national insurance) of the key management personnel of the charity were £1,134,696 (2022: £930,909).

Battersea operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. The amount for pension cost shown above includes Battersea's contribution to this scheme during the year of £1,243,000 (2022: £1,050,000).

Pension costs also include the administration costs of Battersea's defined benefit pension scheme of £28,000 (2022: £84,000). From 2023 onwards, costs of operating the fund are covered by the fund itself.

Total redundancy and termination payments during the year of £20,070 (2022: £11,243) were recognised as an expense and did not give rise to a funding requirement.

9. Intangible fixed assets

Charity and Group	Intangible assets £000	Assets under construction £000	Total £000
Cost			
At 1 January 2023	2,030	657	2,687
Additions	14	3,476	3,490
Transfers	323	(323)	-
Disposals	(1,096)	--	(1,096)
At 31 December 2023	1,271	3,810	5,081
Amortisation			
At 1 January 2023	1,545	-	1,545
Charge for the year	341	-	341
Disposals	(1,096)	-	(1,096)
At 31 December 2023	790	-	790
Net book value			
At 31 December 2023	481	3,810	4,291

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

At 31 December 2022

485

657

1,142

10. Tangible assets

Land and buildings

Group and Charity	Freehold land and buildings £000	Long leasehold £000	Short leasehold £000	Equipment, fittings, and vehicles £000	Assets under construction £000	Total £000
Cost:						
At 1 January 2023	32,150	59,750	1,049	3,123	104	96,176
Additions	37	29	-	705	-	771
Disposals	-	-	-	(105)	-	(105)
At 31 December 2023	32,187	59,779	1,049	3,723	104	96,842
Depreciation:						
At 1 January 2023	12,924	19,723	647	1,942	-	35,236
Charge for the year	1,208	2,218	43	479	-	3,948
Disposals	-	-	-	(105)	-	(105)
At 31 December 2023	14,132	21,941	690	2,316	-	39,079
Net book value:						
At 31 December 2023	18,055	37,838	359	1,407	104	57,763
At 31 December 2022	19,226	40,027	402	1,181	104	60,940

All assets held in Tangible Fixed Assets are for charity use only.

11. Investment in subsidiary undertakings

Battersea Dogs Home Limited (company number 3472633) and Bell Mead Kennels Limited (company number 247077) are both wholly owned subsidiaries, being companies incorporated in Great Britain. The principal activity of Battersea Dogs Home Limited is that of operating the shop of Battersea Dogs & Cats Home and developing commercial income streams. Bell Mead Kennels Limited is now a dormant company.

	2023 £	2022 £
Shares at cost:		
Bell Mead Kennels Limited	5,000	5,000
Battersea Dogs Home Limited	100	100
	5,100	5,100

A summary of the trading results and balance sheet of Battersea Dogs Home Limited is shown below:

	2023 £000	2022 £000
Profit and loss account		
Turnover	683	585
Administrative expenses	(593)	(568)
Interest paid on intergroup balance	(4)	(3)

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Net profit/(loss)	86	14
Tax on ordinary activities	-	-
Profit/(loss) on ordinary activities for the year before distribution	86	14
Balance sheet		
Current assets	2,523	2,118
Current liabilities	(2,522)	(2,117)
Net current assets/(liabilities) and total assets/(liabilities)	1	1
Capital and reserves		
Called up share capital	1	1
Opening Profit and loss account	-	(11)
Profit/(loss) during the year	86	14
Amounts distributed to parent charity	(86)	(3)
Equity shareholders' funds	1	1

Bell Mead Kennels Limited ceased trading on 31 December 1998 and has been dormant since that date. It has a current asset debtor of £5,000 and called up share capital of £5,000 at 31 December 2023 and 31 December 2022.

12. Other fixed asset investments

	2023	2022
	£000	£000
Shares at cost and market valuation		
Market value at 1 January	17,335	18,783
Acquisitions at cost	27,658	8,667
Disposal proceeds	(16,104)	(8,012)
Realised (loss)/gain on disposal	(1,415)	(612)
(Loss)/gain on revaluation during the year	2,154	(1,491)
Market value at 31 December	29,628	17,335
Cash held in portfolio at 31 December	346	1,261
	29,974	18,596
Historical cost at 31 December	29,057	18,939
Cash held in portfolio at 31 December	346	1,314
Historical cost and cash held in portfolio at 31 December	29,403	20,253

Listed investments at market value comprise:	2023	2022
	£000	£000
UK government stock	-	934
UK fixed interest securities	10,600	1,387
UK equity investments	1,550	3,511

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Overseas equity investments	14,413	8,857
Property	-	826
UK and European alternative investments	3,065	1,820
Cash deposits held as part of portfolio	346	1,261
	29,974	18,596

At 31 December 2023 and at 31 December 2022, no single investment was considered material to the overall portfolio held.

13. Stock

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Goods for resale	138	83	-	-

14. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts due within one year:				
Operating debtors	243	395	79	317
Due from subsidiary undertaking	-	-	2,419	2,055
Other debtors	1,693	1,651	1,693	1,651
Prepayments and accrued income	6,733	6,746	6,693	6,706
	8,669	8,792	10,884	10,729

15. Creditors

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due within one year:				
Operating creditors	3,397	2,786	3,333	2,750
Amounts due to subsidiary undertaking	-	-	5	5
Taxation and social security	499	450	499	450
Other creditors	235	148	235	148
Grant accruals	485	740	485	740
Other accruals	1,517	1,210	1,508	1,184
Deferred income	114	-	84	-
	6,247	5,334	6,149	5,277

Included within the figures above is £168,358 (2022: £147,997) relating to outstanding pension commitments at 31 December 2023.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Deferred income analysis

Group

B/f	Released	Deferred in the year	C/f
£54,155	(£54,155)	£114,192	£114,192

Charity

B/f	Released	Deferred in the year	C/f
£54,155	(£54,155)	£84,192	£84,192

£84,192 deferred income carried forward in the Charity entity relates to donations and registration fees paid in 2023 relating to events taking place in 2024. £30,000 deferred income carried forward in the Trading subsidiary relates to sponsorship income received in 2023 for a charitable event which takes place in 2024.

16. Group Funds

	At 1 January 2023 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2023 £000
Unrestricted funds:						
General fund	36,510	61,235	(45,722)	293	(10,826)	41,490
Battersea Dogs Home Limited	-	683	(597)	-	(86)	-
Designated funds						
Fixed asset fund	62,082	-	(4,289)	-	4,261	62,054
Site development fund	6,000	-	-	-	(200)	5,800
Multi year grants fund	4,544	-	(2,547)	-	5,673	7,670
Data Strategy fund	5,700	-	(2,620)	-	1,179	4,259
Capital fund						
Bell Mead Kennels and BDH Ltd	5	-	(5)	-	-	-
	114,841	61,918	(55,780)	293	-	121,273
Other restricted funds						
Welfare of dogs and cats	-	765	(743)	-	-	22
Vehicles	-	45	(45)	-	-	-
Global Programmes	-	146	(146)	-	-	-
Sighthound paddock	10	-	(10)	-	-	-
External treatments	20	-	(20)	-	-	-
Data Strategy fund	-	500	(500)	-	-	-
Other	50	1,109	(935)	-	-	224
	80	2,565	(2,399)	-	-	246
Total funds	114,921	64,484	(58,179)	293	-	121,519

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Group Funds – prior year

	At 1 January 2022 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2022 £000
Unrestricted funds:						
General fund	36,215	55,320	(46,309)	(1,811)	(6,905)	36,510
Battersea Dogs Home Limited	(11)	585	(571)	-	(3)	-
Designated funds						
Fixed asset fund	62,403	-	(4,377)	-	4,056	62,082
Site development fund	8,069	-	-	-	(2,069)	6,000
Multi year grants fund	1,838	-	(1,423)	-	4,129	4,544
Data Strategy fund	4,700	500	(292)	-	792	5,700
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	113,219	56,405	(52,972)	(1,811)	-	114,841
Other restricted funds						
Welfare of dogs and cats	18	17	(35)	-	-	-
Kennel appeal	5	-	(5)	-	-	-
Sighthound paddock	-	35	(25)	-	-	10
External treatments	-	20	-	-	-	20
Other	-	50	-	-	-	50
	23	122	(65)	-	-	80
Total funds	113,242	56,527	(53,037)	(1,811)	-	114,921

The fixed asset fund represents the net book value of Battersea's fixed tangible and intangible assets. These are all used for operational purposes in pursuance of Battersea's charitable activities. Transfers from the general fund to the fixed asset fund represents fixed asset additions and depreciation charges made in the year.

The site development fund is an amount set aside to develop Battersea's sites within its planned capital and maintenance programme. The transfer out of the fund reflects the decision made to lower the amount set aside for such works.

The multi-year grants designated fund represents funds set aside for where the conditions to release the funds have not yet been met.

The Data Strategy Fund represents monies set aside to meet the future costs of implementation of the data strategy, including the replacement of core systems.

The above funds are explained further in the reserves policy in the Trustees Report.

The capital fund represents shares in Bell Mead Kennels and Battersea Dogs Home Ltd.

There were seven restricted funds in the year: Welfare restricted are monies where the donor has restricted their use to the care and welfare of either dogs or cats across the charity as a whole or specifically to one of its three locations; Vehicles restricted are monies only to spend on vehicles to help assist the operations of the Charity, used by facilities, operations, and fundraising events teams. Global Programmes restricted are monies only to be spent on grants assisting other dogs and cats rescue centres, or training courses for other rescue centres delivered by the Academy; Sighthound paddock restricted are monies where the donor has restricted their use to the construction and upkeep of the paddocks at the Windsor site; External treatments restricted are monies where the donor has restricted their use for certain treatments performed by Battersea Dogs and Cats Home; Data Strategy is donations restricted to spend on Launchpad; Other restricted are monies where the donor has restricted their use for certain expenditure in the future.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

17. Analysis of funds between net assets

2023	Fixed assets £000	Investments £000	Net current assets £000	2023 £000
General funds	-	29,974	11,516	41,490
Fixed asset fund	62,054	-	-	62,054
Site development fund	-	-	5,800	5,800
Multi year grants fund	-	-	7,670	7,670
Data Strategy fund	-	-	4,259	4,259
Capital fund	-	-	-	-
Restricted fund	-	-	246	246
Total funds	62,054	29,974	29,491	121,519

2022	Fixed assets £000	Investments £000	Net current assets £000	2022 £000
General funds	-	12,596	23,914	36,510
Fixed asset fund	62,082	-	-	62,082
Site development fund	-	6,000	-	6,000
Multi year grants fund	-	-	4,544	4,544
Data Strategy fund	-	-	5,700	5,700
Capital fund	-	-	5	5
Restricted fund	-	-	80	80
Total funds	62,082	18,596	34,243	114,921

18. Pensions

Battersea operated a defined benefit pension scheme, the scheme closed to new members in September 2010 and closed to further accrual at the end September 2013. The assets of the scheme are held separately from those of the Home, being invested with an insurance company which generates the funds to pay pensions as they fall due.

The most recent full actuarial valuation was carried out as at 1 January 2021. Employer contributions ceased in April 2016 as the scheme was deemed no longer in deficit. Employees were transferred to a group personal pension scheme where employer contributions range from between 5.33% and 10% dependent on employee contributions.

The most recent FRS 102 valuation was based on the state of affairs as at 31 December 2023.

The principal financial assumptions are:

2023

2022

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023

Inflation	3.0%	3.1%
Rate of increase in salaries	N/A	N/A
Rate of increase for pensions in payment	1.85%	1.8%
Scheme liabilities discount rate	4.6%	4.8%

Pre and post retirement mortality tables used

S2NMA for Males and S2NFA for Females, improving in line with CMI_2022 projections with a long-term trend of 1.25% p.a.

Weighted average life expectancy for mortality tables used to determine benefit obligations

Average expected future life at age 65 for:

Member aged 65 (current life expectancy) - male	21.4 years
Member aged 65 (current life expectancy) - female	24.0 years
Member aged 45 (current life expectancy) - male	22.6 years
Member aged 45 (current life expectancy) - female	25.4 years

The assets in the scheme and their expected rate of return are:

	2023	% of fair value of plan assets	Expected overall return on plan assets %	2022	% of fair value of plan assets	Expected overall return on plan assets %
	£000			£000		
Equities	10,630	39%		9,983	39%	
Bonds	8,456	31%		7,385	29%	
Alternatives	8,103	30%		8,098	32%	
Cash	66	0%		111	0%	
Annuity policies	48	0%		56	0%	
Total value of assets	27,303		1.4	25,633		1.4
Present value of scheme liabilities	(17,240)			(16,342)		
Surplus/ (Deficit)	10,063			9,291		
Brought forward surplus restriction	(9,291)			-		
Surplus restriction	(772)			(9,291)		
Surplus position on the Balance Sheet	nil			nil		

Movements in fair value of plan assets:

	2023 £000	2022 £000
Value of assets at 1 January	25,633	29,054
Expected return	1,223	533
Actuarial gains/(losses)	757	(3,514)
Benefits paid	(310)	(440)
Value of assets at 31 December	27,303	25,633

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

The actual return on plan assets was a gain of £1,980,000 (2022: loss of £2,981,000).

The fair value of the plan assets at the reporting period end was £27,303,000 (2022: £25,633,000).

Movements in the liability value over the year:

	2023	2022
	£000	£000
Value of liabilities at 1 January	16,342	29,346
Interest on liabilities	777	539
Actuarial losses / (gains):		
From change in financial assumptions	585	(15,204)
From change in demographic assumptions	(491)	144
From experience	337	1,957
Benefits paid	(310)	(440)
Value of liabilities at 31 December	17,240	16,342

Expected contributions for the year ended 31 December 2024

	£000
Defined benefit pension plans	
Employer	Nil – as closed to accrual

Amounts recognised in the Statement of Financial Activities.

	2023	2022
	£000	£000
Net interest income	446	-
Total credit	446	-

Analysis of actuarial gains:

	2023	2022
	£000	£000
Actuarial (losses)/gains from assets	757	(3,514)
Actuarial gains from a change in financial assumptions	(585)	15,204
Actuarial (losses)/gains from a change in demographic assumptions	491	(144)
Actuarial losses from experience	(337)	(1,957)
Restriction on recognised surplus	(772)	(9,297)
Actuarial Gains/(losses)	(446)	292

19. Financial commitments

The group's total future minimum operating payments are as follows:

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023**

	Land and buildings 2023 £000	Other 2023 £000	Land and buildings 2022 £000	Other 2022 £000
Operating lease commitments:				
- within 1 year	466	8	463	1
- between 1- 5 years	1,862	26	1,854	1
- more than 5 years	6,315	3	6,792	-
From the balance sheet date				

20. Related party transactions

No disclosure has been made of transactions between the parent and subsidiary undertaking in accordance with the exemptions allowed by FRS 102.

Total donations received in the year from five Trustees and one director amounted to £9,377 (2022: £1,289 from five trustees).

21. Company Limited by Guarantee

The guarantee given by the members of the charity is £1 per member in the event of there being a deficiency of assets should the charitable company be wound up. In 2023 there were 13 members (2022: 13 members).

22. Contingent liabilities

In June 2023, in the case of Virgin Media vs NTL Pension Trustees II Limited, the High Court judged that amendments made to the Virgin Media scheme were invalid because they were not accompanied by the correct actuarial confirmation. If upheld, the High Court's decision could have wider ranging implications, affecting other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016. There is still further uncertainty with a Court of Appeal hearing for the case set for 25 June 2024, as well as the potential for overriding government legislation to be introduced. As a result, the Home and the Trustees of the Home's pension schemes have not yet investigated the potential implications for the accounts in detail. The Home considers the amount of any potential impact on the schemes' defined benefit obligation cannot yet be measured with sufficient reliability and therefore no allowance for this case has been made in calculating the defined benefit obligations at the reporting date.

Accounts

BATTERSEA DOGS' AND CATS' HOME
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

Company Limited by Guarantee
Registration Number 278802 (England and Wales)

Charity Registration Number
206394

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

CONTENTS

REPORT OF THE COUNCIL OF TRUSTEES	3
REFERENCE AND ADMINISTRATIVE DETAILS	22
STRUCTURE, GOVERNANCE AND MANAGEMENT	24
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATTERSEA DOGS' AND CATS' HOME	32
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	37
CONSOLIDATED AND CHARITY BALANCE SHEET	38
CONSOLIDATED STATEMENT OF CASH FLOWS	39
NOTES AND ACCOUNTING POLICIES	40

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Report of the Council of Trustees

The Council of Trustees is pleased to present the annual report and financial statements of Battersea Dogs & Cats Home for the year ended 31 December 2022.

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

Our activities

Battersea's core operational activities are directed towards improving the lives of dogs and cats, principally those that come directly into our centres, through our intake, assessment, rehoming and clinical activities, but also those beyond our three centres through our work and engagement with key stakeholders and decision-makers in Government on issues of animal welfare and supporting other organisations through the Battersea Academy and our grants programme.

The Trustees confirm that they comply with their duty to have regard to the guidance on public benefit, published by the Charity Commission, when exercising their powers and duties.

Strategic Report

Battersea puts the health and welfare of dogs and cats at the very core of everything we do and in doing so we make a significant difference to the lives of animals through our activities. This is best articulated in our Mission:

We aim never to turn away a dog or cat in need of our help, ensuring they receive the best care possible no matter how long it takes to find them a place to live. We are experts in championing and supporting vulnerable dogs and cats, creating lasting change for animals and those who care for them, wherever they are.

We remain true to our Vision that every dog and cat should live where they are treated with compassion, care, and respect.

We achieved impact and made a difference through the efforts and commitment of our 559 staff and 688 volunteers, who consistently demonstrate our values of Care, Expertise, Determination, Respect, Inclusion and Collaboration.

In 2019 Battersea launched its Strategic Plan 2019 – 2023: 'Here for Every Dog and Cat'. This strategy places great emphasis on using our voice and expertise to make a difference, not just to those animals in our care but to those we may never see, but that are in desperate need of help.

We will substantially grow the number of animals we help by expanding our direct services, improving the effectiveness of the wider animal welfare sector in the UK and internationally through our Academy and Grants programme, using our voice and influence to champion legislative changes, and working to shift public perception of rescue animals through an ambitious behaviour change campaign.

Battersea's Strategic Plan 2019-2023 is built around five themes:

- 1. Directly helping more dogs and cats in need:** We will deliver a programme of service expansion, innovation, and continuous improvement.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

2. **Reframing rescue:** We will seek to change people's perceptions towards rescue animals to help more dogs and cats be treated with compassion, care, and respect.
3. **Our Voice:** We will use our respected, authoritative, and influential position as a leader in the sector to tackle existing and emerging animal welfare issues and to remove barriers to greater pet ownership.
4. **Increasing Our Impact:** We will extend our impact beyond our physical centres to help more animals by working in partnership with other dog and cat welfare organisations in the UK and around the world.
5. **Our Enablers:** We will ensure our people, income, technology, and systems support the effective delivery of our strategy.

Impact against Battersea's Five Strategic Themes

Theme 1: Directly helping more dogs and cats in need

Intake of new animals was 4,531 across our three centres: up 35% from 3,344 in 2021, although still below pre-pandemic levels. We received 2,278 dogs (up 42% from 1,601 in 2021) and 2,253 cats (up 29% from 1,743 in 2021) in 2022. We saw an **increase in stray dogs and cats** with stray dog intake doubling to 849 compared to 422 in 2021, and cat stray intake increasing by 17%, boosted by an increase in kittens born at our centres: 133 compared to 50 in 2021.

Rehoming demand continued to rise and with an increase in animals at our centres, we were able to rehome more animals in 2022. We **rehomed 3,077 animals last year**, (1,258 dogs and 1,819 cats), across all three centres, with rehoming figures for **dogs up 31%** from 957 in 2021 and rehoming figures for **cats up 26%** from 1,438 in 2021.

Since 1883, Battersea has aimed to take in any dog or cat regardless of its age, breed, temperament or medical history. We are proud of our non-selective intake policy which sets us apart from many other animal rescues. We are here for every dog and cat and not just the easy to rehome ones.

As a result of this policy, we have no control over what arrives at our gates. Battersea regularly takes in some of society's most challenging dogs and cats with complex medical and behavioural issues. Many have been turned away from other rescue centres.

If, after assessment, the animal is found to have untreatable medical problems, or to have behavioural issues so severe that we will be unable to safely rehome it or redeploy to a working environment, then we may have to take the difficult decision to put the animal to sleep. In 2022, 22% of dogs brought into Battersea were put to sleep across our three centres (2021: 22%). Included in these figures are 14% of dogs received who were put to sleep on behavioural grounds, 6% for medical reasons, and 1% due to being a banned breed type. 10% of cats brought into Battersea were put to sleep (2021: 8%). This included 8% for medical reasons. This is never a decision we take lightly but we have a responsibility to rehome our dogs and cats safely.

Battersea's dedicated dog behaviour **advice line** dealt with 693 (2021: 692) enquiries from dog owners – 60% of these cases involved Battersea dogs (2021: 59%). **80% of these cases**

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

were positively resolved, resulting in the owner keeping their pet (2021: 81% positively resolved).

Our veterinary teams carried out a total of **3,450 operations** across our centres in 2022, up 26% from 2021, including 2,105 dog and cat neuters and 1,339 dental surgeries. We also continued to provide vital **veterinary support to sector partners** by treating 105 dogs and cats referred by RSPCA, Blue Cross, and StreetVet as well as developing a relationship with North Downs Referral Service for pro bono advice.

The commercial opportunity for **hydrotherapy was expanded** for both medical referrals and non-medical swims, adding physiotherapy services for both Battersea animals and external cases. The hydrotherapy team supported between 150 and 200 sessions a month. We also introduced physiotherapy in 2022, with 148 physiotherapy appointments provided to 19 Battersea animals and 19 owned dogs.

We are immensely proud of the facilities we have across our three centres and sought to improve these further through a series of projects designed to improve conditions for our animals. In 2022, **The Prince Michael of Kent kennels and new cattery pens were officially re-opened** at our London Centre following extensive refurbishment.

With an increase in animal intake, the number of animals placed in **temporary foster care increased by 19%** from 606 in 2021 to 724 in 2022, and 69 animals were helped through Battersea's communities in Guildford, Ashford, and Basingstoke. Our charity is not just committed to helping dogs and cats, but also **supporting pet owners** through any means. Our online puppy and dog training classes delivered **158 hours of training to 123 owners** and their dogs. Pet advice content on our website was **viewed 4.0 million times** and **reached 8.7 million on social media** with 468,000 YouTube views. Our pet advice email series had **24,000 subscribers**.

Theme 2: Reframing rescue

Our **Wear Blue for Rescue** campaign is part of Battersea's long-term ambition to change the public perception of rescue animals. The campaign continued to build brand awareness through increased recognition, as well as driving positive engagement through celebrity, and social partnerships. This included support for the campaign from **Arsenal and Lioness footballer Beth Mead** which led to social media activity with 149,000 reach.

Over **6,000 pieces of press coverage** were generated throughout the year. Cost of living was a key focus for media, whilst coverage on our Royal patronage helped achieve global audience reach and included our Patron's visit to Brands Hatch and Clarence House Garden Party

A 10th series of **Paul O'Grady for the Love of Dogs** aired, reaching 3.6m consolidated viewers per episode. This included an additional Royal special to celebrate Battersea's 160th birthday, which gained 2.8m consolidated viewers, exceeding viewing figures for recent specials. The series was once again shortlisted in the National Television Awards and an 11th series was filmed, due to air in 2023.

In March 2023, we responded to the passing of our beloved Ambassador who helped raise the profile of Battersea to millions around the world through our hugely popular ITV series. There's no doubting that Paul's influence has helped thousands of rescue animals find new homes. Paul loved Battersea so much and we cannot thank him enough for everything he did for our charity and for rescue animals worldwide. We will forever be indebted to him for his endless generosity and support.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Theme 3: Our Voice

Battersea has a respected, authoritative, and influential voice with a proven record in bringing about policy and legislative change to benefit animal welfare and 2022 was no exception.

Battersea's Pet Friendly Properties campaign is focused on closing the gap between the number of renters who want pets, and the availability of affordable private rented housing which accepts them. The campaign influenced a major **Government White Paper** on housing policy and established Battersea as a major thought leader on the issue. We generated 10,305 online campaign pledges and in September, Battersea joined a panel of experts to speak about pet friendly properties to a prestigious international academic audience at the Society of Companion Animal Studies conference.

Battersea continues to collaborate with sector colleagues to drive positive change for dogs and cats. In 2022 we worked on approximately 120 projects with a range of partners including:

- Active participation in groups such as the Canine Feline Sector Group, Dog Control Coalition, and Companion Animal Welfare Group Wales;
- Working with sector partners to urge Government to progress the **Kept Animals Bill**;
- Our leadership of the sector membership body Association of Dogs and Cats Homes (ADCH) of which our Chief Executive served as Honorary Secretary (and an ex-officio Trustee) during the year; and
- The appointment of Battersea's Chief Executive as non-executive Director to the Government's **Animal Health and Welfare Board for England (AHWBE)**, and as **Chairman of the Greyhound Forum**.

In 2022 we continued to work closely with Parliamentarians and government policy teams. This included a Parliamentary reception held in May 2022, hosted by Battersea MP Marsha de Cordova who agreed to schedule a debate on Pet Friendly Properties. We also hosted 13 visits to our centres from politicians across both Houses of Parliament and the London Assembly. We worked with the **Department for Environment, Food and Rural Affairs (DEFRA)** on the new Penalty Notices legislation and presented to the **Scottish Justice Department** on dog control.

Theme 4: Increasing our impact

Battersea has a **long-term commitment** to increase its impact for animals and to help as many dogs and cats as it can. We aim to achieve this by working in partnership with other dog and cat welfare organisations in the UK and around the world.

By providing training and financial support to these organisations, we enable them to work effectively, efficiently, sustainably, and to the highest possible welfare standards, and help ensure that Battersea has a positive, lasting impact on even more dogs and cats, year after year.

For 2022, Battersea outlined ambitious plans to grow its Global Programmes work to reach 500,000 dogs and cats over the next five years, achieved through a **new five year strategy**, a new impact framework to monitor success, and staffing structure. The strategy includes the following defined focus countries – United Kingdom, Greece, Cyprus, Sri Lanka, South Africa, and Thailand – who were selected based on an active animal welfare sector, ease of doing business, and level of existing pet ownership.

Two **major multi-year programmes** are underway with grant support provided to Jai Dog in Thailand and Zero Stray Pawject in Greece. Funding was approved to Jai Dog in early 2022 with the aim of reducing the street population and improving the overall health and welfare of

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

dogs in Nakhon Nayok. Within one year of receiving funding, Jai Dog exceeded their neutering and vaccination target. Zero Stray Pawject were awarded a three-year grant in late 2022 to expand their Zero Stray Academy. The Academy trains municipalities on how to reduce the number of strays systematically and sustainability and aims to train 80% of Greece's municipalities within three years.

Several other significant new multi-year or strategic programmes have been approved in the UK and a new Council sub-committee was established to provide governance oversight to Global Programmes, working closely alongside the existing Advancement Board.

The Academy delivered **28 courses** attended by **323 delegates** from **126 rescues** from **21 countries**. **2,105 animals were helped** by those who attended our Academy courses in 2022. Academy Online was launched in February 2022 allowing delegates to manage their own learning journey and register for long courses as well as study shorter modules in their own time.

Since Battersea started awarding Grants in 2018, we have made over 200 grants to rescue and rehoming organisations in the UK and abroad, providing organisations with vital support to improve their welfare standards, make improvements at their sites, conduct neutering and vaccination programmes, and provide vet care, food, equipment, and other essential items, reaching thousands of dogs and cats around the world.

We are now seeking to build on this and tackle systemic problems that dog and cat populations face such as population management, community education, and welfare standards within dog and cat rescue at home and across the world. During 2022, **20 grants were awarded** (2021: 57 grants awarded), **totalling £4.9m** (2021: £1.0m). We awarded our first grant under the new **Global Catalyst Programme** to the Global Alliance for Rabies Control to improve dog health through rabies elimination in South Africa, Nepal, and Sri Lanka.

Three strategic project based **multi-year grants** were awarded under Battersea's new Greece country programme (Zero Strays Pawject, Nine Lives and Animal Action Greece) and three strategic organisational development grants were awarded under our new UK country programme (Rain Rescue, Cat Care and Control Consortium, StreetVet).

Our **Research Programme** grew with an award to the Royal Veterinary College (RVC) to map the dog-centred charity-funded canine research landscape in the UK and extended research grants to the RVC (looking at the impact of the Pandemic Puppy phenomenon) and Newcastle University (looking at the feasibility of technology to support animal welfare in the shelter context).

Theme 5: Our enablers

We continue to invest in staff, income generation, technology and systems to support the effective delivery of our strategy.

Battersea made progress in the first full year of implementing our **Diversity and Inclusion (D&I) Action Plan**. Other key achievements during the year include:

- The development of a **dedicated action plan** focused on leadership, information sharing, decision making and collaboration. The action was introduced as a response to **Battersea's staff survey** which was completed by 83% of staff;
- The launch of **My Career**, a collection of development resources to empower staff to explore, develop and progress toward desired career goals; and
- A **new leadership and management programme** delivered to 68 members of staff.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

With the return of onsite volunteers following the COVID-19 pandemic, **113,328 hours were contributed by 688 volunteers** across all our centres, fostering, communities, and offices, an increase of 81% from 2021. The results of Battersea's first joint volunteer and staff survey stated 98% of respondents felt proud to tell people they volunteer at Battersea. Agenda Consulting, who conducted the survey, announced Battersea as the **winner of their Volunteer Experience Award**, an award that recognises charity clients with high levels of engagement within their organisation.

A new **Battersea Impact Framework** was designed and developed with cross-organisational participation. In support of Battersea's D&I action plan, new research was commissioned with a focus on **Underrepresented Audiences** to explore barriers and motivations and identify new principles to help Battersea better connect with different communities.

Despite the ongoing challenges surrounding the cost-of-living crisis, we are thankful and grateful to all of our donors who continue to show support for Battersea.

Our **third-party challenge events** performed below expectations, with lower-than-expected sign ups. However, our most popular **Muddy Dog Challenge** event this year was in the New Forest which surpassed the target of 600 with over 873 participants raising over £78,000.

Our **corporate and philanthropic partners supported the work of Battersea in many ways**. In 2022, we launched new corporate partnerships with Ernst & Young, X-Flow, and Car Store. Corporate partnerships provided added value across the organisation through working with Mars to secure a donation of over **304,000 free pet meals** to Fare Share.

As a charity, we are fortunate to have had many supporters who choose to recognise Battersea in their will, and we experienced **another positive year for legacy** income with legacy notifications up by 8% from 2021. Total legacy income for the year was £24.0m (2021: £25.5m), however, this is £1.5m lower than 2021 due to a significant one off legacy of £2.8m received in 2021. Whilst performance from **Individual Giving** exceeded 2021, it was lower than expected with returns from the **Cash and Raffle** programme affected by postal strikes and staff turnover.

Our investment in new systems continued in 2022 with the appointment of an implementation partner for our **Launchpad data strategy** project. The project includes the replacement of our core data systems which will deliver efficiencies as well as allowing us to make more effective use of our data, and a change programme is underway to support staff through the change. Other IT related initiatives were introduced to further enhance our protection against cyber threats.

Section 172 statement

The Trustees of Battersea, as those of all UK charitable companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A Trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to the:

- Likely consequences of any decisions in the long term;
- Interests of the charitable company's employees;
- Need to foster charitable company's business relationships with suppliers, customers and others;

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

- Impact of the charitable company's operations on the community and environment;
- The charitable company's reputation for high standards of business conduct; and
- Need to act fairly between members of the charitable company.

The following paragraphs summarise how the Trustees fulfil their duties:

Our Rehoming Customers

Battersea continues to engage with rehoming customers to help understand and improve the rehoming journey. Investment made in this area in previous years meant we were able to assess progress in 2022, with further customer surveys carried out. Areas of focus include our aftercare service, pet advice line, and website experience. Results of the survey are used to monitor the customer experience and to inform a longer-term strategic plan as part of our data strategy.

Donors

At Battersea, we are indebted to our supporters and greatly value all the donations given to us, ensuring they are carefully spent on providing the best possible future for the animals in our care and beyond our gates. We also have ambitious targets, to enable the organisation to meet its strategic aims.

In order to improve our communications and products for the benefit of our supporters and highlight and capitalise on opportunities for growth, we undertook research to better understand our current and potential donors both those who give directly and those who use their networks to fundraise on behalf of us. During the year, our work included a survey of our gaming product which demonstrated the target audience were unlikely to deliver the required return on investment. Whilst the gaming product is still available to allow people to game and fundraise for Battersea, a decision was made to not actively promote or develop the product and to invest funds elsewhere.

Employees

Battersea engages with its employees consistently and through various channels. During 2022 we continued to engage with staff through All-Staff webinars which included regular updates from the Chief Executive, Directors and Senior Managers from across the organisation and provided staff with opportunities to put questions to the leadership team.

We continue to engage with our employees through the Battersea Matters staff consultation group, which is made up of elected representatives from across the whole organisation, to discuss on key organisational and employee priorities. The group met three times in 2022.

In 2022, 83% of staff completed Battersea's staff survey leading to the development of a dedicated action plan focused on leadership, information sharing and decision making, and connection and collaboration. A quarterly pulse survey has been developed to track progress.

During the year, Battersea's Senior Management Group, a group of Head of Functions, rebranded as the Senior Leadership Team. The team identified a new strategy to focus on key organisational priorities and driving a collaborative, trust-based culture across Battersea. The team met six times during 2022, including a meeting with the Directors team to review and address the results of the staff survey.

In 2022, a series of focus groups and surveys were completed within our animal facing teams to identify a suitable hybrid working model. An agreed approach was introduced for staff, supported by additional weekend staff and flexible working hours.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Volunteers and Foster Carers

Battersea continued to adapt its communications with its volunteers, foster carers and volunteers in Communities to keep them engaged. During 2022, a volunteer's survey was launched alongside the staff survey. Results of the survey identified a need for volunteers and staff to work better together which led to the Volunteering team being more present when new volunteers join.

Communities

Our communities work continues to grow both in the development of existing communities and in the launch of a third community in Basingstoke, launched during the year.

Towards the end of 2022, our communities were asked to support Battersea's work on alleviating the impact of the cost-of-living crisis on pet owners. This led to research conducted on food banks within the communities' catchment area to identify food banks who would require pet food for owners. This work has since been incorporated into our plans for 2023.

Academy attendees

During the year we worked with sector leaders to help inform the development of our new five-year strategy which will be implemented from 2024. The new strategy will enable Battersea to reach 500,000 dogs and cats over the next five years through our programmes.

Grant recipients

In 2022 we engaged with rescues to understand the impact of the cost of living on their work and this led to a strategic decision to make specific cost of living grants available to rescues. We also engaged with rescues in Ukraine to understand the impact of the crisis on dogs and cats, which led to a strategic decision to make specific grants available to rescues to help aid the shortage of food, vet, and other emergency supplies. We also engaged with rescues in Greece, Sri Lanka, and UK to identify strategic opportunities to improve their facilities, strengthen the companion animal welfare sector and reduce stray and roaming populations.

Data Strategy Steering Group

The Data Strategy Steering Group was formed in 2022 to help support Battersea through the implementation of our Launchpad Data Strategy. The Group comprises external advisors who throughout the year supported Battersea with high level decision making. As a result of their contributions, we agreed a CRM platform, a data management architecture, and preferred implementation partner. They also made a joint recommendation to Trustees for the need to focus on culture change to ensure successful embedding of the strategy.

Parliamentarian and Government Policy Teams

Battersea's work to drive policy and legislative change to benefit animal welfare wouldn't be achieved without close collaboration with politicians and government policy teams. During the year, we engaged with teams through regular email communications, MP briefings, and organised events. Results of the engagement led to a change in focus and to prioritise work on Pet Friendly Properties.

Sector Partners

We continue to work with our sector partners to drive forward Battersea's 'Our Voice' strategy. In 2022 this included joint political events, consultations, and meetings which helped form a number of strategic collaborations, including the Dog Control Coalition which impacted our approach on dog safety, and working jointly with the Companion Animal Welfare Group Wales (CAWGW) to shape our Government approaches around reform of regulated activities.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Financial review

Income

Total income was £56.5m (2021: £58.3m) for the year – a decrease of £1.8m from 2021. This was due to lower legacy income at £24.0m (2021: £25.5m) due to a one off legacy receipt of £2.8m received in 2021. Income received from Donations was fairly in line with 2021 at £29.4m due to higher income from individual giving and trusts. Income from Trading activities performed £0.4m lower than 2021. This was predominately due to a decrease in fundraising events income of £0.3m due to lower sign ups to events.

	2022 £m	2021 £m	Change %	Ratio %
Legacies	24.0	25.5	(6)	42
Donations	29.4	29.1	1	53
Government grants	-	0.6	-	-
Gifts in kind	0.4	0.3	33	1
Trading activities	1.4	1.8	(22)	2
Investment income	0.6	0.4	50	1
Charitable income	0.7	0.6	17	1
Total Income	56.5	58.3	(3)	100

Expenditure

Total expenditure increased by £5.9m to £53.0m for the year (2021: £47.1m). The amount we spent on caring for animals at Battersea increased to £20.5m (2021: £17.4m), reflecting the increase in animals helped, inflationary increases in costs, and higher depreciation charges reflecting recent capital development works. Costs of raising funds remained in line with 2021 figures being £17.0m (2021: £17.1m) as fundraising activity resumed at the same rate as the prior year. Grant giving and Academy expenditure increased to £2.9m (2021: £1.3 m) due to increase in grants awarded in 2022 as we further developed our Global Programmes work. Education and awareness costs remained in line with 2021 figures being £6.6m (2021: £6.6m). Support costs increased to £5.7m (2021: £4.4m) due to investment in technology and teams.

	2022 £m	2021 £m	Change %	Ratio %
Care of animals	20.5	17.4	18	39
Raising funds	17.0	17.1	(1)	32
Gifts in kind	0.3	0.3	-	1
Grant giving and Academy	2.9	1.3	123	5
Education and awareness	6.6	6.6	-	12
Support and governance	5.7	4.4	30	11
Total Expenditure	53.0	47.1	13	100

Pension

Battersea operates a defined contribution pension scheme for its employees. It also has a legacy defined benefit pension scheme which was closed to new members from September 2010. At the end of September 2013 this was also closed to future benefit accrual, to help mitigate any future liability.

Despite this, Battersea will continue to have ongoing obligations, the funding of which is agreed between the Trustees of the pension scheme and the charity's Trustees. These liabilities are

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

subject to fluctuation as assumptions change over time. As at 31 December 2022 the pension scheme was in a surplus position of £9.3m (2021: £0.3m deficit). In line with FRS 102, the surplus on the pension scheme has not been recognised in the financial statements for the year ended 31 December 2022.

Full detailed information on Battersea's pension schemes, including the defined contribution scheme, can be found in note 18.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to make any investments which the Council of Trustees see fit. The Trustees are aware of the importance of responsible investment in making decisions that align with our charitable purpose and objectives, alongside their responsibility for maximising investment returns without jeopardising the charity's reputation. They therefore require their investment advisers, Sarasin & Partners, to refrain from investing in any company that is involved directly in the use of experimental animals for non-clinical research, or sub-contracts to companies that make use of such animals, unless there is a legal or regulatory requirement to do so. In addition, Trustees have committed to applying principles of ESG in investment decisions in so far as they do not result in significant financial detriment to the Charity and will therefore ask Sarasin & Partners to make the appropriate recommendations. If in doubt, they are asked to refer to the Chair of the Finance, Audit and Risk Committee. Our investment advisers confirm adherence to this policy through a formal quarterly screening of our investment portfolio and the issuing of a compliance report to the Finance, Audit and Risk Committee.

This gives Trustees assurance that there are no listed investments adverse to the purpose of the charity, thereby complying with the requirements of the Statement of Recommended Practice (SORP) and the Charity Commission's revised guidance note CC14.

Investment diversification within the above criteria is used to reduce risk exposure. The Trustees also prohibit high-risk investment, e.g., derivatives. The Council of Trustees, together with their advisers, set benchmark weightings for the portfolio and a benchmark for income yield.

The Council of Trustees place the emphasis on maximising long-term, maintainable investment growth and the actual performance is reviewed against the benchmark return with Sarasin & Partners every quarter.

The asset allocation of the portfolio as at 31 December 2022 was as follows:

	Benchmark	Actual Weighting
Equities	70%	66.5%
Bonds	15%	12.5%
Alternative investments	10%	9.8%
Cash	-	6.8%
Property	5%	4.4%
	100%	100%

Departure from benchmarks above, at year end, reflects the need to respond to market conditions.

Net unrealised losses on investments in the year were £2.1m (2021: gains of £2.2m) due to a fall in global equity markets. The sharp rise in inflation and the resulting increase in interest

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

rates led to a revaluation of both bonds and equities. The relative performance of the portfolio was behind the benchmark owing to the strong rise in energy stocks which were not held in the portfolio.

The result in the year to 31 December 2022 was as follows:

	Benchmark	Actual Performance
Portfolio total return	-7.0%	-10.4%

Reserves

The aim of Battersea's Reserves Policy is to ensure that the charity's ongoing activities are protected from unexpected fluctuations in its income and expenditure. In setting the reserves Policy, the Council of Trustees is influenced by strategic risks facing the charity (which are kept under regular review) – not least the fact that the charity is heavily reliant on voluntary income (legacies and fundraising) to continue its charitable undertakings – which being uncertain sources of revenue may not always provide the necessary funds to cover essential costs. Trustees have affirmed the target range for free reserves to be maintained between 6 to 12 months of future budgeted charitable and support cost expenditure which equates to between £18.4m and £36.8m. This would allow for our activities to continue as normal during temporary falls in income or allow contingency plans to be implemented in the event of a more significant downturn in income or unanticipated increase in expenditure. This level is deemed appropriate when considered alongside the major strategic and operational risks currently faced by the Charity.

Free reserves (that is, those unrestricted funds not tied up in tangible fixed assets or other designated funds, excluding any pension assets) increased during 2022 to £36.5m (2021: £36.2m), representing approximately 12 months of charitable and support cost expenditure. Following a sustained period of financial growth, in 2022 Battersea invested in developing our charitable activities. This included expanding our grants programme and through continual investment in our Launchpad data strategy.

Trustees balance the need to maintain an appropriate level of free reserves with funding key strategic initiatives such as investment in the charity's infrastructure and facilities. In 2023, Trustees will continue to focus on increasing Battersea's charitable impact, including beyond our gates.

Battersea had identified the need for the development of existing facilities, particularly at the London and Windsor site. Battersea committed to ensuring every dog and cat coming to our doors can stay in safe accommodation that meets their individual health and welfare needs. To achieve this vision the **Site Development Fund** was created. As at 31 December 2022, this stands at £6.0m (2021: £8.1m), representing planned future works to maintain our estate.

The **Fixed Asset Fund** of £62.1m (2021: £62.4m), represents the net book value of Battersea's fixed assets – principally the value of the land and buildings on our three sites.

The **Multi Year Grants fund** was created to ringfence funds for grants awarded but where conditions for release have not yet been met in relation to Battersea's multi year grant award programmes. At 31 December 2022, the balance on the fund stood at £4.5m (2021: £1.8m), which represents awards to eight organisations (2021: one).

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Pending an extensive review of our data requirements, Trustees recognised the need to invest further in this area. As a result, it was agreed to increase the **Data Strategy fund** to £5.7m (2021: £4.7m).

Total funds at year end were £114.9m (2021: £113.2m).

Trustees review and monitor this policy annually.

Plans for future periods

For 2023 Battersea has developed a focused plan built around retaining our ambition as a charity, as well as protecting ourselves against future economic impacts. In addition to completing the final year of our strategy, our plans for 2023 include the following key areas of focus:

1. A determination to increase our charitable impact and help more dogs and cats, through our centres and communities, online and via our Global Programmes.
2. A commitment to making Battersea an even better place to work and volunteer, ensuring we maximise engagement and retention amongst our people and continue to enhance our culture.
3. A recognition of the need to invest in our systems, data, and technology to drive growth and improvement, largely through implementation of our Launchpad data strategy.

We will also look to developing a new organisational strategy to define Battersea's ambitions for the next period.

Theme 1: Directly helping more dogs and cats in need

We will strive to help more animals at our centres and in our communities including through **veterinary therapies**. Our plans for 2023 include:

- A review of our intake, tiering and behavioural assessment processes.
- The introduction of new initiatives to support pet owners and the sector through the **Cost of Living** crisis.
- Plans to develop and grow our **volunteer contributions**.

Theme 2: Reframing rescue

Battersea will continue to 'reframe rescue' and seek to help more dogs and cats live where they are treated with compassion, care and respect. We will achieve this through:

- The development of a five-year strategy to establish **Wear Blue for Rescue** as a Battersea-led, activation-focused hero campaign.
- The development of a new **brand advertising** for roll out in 2024.

Theme 3: Our Voice

Battersea will continue to use our respected, authoritative, and influential position as a leader in the sector to tackle existing and emerging animal welfare issues and to remove barriers to greater pet ownership. We will achieve this through:

- Ongoing work on the **Pet Friendly Properties** campaign, focusing on the private rented sector. In May 2023, Battersea welcomed the news of the Government's new Renters' Reform Bill.
- The development of a new five-year **Our Voice strategy**, identifying and prioritising issues affecting dogs and cats.
- Continuing to influence the **legislative agenda**, pushing for the best deal possible for animals.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Theme 4: Increasing Our Impact

Battersea will complete its first full year of our Global Programmes strategy, which aims to impact around 100,000 animals per annum from 2023. To achieve this target, we will be:

- Designing, developing, and implementing **three multi-year strategic funding programmes** within our focus countries.
- Completing the design of the **impact framework** required to measure and report on the strategy implementation.
- Designing and implementing **country strategies** for the UK, Greece, and Thailand.
- Launching our redeveloped **Academy** content online.

Theme 5: Our Enablers

Battersea will continue to invest in our enablers to help achieve our strategic ambitions. In 2023 we will be:

- Continuing to invest in staff through the ongoing implementation of our **Diversity and Inclusion** and Staff Survey Action Plans, and further **development of My Leadership and My Career**.
- Delivering the **first stages of our Launchpad** data strategy project.
- Focussing on income through **diversifying** and increasing investment in **legacy marketing**.
- Enhancing our **compliance, risk management and governance** processes.
- Investing in our buildings to make them more environmentally **sustainable**.

Diversity & Inclusion (D&I)

Battersea is committed to providing equality of opportunity and valuing diversity. We want to make sure that everyone who comes into contact with Battersea is welcomed, valued and respected regardless of their race, age, gender, disability, sexual orientation, social class, religion or belief. We know we need to do more to make our workforce and our sector even more diverse and inclusive and take actionable steps to ensure this is embedded in our culture and our everyday ways of working. Designed in consultation with our staff and volunteers, our comprehensive Diversity & Inclusion Action plan has been in place since 2021 with progress made in 2022 including:

- Facilitation of inclusive leadership workshops with the Senior Leadership Team and Directors.
- The development of an inclusive recruitment policy.
- The launch of four inclusion networks which comprise:
 - Disability and Wellbeing Network and allies
 - Ethnic Minority Network and allies
 - LGBTQ+ Network and allies
 - Menopause Support Network and allies
- Battersea's refreshed values with Inclusion as a core value.
- Inclusive recruitment training a core topic in our Management Training programme.
- D&I awareness and education through events and webinars tackling topics such as Race and active allyship, Neurodiversity, Pride at Battersea, Tea and Talk Mental Health.
- Incorporating D&I measures and engagement questions into our staff and volunteer engagement surveys.
- Attending the 2022 Pride London parade.

We are committed to continued work to ensure Battersea is even more diverse and inclusive. Future planned activities include:

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

- The growth and development of our four inclusion networks, creating safe spaces for staff and volunteers from under-represented groups together with allies.
- Delivering on our D&I calendar – marking key dates and hearing from our staff and volunteers, such as IWD, Black History Month, Pride, International Day of Persons with Disabilities, Neurodiversity awareness week, Mental Health Awareness week.
- Inclusive recruitment review – looking at our end to end processes and procedures
- Development of ongoing programme of learning around diversity and inclusion topics
- Further work on creating an inclusive culture including work on inclusive language and challenging microaggressions.
- Ongoing monitoring of progress against our benchmarks and targets. Including D&I questions in our pulse surveys throughout the year.

Fundraising standards

Open and accountable

All fundraising at Battersea is carried out with the full oversight of the Directors and the Council of Trustees. Battersea strives to provide an excellent service to all our supporters, and this is reflected in the low levels of complaints that we receive. Complaints are dealt with by our experienced Supporter Services team and are generally resolved without the need for escalation. Battersea takes any complaints very seriously and sees them as an opportunity to continue to improve our relationship with our supporters and the public.

Complaints

We record and monitor all fundraising related complaints received and these are reported to our Trustees annually. We aim to acknowledge complaints within one working day with the vast majority being resolved within three working days.

- As a percentage against the volume of fundraising activity Battersea undertakes, we have received a very low number of complaints. For 2022, we recorded 629 complaints – 0.00011% of our total volume of fundraising activity (2021: 642 complaints – 0.00013% of our total volume of fundraising activity) and we continue to strive to improve how we measure, record and resolve complaints across Battersea.
- In 2022, we continued to use the tiering and tracking system introduced in 2022. This approach enables us to identify themes and trends, and areas where complaints are increasing, so we can take proactive action to manage this and ensure that the trends do not persist.

Protecting the vulnerable

Battersea takes its responsibility towards supporters who may be considered vulnerable very seriously. We have a Vulnerable Persons Policy which is shared with staff and agencies working for us. Our Fundraising and Supporter Services teams have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance.

Contacting our supporters and supervising our fundraisers

Battersea prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations. We are registered with the Fundraising Regulator and as such their logo appears on our fundraising collateral as a kitemark of approval. All contracts with our third-party agencies include clauses to be able to monitor, mystery shop and train their fundraisers. Each agency is required to commit to the Code of

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Practice and provide copies of their compliance policies. Weekly status calls with our agencies allow us to monitor their operating procedures.

Battersea manages two society lottery products; the Paw Draw weekly lottery and the Superdraw quarterly raffle. We take steps to ensure the product design, marketing and fulfilment adheres to Licensing Code and Codes of Practice requirements of the Gambling Commission and best practice. Our marketing strategy is ethical and age specific. Battersea follows the UN Rights of the Child and perceives a child to be anyone under the age of 18.. As such, whilst legislation permits gambling products to be open to those over 16, we require players to be over 18 years of age.

This approach to age informs our marketing activity and we will not actively market to anyone we know is under 18 years of age.

We deliver a robust training programme to agencies working on our behalf, adhering to the Fundraising Code of Practice, and demonstrating best practice. Each training session has a section on compliance, consent for future contact preferences and dealing with vulnerable people. We actively engage with and encourage our agency fundraisers to be proud Battersea ambassadors.

Following the training provided by Fundraising Compliance in 2021 to all agencies covering Battersea's policy, and expectations, around dealing with vulnerable persons, we continue to ensure that all agency staff are appropriately trained on this every quarter. We recognise that staff turnover at agencies is high, so it is key that we ensure that anyone representing Battersea is aware of what is expected of them in this area.

Our mystery shopping and call monitoring programme ensures that fundraisers are treating our potential donors fairly, respectfully, and appropriately. Our Trustees, directors, staff and senior management shadow our third-party fundraisers across all channels on an annual basis and provide feedback and/or recommendations for any improvement. These visits are recorded and form part of an annual report to our Council of Trustees.

We also regularly attend the agency induction training sessions to observe and audit the content and delivery of the fundraisers' initial training using the Chartered Institute of Fundraising (CIOF) /Fundraising Regulator checklist. Battersea is a member of the CIOF and the Fundraising Regulator and takes part in their compliance round table events.

Streamlined Energy and Carbon Reporting (SECR)

Our SECR obligations

Battersea Dogs & Cats Home understands that, like all organisations, our activities and services have an impact on the environment. As such, we are committed to the continual improvement of our environmental performance and ensure compliance with all relevant environmental legislation, including the Streamlined Energy and Carbon Reporting (SECR) scheme. Implemented in 2019, SECR requires all qualifying businesses to comply for financial years starting on or after 1 April 2019. This report corresponds to our financial year ending December 2022, though the previous year (2021) is revisited as well.

The greenhouse gas (GHG) emissions associated with our core business operations have been measured and verified in accordance with SECR category guidance; Scope 1 (direct resource use), Scope 2 (bought resources for use in our direct operations) and specific Scope 3 emissions (indirect emissions due to business activities). We have also identified appropriate intensity ratios to normalise and monitor our carbon emissions and energy efficiency measures,

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

which support our drive to minimise costs and improve productivity whilst reducing carbon emissions in line with the UK's 2050 net zero target.

Our carbon impact

Table 1

2022	Scope 1 (tCO₂e)	Scope 2 (tCO₂e)	Scope 3 (tCO₂e)	Proportion (nearest whole number)
Electricity	0.00	507.40	178.87	52%
Natural Gas	222.10	0.00	37.84	20%
Propane	61.93	0.00	7.24	5%
Water	0.00	0.00	6.53	1%
Transport Mileage	61.02	0.00	15.89	6%
Isoflurane	30.14	0.00	0.00	2%
Nitrous Oxide	49.92	0.00	0.00	4%
Refrigerants	139.27	0.00	0.00	10%
Totals (tCO₂e)	564.38	507.40	246.37	1,318.15

Table 1 shows that the total GHG emissions associated with our combined business operations during this SECR period were 1,318.15 tonnes of carbon dioxide equivalents (tCO₂e). Utilities at our three sites accounted for 78% of our emissions and the remaining 22% were associated with transport, anaesthetic gas use within our clinic operations, and refrigerants. This proportionality indicates that our approach to carbon reduction should continue to primarily target the operational efficiency of our building operations.

We have expanded the scope of our reporting to exceed mandatory requirements by including emissions associated with water use, transmission distribution (T&D) of electricity to site, and well-to-tank (WTT) emissions for all fuels. In future years we will look to include further Scope 3 emissions, such as employee commuting, purchased goods and services, and remote working. We will also aim to present any green tariffs and renewable energy generation that we can procure as part of our wider sustainability goals.

Table 2

2021	Scope 1 (tCO₂e)	Scope 2 (tCO₂e)	Scope 3 (tCO₂e)	Proportion (nearest whole number)*
Electricity	0.00	511.41*	190.20*	49%
Natural Gas	323.01	0.00	55.28	27%
Propane	68.52*	0.00	8.01*	6%
Water	0.00	0.00	8.76	1%
Transport Mileage	71.39*	0.00	17.91*	7%
Isoflurane	28.61	0.00	0.00	2%
Nitrous Oxide	89.85*	0.00	0.00	7%
Refrigerants	9.19*	0.00	0.00	1%
Totals (tCO₂e)	590.57*	511.41*	280.16*	1,382.14

**Restated from 2021*

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Table 2 is a recalculation of our 2021 carbon footprint, which has been retroactively amended to more accurately reflect our carbon emissions for the previous reporting year.

Various electricity consumption values have been updated to align with more recent invoices. Transport mileage was updated to include more accurate estimates around reimbursed fuel through direct comparison to 2022 data. Nitrous oxide emissions were updated to correct a calculation error. Refrigerant use for the relevant reporting period was also added. Lastly, the conversion factor previously used to determine LPG (Liquid Petroleum Gas) use was changed to the propane conversion factor to increase our reporting accuracy. All changed values have been presented in bold.

Table 3

2019	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Proportion (nearest whole number)
Electricity	0.00	675.47	151.56	48%
Natural Gas	486.25	0.00	63.24	32%
LPG	58.14	0.00	7.31	4%
Water	0.00	0.00	30.99	2%
Fleet Mileage	38.45	0.00	9.21	3%
Isoflurane	49.78	0.00	0.00	3%
Nitrous Oxide	149.76	0.00	0.00	8%
Totals (tCO₂e)	782.38	675.47	262.31	1,720.16

Due to COVID-19 impacts on our operational capacity, we were unable to use our Year 1 or Year 2 datum as an accurate baseline. Therefore, we have also retroactively calculated our carbon emissions for 2019 to represent a "business as usual" baseline. Table 3 shows that the recalculated total GHG emissions associated with our combined business operations during 2019 was 1,720.16 tCO₂e.

Emission Intensity Ratio

Current government environmental reporting guidance recommends the development of at least two Key Performance Indicators (KPIs) associated with key environmental impacts. In Table 4, we have identified two intensity ratios which divide our carbon emissions by an appropriate normalisation factor to enable performance tracking over time and comparison against organisations operating in equivalent sectors. These include (1) average carbon emissions per £100k turnover and (2) average carbon emissions per FTE employee. We chose to incorporate an employee-based indicator to encourage staff engagement with our organisational goal to minimise our impact on the environment.

Table 4

	tCO ₂ e/£100k	tCO ₂ e/FTE
2022	2.33	2.37
2021	2.37*	2.62*
2019	3.91	3.29

*2021 values have been updated to reflect recalculations outlined in Section 2.

Calculation Methodology

The raw consumption data of our business operations has been calculated using a combination of direct meter reads, utility and product invoices, expense reports, and recorded transport mileage data. All carbon emissions have been calculated in accordance with guidance provided

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

by the UK Government, GHG Reporting Protocol, and using DEFRA conversion factors. For our anaesthetics, recommended conversion factors from the NHS Sustainable Development Unit (SDU) were followed.

Baseline Calculation Methodology

As our first and previous SECR reporting years occurred during the lockdown/COVID 19 period, neither will be suitable years to represent a baseline year against which future energy saving measures can be evaluated. We will therefore continue to monitor in future years and develop a suitable baseline calculation methodology to account for business-as-usual levels of productivity. For the purposes of this report, our retroactively calculated 2019 datum will serve as an interim baseline.

Energy Saving Measures

Since our last SECR report submission, we have developed an official Environmental Management System (EMS) and published an organisational Environmental Policy, both of which have been accredited and certified by third-party auditor, Investors in the Environment. Our EMS supports consistent and accurate monitoring and evaluation of our resource consumption and associated emissions, whilst also encouraging staff and constituent engagement with the continual improvement of our organisational environmental sustainability. Behavioural change programmes have been launched internally, including relevant educational webinars, informational communications on sustainable working, and various environmentally oriented staff activities.

Considering our key emissions areas and previous Energy Savings Opportunity Scheme (ESOS) recommendations, we have focused much of our energy saving efforts on upgrading old plant equipment, installing additional smart meters, improving building management systems (BMS), and introducing large scale LED installations. We have also begun to develop a wholistic ESG/Environmental Strategy to help us achieve net zero GHG emissions in line with the UK Government's 2050 deadline.

Lastly, we offset 803 tCO₂e for our 2021 Scope 1 and 2 emissions through third-party organisation, Positive Planet. Any electricity consumption purchased under green energy tariffs was discounted from the value presented in this report for this offset process. Carbon credits were purchased from Verra certified carbon reduction projects, and included the Pacajai REDD+ project (VCS981), the Uzundere hydroelectric power plant project (VCS964), and the Tamil Nadu wind power project (VCS1904).

Energy Consumption Data (Table 5)

2022			2021		
ENERGY TYPE	UNIT	CONSUMPTION	ENERGY TYPE	UNIT	CONSUMPTION
Electricity	kWh	2,623,874	Electricity	kWh	2,408,540*
Natural Gas	kWh (net CV)	1,098,037	Natural Gas	kWh (net CV)	1,591,417*
LPG	kWh (net CV)	266,285	LPG	kWh (net CV)	294,621*
Fleet Mileage	kWh (net CV)	246,013	Fleet Mileage	kWh (net CV)	288,581*
OTHER			OTHER		
Water	m ³	15,511.85	Water	m ³	20,809
Isoflurane	250ml bottles	158	Isoflurane	250ml bottles	150
Nitrous Oxide	9,000L canisters	5	Nitrous Oxide	9,000L canisters	9
R410A	kg	66.7	R410A	kg	4.4

**Restated from 2021*

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

2019		
ENERGY TYPE	UNIT	CONSUMPTION
Electricity	kWh	2,642,581
Natural Gas	kWh (net CV)	2,380,311*
LPG	kWh (net CV)	252,464*
Fleet Mileage	kWh (net CV)	147,928
OTHER		
Water	m ³	29,457
Isoflurane	250ml bottles	261
Nitrous Oxide	9,000L canisters	30

**Restated from 2021*

Energy consumption values (kWh) are representative of Scope 1 and 2 only. All figures have been rounded to the nearest whole number. Consumption figures for natural gas, propane/LPG, and transport mileage were converted to kWh from m³, L, and miles, respectively, by using the relevant year's UK Government's GHG Conversion Factors for Company Reporting. For 2019 transport mileage figures, 2020 UK Government GHG conversion factors were used as these were not provided in the 2019 UK Government guidance. Amendments have been made to the 2021 and 2019 natural gas and propane/LPG consumption figures to reflect Scope 1 only. Lastly, the kWh consumption values for electricity and transport miles in 2021 have been amended to reflect the recalculation in Section 2.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Reference and administrative details

Charity number: 206394
Company number: 278802
Registered office: 4 Battersea Park Road, London SW8 4AA

Council of Trustees

Paul Baldwin	Chair
Patrick Aylmer	Honorary Treasurer
Sir Alan Collins	
Richard Hammond	(resigned 20 April 2022)
Sunwinder Mann	
Alan Martin	
Anne Montgomery	(resigned 10 February 2022)
Cassie Newman	
Maria Novell	
Susan Paterson	
Patricia Stafford	
David Turner	
Bradley Viner	(resigned 14 September 2022)
Deri Watkins	
Helen Webb	(appointed 14 September 2022)
The Worshipful Mayor of Wandsworth	(Ex Officio)

Senior Staff

Peter Laurie	Chief Executive
Kelly Brown	Director of Finance & Corporate Services
Bryony Glenn	Director of Human Resources
Lucy Hastings	Director of Operations (from November 2022)
Julian Holmes-Taylor	Director of Income Generation
Amy Jankiewicz	Director of Operations (resigned April 2022)
Paul Marvell	Director of Global Programmes
Sarah Matthews	Director of Marketing & Communications
Shaun Opperman	Director of Veterinary Services

Our advisers

Auditors

Moore Kingston Smith LLP
9 Appold Street
London, EC2A 2AP

Solicitors

Bates Wells
10 Queen Street Place
London EC4R 1BE

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Investment Advisers

Sarasin & Partners
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Close Brothers Asset Management (appointed March 2023)
55 Grosvenor Street
Mayfair
London W1K 3HY

Bankers

Barclays Bank Plc
7-11 St John's Hill
London SW11 1TR

Lloyds Bank Plc
25 Gresham Street
London EC2V 7HN

National Westminster Bank Plc
250 Bishopsgate
London EC2M 4AA

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Structure, Governance and Management

Trustee appointments

Battersea Dogs & Cats Home is governed by a Council of Trustees (who are also Directors of the charitable company for the purposes of company law). Trustees, who are volunteers with distinguished careers and experience in a wide variety of fields, are subject to fixed term appointments and election or re-election according to procedures set out in the Memorandum and Articles.

New Trustees are nominated via an external search led by the Chair of Trustees, interviewed by a panel of Trustees and the Chief Executive, and appointed where they have the necessary skills to contribute to the charity's governance and strategic development.

An individual induction programme is agreed for each new Trustee to brief them on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee structure and decision-making processes, the strategic plan and recent financial performance of the charity. As part of their induction, they meet key employees and other Trustees.

More information on Battersea's Trustees and Executive Team can be found on Battersea's website.

Trustee delegation

The Council is responsible for setting strategic direction, agreeing the financial plan and approving the delegation of financial authority through the Chief Executive, with specific limits imposed on delegation. The Council acts on advice and information from regular meetings with the Chief Executive. The Council met formally five times during 2022.

The Chief Executive is responsible for the day-to-day management of the Charity and for implementing policies agreed by the Council. The Chief Executive is assisted by a group of directors and senior managers.

The Finance, Audit and Risk Committee meets at least quarterly to oversee all financial aspects of the charity. It takes delegated responsibility for ensuring there is a framework for accountability and for ensuring that the charity complies with all financial aspects of the law, relevant regulations, and good practice. The Committee is also responsible for reviewing the performance of the charity's investment portfolio. It met four times during 2022.

The Buildings Committee is established to oversee all capital projects carried out by the charity. It met three times during 2022 and officially closed in August following the completion of planned major capital works.

A Governance and Nominations Committee was established to review compliance with appropriate legislation and codes issued by the Charity Commission and other regulatory bodies and to lead on any process for appointments to Council and committees. The Committee met three times in 2022.

The People Committee was formed to address key areas of focus for the Trustees including reviewing and approving Battersea's remuneration policy, diversity, safeguarding, and learning and development. The Committee met three times in 2022.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

The Global Programmes Committee was formed in 2022 to provide governance oversight of Battersea's Global Programmes work. Key responsibilities of the Committee include overseeing the development and outcomes of the Global Programmes Strategy, reviewing the performance of Battersea's existing portfolio of work, as well as new proposals for major investments in grants and strategic partnerships. The Committee met twice in 2022.

During 2022 the following served as Trustees:

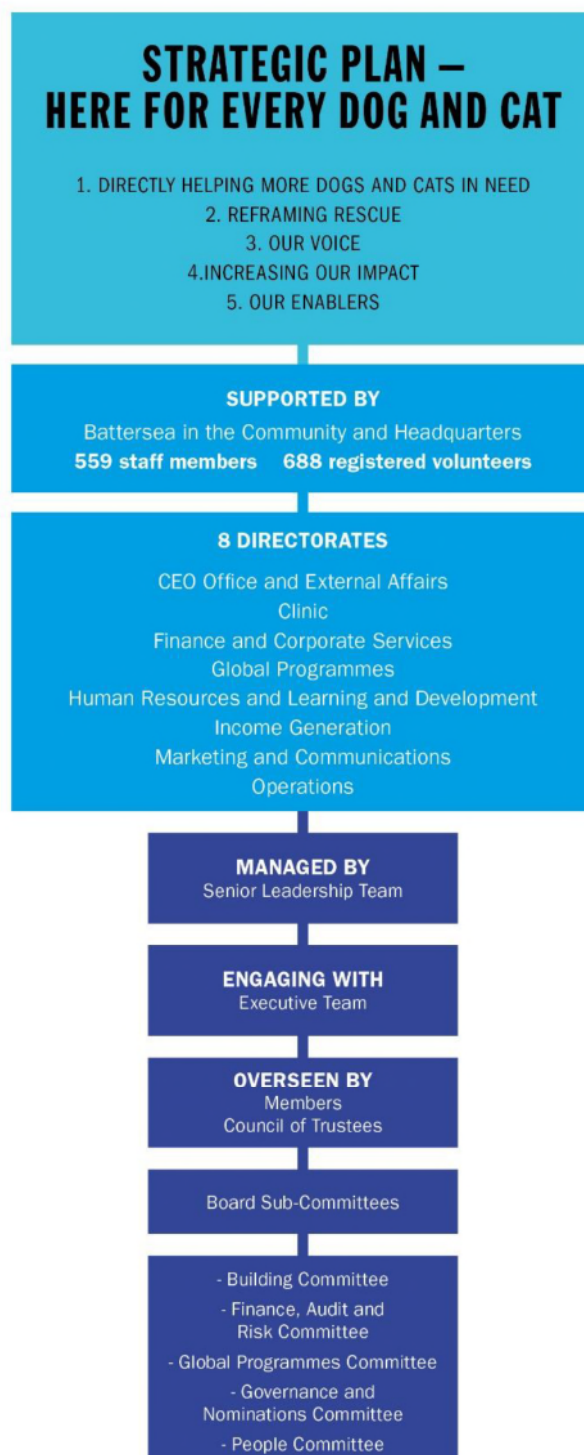
	Attendance at Council Meeting (max 5)	Attendance at Buildings Committee (max 3)	Attendance at Finance, Audit & Risk Committee (max 4)	Attendance at Governance & Nominations Committee (max 3)	Attendance at People Committee (max 3)	Attendance at Global Programmes Committee (max 2)
Paul Baldwin (Council Chair and Chair of Governance & Nominations Committee)	5/5	-	4/4	3/3	3/3	-
Patrick Aylmer (Chair of Finance, Audit & Risk Committee)	4/5	-	4/4	3/3	-	-
Alan Collins	5/5	-	-	1/1	-	2/2
Richard Hammond	1/1	-	-	-	-	-
Sunwinder Mann	4/5	-	1/2	-	-	1/2
Alan Martin (Chair of Global Programmes Committee)	5/5	3/3	4/4	3/3	-	2/2
Anne Montgomery	1/1	-	-	-	1/1	-
Cassie Newman	4/5	-	-	1/2	2/3	2/2
Maria Novell	4/5	-	2/2	-	-	-
Susan Paterson	3/5	-	-	-	-	1/2
Patricia Stafford (Chair of People Committee)	4/5	-	-	3/3	3/3	-
David Turner	3/5	1/3	-	-	-	-

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

	Attendance at Council Meeting (max 5)	Attendance at Buildings Committee (max 3)	Attendance at Finance, Audit & Risk Committee (max 4)	Attendance at Governance & Nominations Committee (max 3)	Attendance at People Committee (max 3)	Attendance at Global Programmes Committee (max 2)
Bradley Viner <i>(Chair of Buildings Committee)</i>	2/4	3/3	-	-	-	-
Deri Watkins	3/5	-	-	-	-	0/2
Helen Webb	1/1	-	-	-	2/2	-

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Battersea Governance and Management Structure



**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Related parties

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or senior executive with a related party or competitor of the charity must be disclosed to the Council of Trustees. In the current year, no such related party transactions were reported. Donations made by Trustees to Battersea totalled £1,289 (2021: £2,892) for the year.

The charity has two wholly owned subsidiaries: Battersea Dogs Home Limited (BDH), which operates the Battersea's trading activities; and Bell Mead Kennels Limited, under which name the charity's annex at Old Windsor operated. Bell Mead Kennels Limited is now dormant. The companies' trading results and balance sheets are consolidated with those of the charity.

Pay policy for the Executive Team

Executive pay at Battersea reflects the market rate for comparable jobs in comparable organisations, the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with each role. Our pay policy aims to:

- recruit and retain talented individuals to lead and further develop our rapidly growing organisation;
- develop and sustain high performance, and;
- recognise individual performance in the preceding year.

The People Committee are responsible for overseeing the remuneration of Battersea's Executive Team. The Executive Team's annual pay reviews are paid in accordance with the wider organisational approach to pay reviews, which is currently to pay the same fixed percentage pay increase to staff at all levels. Pay for all roles at all levels is re-benchmarked on a triennial basis using externally validated voluntary sector pay data and adjusted accordingly to ensure competitive pay for comparable roles.

Risk management

Effective risk management is key to successfully delivering our strategy. An organisation-wide risk management approach is in place which identifies our key strategic and operational risks and monitor that they are effectively managed through clear accountability and escalation as required.

The Battersea risk management approach comprises:

- on-going review by the Executive team of strategic and operational risks (both existing and emerging risks) which have the potential to adversely affect the organisation;
- a quarterly review by the Finance, Audit & Risk Committee (FARC) of the principal risks faced by the charity and its subsidiary BDH Ltd;
- the establishment of policies, processes, and procedures to mitigate the risks identified, as applicable; and
- the implementation of processes and procedures to minimise or manage potential impact on the Charity should those risks materialise.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Battersea considers the current major risks to the charity to be:

Risk	Mitigation
Financial - economic uncertainty affecting financial wellbeing and liquidity	We manage this risk through a number of measures including budgetary control, income pipeline reviews, investment in staff, capital expenditure planning, diversifying income, and cash flow forecasting. Also mitigating this risk is the level of free reserves, which are set at a level sufficient to withstand short-term financial impacts and are regularly reviewed.
Systems – Risk of compromised IT systems (e.g., system failure, cyber-attack, or constricting growth due to technical limitations)	To address the aging of its current Customer Relationship Management (CRM) systems, Battersea is investing in developing a new CRM and supporting IT processes and infrastructure (referred to as Launchpad). This will further strengthen Battersea's cyber-security controls, the management and effective use of its data, and move all human-related data (donor base) to a cloud-based solution (from its current on-prem solution). Battersea recognises the importance of this investment, which is therefore subject to rigorous testing, and close scrutiny by the Executive team and Data Strategy Steering Group, to monitor that delivery milestones are met, and budgetary rigor is applied. The new CRM will be subject to our existing controls to minimise cyber security and information security risks, including regular penetration testing, single sign-on, etc.
Compliance - risk of regulatory failure e.g., Health & Safety, GDPR, or Fundraising regulations	Given the importance of having an effective and resilient approach to regulatory compliance, the Compliance function at Battersea has been further bolstered with 3 experienced new starters joining in 2023. In addition, a comprehensive internal audit programme has been established for 2023-2025, covering key areas including Fundraising Compliance and Animal Welfare Standards to date in 2023. Planned work includes a review of governance-related processes and procedures, and improved risk reporting to ensure effective oversight and monitoring by the Executive Team, FARC, and the People Committee.
Operational - Increase in number of dogs with severe behavioural issues	Battersea is seeing an increase in the number of dogs with severe behavioural and medical challenges needing our help. This poses an increased risk to our ability to successfully rehome and satisfy rehomer demand, plus adds risk to the safety of staff, volunteers, and potential rehomers. To mitigate this risk, significant work has been undertaken to further refine our intake processes, review our assessment protocols for dogs with notable behavioural issues, and review our processes to assess and proportionately manage bite incidents.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Risk	Mitigation
Wellbeing – Risk of poor staff or volunteer physical or mental wellbeing.	Given the number of challenges impacting Battersea's people, from the cost-of-living crisis, to managing the risks noted above, for example, the charity is very cognisant of the importance of focussing on wellbeing. To help mitigate this risk a number of measures are being put into place including, but not limited to, undertaking: a health and safety audit to check that our practical measures to support physical wellbeing are up to standard; a pay review process that actively considered the impacts for our lowest paid roles; and a review of processes to support good mental health such as access to an employee assistance programme (EAP), resilience training, and access to mental health first aiders.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Statement of Responsibilities of the Council of Trustees

The Council of Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council of 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 the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the Council of Trustees is required to:

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

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

The Council of Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Council of Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the Council of Trustees, having made enquiries of fellow Trustees and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Council of Trustees



Paul Baldwin (Chair)
Approving the Report of the Council of Trustees
7 June 2023

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Independent Auditor's Report to the Members of Battersea Dogs' and Cats' Home

Opinion

We have audited the financial statements of Battersea Dogs and Cats Home Limited for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 31, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date 19 June 2023

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Consolidated Statement of Financial Activities

For the year ended 31 December 2022

	Notes	Unrestricted 2022 £000	Restricted 2022 £000	Total 2022 £000	Total 2021 £000
Income from:					
Donations and legacies	2	53,286	122	53,408	55,244
Gifts in kind	3	361	-	361	321
Trading activities	4	1,469	-	1,469	1,762
Investment income	5	596	-	596	430
Charitable activities:					
Animal sales and claim fees		693	-	693	582
Total income		56,405	122	56,527	58,339
Expenditure on:	6				
Cost of raising funds:					
Donations and legacies		15,511	-	15,511	15,438
Gifts in kind		361	-	361	321
Trading activities		2,222	-	2,222	2,449
Investment management fee		100	-	100	58
		18,194	-	18,194	18,266
Charitable activities:	6				
Care of dogs and cats		24,076	65	24,141	20,140
Grant giving and Academy		3,160	-	3,160	1,412
Education and awareness		7,542	-	7,542	7,282
		34,778	65	34,843	28,834
Total expenditure		52,972	65	53,037	47,100
Net (losses)/gains on investments	12	(2,103)	-	(2,103)	2,165
Net income	7	1,330	57	1,387	13,404
Other recognised losses					
Actuarial gains on defined benefit pension scheme	18	292	-	292	1,346
Net movement in funds		1,622	57	1,679	14,750
Reconciliation of funds:					
Total funds at 1 January		113,219	23	113,242	98,492
Total funds at 31 December	16	114,841	80	114,921	113,242

All amounts are derived from continuing activities. All gains and losses recognised in the year are included above.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Consolidated and Charity Balance Sheet
As at 31 December 2022

		Group		Charity	
	Notes	2022	2021	2022	2021
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9	1,142	1,037	1,142	1,037
Tangible assets	10	60,940	61,366	60,940	61,366
Investments:					
Investment in subsidiary undertakings	11	-	-	5	5
Other fixed asset investments	12	18,596	20,746	18,596	20,746
		80,678	83,149	80,683	83,154
Current assets					
Stock	13	83	88	-	-
Debtors	14	8,792	9,098	10,729	10,682
Cash at bank and in hand		30,702	25,846	28,786	24,284
		39,577	35,032	39,515	34,966
Liabilities					
Creditors: amounts falling due within one year	15	(5,334)	(4,647)	(5,277)	(4,575)
Net current assets		34,243	30,385	34,238	30,391
Total assets less current assets		114,921	113,534	114,921	113,545
Defined benefit pension scheme liability	18	-	(292)	-	(292)
Net assets		114,921	113,242	114,921	113,253
Funds					
Unrestricted funds					
- Designated	16	78,331	77,015	78,331	77,015
- General	16	36,510	36,204	36,510	36,215
		114,841	113,219	114,841	113,230
Restricted funds	16	80	23	80	23
Total funds		114,921	113,242	114,921	113,253

As permitted by s408 Companies Act 2006, the company has not presented its own income and expenditure statement and related notes. The company's profit for the year was £1.7m (2021: £14.7m).

The financial statements were approved and authorised for issue by the Council of Trustees and were signed on its behalf on 7 June 2023.



P Baldwin, Chairman



P Aylmer, Honorary Treasurer

Company registration number 278802

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Notes	Group 2022 £000	2021 £000
Cash inflow from operating activities	(a)	8,300	13,676
Returns on investments	(b)	596	430
Capital expenditure and financial investment	(c)	(4,040)	(9,139)
Cash inflow before use of liquid resources		4,856	4,967
Increase in cash in the year	(d)	4,856	4,967

Notes to the cash flow statement

a) Net cash from operating activities

Net income	1,387	13,404
Losses/(gains) on investments	2,103	(2,165)
Depreciation	3,946	3,472
Amortisation	431	464
Decrease/(increase) in stocks	5	(8)
Decrease/(increase) in debtors	306	(1,466)
Increase in creditors	687	405
Bank interest receivable	(124)	(2)
Investment income receivable	(472)	(428)
Sale of fixed asset investments	31	-
Net cash inflow from operating activities	8,300	13,676

b) Returns on investments

Interest received	124	2
Returns on investments	472	428
	596	430

c) Capital expenditure and financial investment

Purchase of tangible fixed assets	(3,520)	(8,543)
Purchase of intangible fixed assets	(567)	(597)
Purchase of investments	(8,667)	(18,013)
Proceeds from sale of investments	8,012	18,878
Decrease/(Increase) in portfolio cash	702	(864)
	(4,040)	(9,139)

d) Analysis of consolidated net cash resources

	At 1 January 2022 £000	Cash flow £000	At 31 December 2022 £000
Cash at bank and in hand	25,846	4,856	30,702

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

Notes and Accounting Policies

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP including Update Bulletin 2), the Companies Act 2006 and Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

(b) Basis of consolidation

The consolidated accounts include the accounts of the charitable company, Battersea Dogs & Cats Home, and its trading subsidiary Battersea Dogs' Home Limited, which is consolidated on a line-by-line basis. No separate Statement of Financial Activities ("SOFA") has been presented for the charity as permitted by Section 408 of the Companies Act 2006. Bell Mead Kennels remains dormant and therefore is not included in the consolidated accounts. For 2022 the Charity entity had income, including gains and losses, of £53.7m (2021: £61.4m) and incurred expenditure of £51.9m (2021: £46.7m).

(c) Incoming resources

Legacies are credited to incoming resources when the charity becomes entitled to the income, there is probability of receipt, and the amount is quantifiable. Legacies received in the form of investments are included at probate value. Legacies received following year end for which estate accounts have been received are included in the year being reported. Life interest and other residual legacies, where there is uncertainty of the amount to be received, are not accrued.

Donations and sponsorship income is recognised as income when the conditions for its receipt have been met.

Proceeds from lottery and raffle income are recorded gross of prize money and other expenditure. Income is recognised when the conditions for its receipt have been met.

Donated goods are recognised at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of the goods or service provided, at the same value and time.

Income from government grants relate solely to income received in respect of the Job Retention Scheme and is recognised in the period to which the underlying furloughed staff costs relate.

Income from trading activities predominately relates to income generated by Battersea Dogs Home Limited and paid to the charity annually. The accounts of the Company set out the income recognition policies applied. Income from trading activities also relates to income received in respect of insurance commission which is accrued for in the period in which it relates.

Battersea recognises the income from a charitable fundraising event in the year in which the event takes place. Income received for an event taking place in a future period is treated as deferred income in the Balance Sheet.

Where income is received for a specific purpose, the income is included in restricted funds.

All other income is accounted for on a receivable basis.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

(d) Expenditure

The costs of raising funds and charitable expenditure comprise staff and other costs directly attributable to an activity and an allocation of support costs. Where costs have been allocated, this has been done based on staff costs directly attributable to each of the charity's activities. The costs of generating funds are those incurred in seeking voluntary contributions and do not include costs of disseminating information in support of the charitable objectives. Governance costs are those incurred in compliance with constitutional and statutory requirements.

Grants payable are considered to be part of cost of activities in furtherance of the objects of the charity. They are recognised in the period in which they are approved and in accordance with the relevant grants payment schedule. Where grants approved span more than one financial year, a designated fund is created for the full grant amount.

(e)(i) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £5,000 are capitalised and depreciated over their estimated useful lives as follows: -

Freehold land	nil
Freehold and long leasehold properties	25 years
Short leasehold properties	Over the shorter of the remaining period of the lease or 25 years
Equipment, fittings, and vehicles	4 to 10 years

Where fixed assets are purchased with restricted funding, the purchase or building of the assets is the fulfilment of the restriction. The asset then becomes part of unrestricted funds.

Assets under construction consist of expenditure incurred in respect of tangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(ii) Intangible fixed assets and amortisation

Intangible fixed assets comprise website, trademarks, and management system costs. Intangible fixed assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised to write off the cost or valuation of the assets less their residual values over their useful lives on the following bases:

Website development & management systems	4 years
Trademarks	10 years

The capitalisation threshold for intangible fixed assets is £5,000.

Assets under construction consist of expenditure incurred in respect of intangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(iii) Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangibles with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

(f) Going Concern

The Trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In making this assessment the Trustees, have considered the charitable group's revised forecasts and projections for income and expenditure, as well as long term cash flow. These continue to be regularly monitored by Directors and Trustees. Battersea holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash.

After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(g) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

(h) Investments

Fixed Asset Investments are stated at market value. It is Battersea's policy to keep valuations up to date so that, when investments are sold, no gain or loss arises. As a result, the SOFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SOFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Pensions

In accordance with FRS 102 "Retirement Benefits", the movement in the defined benefit pension scheme liability, as determined by the actuary, is charged to the SOFA each year. Current and past service costs and experience gains are allocated across the SOFA expense categories in proportion to total salary costs in each category. Where expected returns on assets and interest costs result in a net charge this is also

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

allocated on the above basis. Where it results in a net income this is included within investment income. Actuarial gains or losses are shown separately on the face of the SOFA.

(k) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

(l) Funds

Unrestricted funds, including designated funds, are expendable at the Trustees' discretion in furtherance of the charity's objects. Restricted funds can be spent only in accordance with the donors' specific requirements.

(m) Gifts in kind

Gifts in kind and donated services and facilities are recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods.

(n) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(o) Critical accounting estimates and areas of judgement

In view of the Trustees applying the accounting policies adopted, the following estimates were required that have a significant effect on the amounts recognised in the financial statements:

Battersea adds an estimate on residuary legacy cases when the entity has received a copy of the Will and schedule of assets & liabilities and/or a copy of the grant of probate.

The charity operated a defined benefit pension scheme, which closed to further accrual at the end of September 2013. An actuarial valuation of the scheme is undertaken to reflect the current position as at the year ended 31 December 2022. Assumptions used in this calculation, which include the level of future salary increases and the applicable discount rate, all require elements of estimation.

2. Donations and legacies

	2022	2021
	£000	£000
Legacies	24,027	25,471
Donations	29,381	29,181
Government Grants	-	592
	53,408	55,244

The estimated value of legacies notified but neither received nor accrued into income (as they do not meet the SORP recognition criteria) at 31 December 2022 is £23.3m (2021: £15.8m).

Included in the above figure is unrestricted income of £53.3m (2021: £54.7m) and restricted income of £0.1m (2021: £0.6m).

Grant income of £nil (2021: £0.6m) relates wholly to income received from the Government under the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies relating to the grant income from the Coronavirus Job Retention Scheme.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

3. Gifts in kind

	2022	2021
	£000	£000
Pets at Home	-	26
Cat and dog food	-	32
Google advertising	354	255
Microsoft advertising	5	-
Dog miscellaneous	1	-
Venue hire	1	-
Facebook advertising	-	8
	361	321

4. Trading activities

	2022	2021
	£000	£000
Sale of shop goods	248	262
Fundraising events	853	1,077
Sundry activities	368	423
	1,469	1,762

Sundry activities include admissions and rental income. All amounts relate to unrestricted income in the current and prior year.

5. Investment income

	2022	2021
	£000	£000
Listed investment income	472	428
Deposit and bank interest	124	2
	596	430

All amounts relate to unrestricted income in the current and prior year.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

6. Group analysis of total expenditure

	Direct activities £000	Support costs £000	2022 £000	Direct activities £000	Support costs £000	2021 £000
Cost of raising funds						
Donations and legacies	14,968	543	15,511	14,874	564	15,438
Gifts in kind	361	-	361	321	-	321
Trading activities	1,952	270	2,222	2,169	280	2,449
Investment management fee	100	-	100	58	-	58
Total cost of raising funds	17,381	813	18,194	17,422	844	18,266
Charitable activities						
Care of dogs and cats	20,479	3,662	24,141	17,363	2,777	20,140
Grant giving and Academy	2,936	224	3,160	1,315	97	1,412
Education and awareness	6,560	982	7,542	6,586	696	7,282
	29,975	4,868	34,843	25,264	3,570	28,834
Total Group expenditure	47,356	5,681	53,037	42,686	4,414	47,100

Grants totaling £4.9m were awarded to 24 animal welfare organisations (2021: £1.0m to 57 animal welfare organisations). Of these, £0.7m were accrued for as at 31 December 2022 (2021: £0.5m).

Analysis of support costs
Support costs - 2022

	Donations and legacies £000	Cost of raising funds £000	Care of cats and dogs £000	Grant giving and Academy £000	Education and awareness £000	2022 £000
Support cost						
Finance	148	73	996	61	268	1,546
Volunteer management	42	21	285	17	76	441
Facilities	14	7	93	6	25	145
IT	110	55	743	45	199	1,152
HR	140	70	945	58	253	1,466
Secretariat	74	37	502	31	135	779
Governance	15	7	98	6	26	152
	543	270	3,662	224	982	5,681

Governance costs consist of accountancy and audit fees, as well as other compliance costs.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Support costs - 2021

	Donations and legacies £000	Cost of raising funds £000	Care of cats and dogs £000	Grant giving and Academy £000	Education and awareness £000	2021 £000
Support cost						
Finance	119	59	586	20	147	931
Volunteer management	50	25	247	9	62	393
Facilities	13	7	64	2	16	102
IT	128	63	629	22	158	1,000
HR	154	77	758	26	189	1,204
Secretariat	85	42	418	15	105	665
Governance	15	7	75	3	19	119
	564	280	2,777	97	696	4,414

Support costs are apportioned to differing activities in proportion to salary costs.

7. Net income before transfers

Net income before other recognised (losses)/gains is stated after charging the following items:

	2022 £000	2021 £000
Auditor's remuneration charged by Moore Kingston Smith LLP:		
- Charity	31	29
- Subsidiary	6	5
- Other audit work	19	2
Non audit services charged by Moore Kingston Smith LLP:		
- Tax advice	32	-
Depreciation	3,946	3,472
Amortisation	431	464
Operating lease rentals:		
- Land	463	461
- Other	1	95
Cost of stock recognised as an expense	218	245

8. Staff costs

	2022 £000	2021 £000
Salaries and wages	16,826	15,344
Social security costs	1,672	1,413
Pension costs	1,050	966
Other employee benefits	223	177
	19,771	17,900

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

The actual average number of employees involved in the following activities during the year was as follows:

	2022	2021
	Number	Number
Donations and legacies	48	46
Trading activities	21	23
Care of dogs and cats	369	335
Grant giving and Academy	12	7
Education and awareness	51	54
Support staff	58	55
	559	520

The number of employees whose emoluments exceeded £60,000 for the year was:

	2022	2021
	Number	Number
£60,001 - £70,000	12	4
£70,001 - £80,000	7	3
£90,001 - £100,000	2	2
£100,001 - £110,000	3	2
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£140,001 - £150,000	1	-

During the year, retirement pension benefits of £69,015 and other benefits of £5,607 were accrued to 9 higher paid employees (2021: 9).

£181.34 of reimbursed expenditure was paid to members of the Council of Trustees during the year (2021: £Nil). No remuneration was paid to members of the Council of Trustees during the year (2021: Nil), nor were any emoluments waived in the year (2021: £Nil). Indemnity insurance was provided in the year, covering Trustees and staff, at a cost of £4,595 (2021: £4,365) to the charity.

Additional information:

The key management personnel of Battersea comprise the Trustees, the Chief Executive Officer, and the Directors of Finance and Corporate Services, Operations, Veterinary, Fundraising, Marketing & Communications and Human Resources. The total employee benefits (including salaries, employer pension contributions and national insurance) of the key management personnel of the charity were £930,909 (2021: £820,000).

Battersea operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. The amount for pension cost shown above includes Battersea's contribution to this scheme during the year of £1,050,000 (2021: £966,000).

Pension costs also include the operating costs of Battersea's defined benefit pension scheme of £84,000 (2021: £76,000).

Total redundancy and termination payments during the year of £11,243 (2021: £7,000) were recognised as an expense and did not give rise to a funding requirement.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

9. Intangible fixed assets

Charity and Group	Intangible assets £000	Assets under construction £000	Total £000
Cost			
At 1 January 2022	2,241	195	2,436
Additions	105	462	567
Transfers	-	-	-
Disposals	(316)	-	(316)
At 31 December 2022	2,030	657	2,687
Amortisation			
At 1 January 2022	1,399	-	1,399
Charge for the year	431	-	431
Disposals	(285)	-	(285)
At 31 December 2022	1,545	-	1,545
Net book value			
At 31 December 2022	485	657	1,142
At 31 December 2021	842	195	1,037

10. Tangible assets

Group and Charity	Land and buildings			Equipment, fittings, and vehicles £000	Assets under construction £000	Total £000
	Freehold land and buildings £000	Long leasehold £000	Short leasehold £000			
Cost:						
At 1 January 2022	20,466	59,473	1,039	2,760	9,031	92,769
Additions	706	241	10	256	2,307	3,520
Transfers	10,980	36	-	218	(11,234)	-
Disposals	(2)	-	-	(111)	-	(113)
At 31 December 2022	32,150	59,750	1,049	3,123	104	96,176
Depreciation:						
At 1 January 2022	11,738	17,507	605	1,553	-	31,403
Charge for the year	1,188	2,216	42	500	-	3,946
Disposals	(2)	-	-	(111)	-	(113)
At 31 December 2022	12,924	19,723	647	1,942	-	35,237
Net book value:						
At 31 December 2022	19,226	40,027	402	1,181	104	60,940
At 31 December 2021	8,728	41,966	434	1,207	9,031	61,366

All assets held in Tangible Fixed Assets are for charity use only.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

11. Investment in subsidiary undertakings

Battersea Dogs Home Limited (company number 3472633) and Bell Mead Kennels Limited (company number 247077) are both wholly owned subsidiaries, being companies incorporated in Great Britain. The principal activity of Battersea Dogs Home Limited is that of operating the shop of Battersea Dogs & Cats Home and developing commercial income streams. Bell Mead Kennels Limited is now a dormant company.

	2022 £	2021 £
Shares at cost:		
Bell Mead Kennels Limited	5,000	5,000
Battersea Dogs Home Limited	100	100
	<u>5,100</u>	<u>5,100</u>

A summary of the trading results and balance sheet of Battersea Dogs Home Limited is shown below:

	2022 £000	2021 £000
Profit and loss account		
Turnover	585	576
Administrative expenses	(568)	(584)
Interest paid on intergroup balance	(3)	(3)
Net profit/(loss)	<u>14</u>	<u>(11)</u>
Tax on ordinary activities	-	-
Profit/(loss) on ordinary activities for the year before distribution	<u>14</u>	<u>(11)</u>
Balance sheet		
Current assets	2,117	1,722
Current liabilities	(2,117)	(1,733)
Net current assets/(liabilities) and total assets/(liabilities)	<u>-</u>	<u>(11)</u>
Capital and reserves		
Opening Profit and loss account	(11)	-
Profit/(loss) during the year	14	(11)
Amounts distributed to parent charity	(3)	-
Equity shareholders' funds	<u>-</u>	<u>(11)</u>

Bell Mead Kennels Limited ceased trading on 31 December 1998 and has been dormant since that date. It has a current asset debtor of £5,000 and called up share capital of £5,000 at 31 December 2022 and 31 December 2021.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

12. Other fixed asset investments

	2022	2021
	£000	£000
Shares at cost and market valuation		
Market value at 1 January	18,783	17,483
Acquisitions at cost	8,667	18,013
Disposal proceeds	(8,012)	(18,878)
Realised (loss)/gain on disposal	(612)	2,100
(Loss)/gain on revaluation during the year	(1,491)	65
Market value at 31 December	17,335	18,783
Cash held in portfolio at 31 December	1,261	1,963
	18,596	20,746
 Historical cost at 31 December	 18,939	 18,834
Cash held in portfolio at 31 December	1,314	1,963
Historical cost and cash held in portfolio at 31 December	20,253	20,797

Listed investments at market value comprise:	2022	2021
	£000	£000
UK government stock	934	709
UK fixed interest securities	1,387	1,111
UK equity investments	3,511	4,185
Overseas equity investments	8,857	10,843
Property	826	-
UK and European alternative investments	1,820	1,935
Cash deposits held as part of portfolio	1,261	1,963
	18,596	20,746

At 31 December 2022 and at 31 December 2021, no single investment was considered material to the overall portfolio held.

13. Stock

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Goods for resale	83	88	-	-

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

14. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts due within one year:				
Operating debtors	395	230	317	178
Due from subsidiary undertaking	-	-	2,055	1,658
Other debtors	1,651	1,638	1,651	1,638
Prepayments and accrued income	6,746	7,230	6,706	7,208
	8,792	9,098	10,729	10,682

15. Creditors

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts falling due within one year:				
Operating creditors	2,786	2,104	2,750	2,085
Amounts due to subsidiary undertaking	-	-	5	5
Taxation and social security	450	365	450	365
Other creditors	148	1	148	1
Grant accruals	740	437	740	437
Other accruals	1,210	1,740	1,184	1,682
	5,334	4,647	5,277	4,575

Included within the figures above is £147,997 (2021: £149) relating to outstanding pension commitments at 31 December 2022.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

16. Group Funds

	At 1 January 2022 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2022 £000
Unrestricted funds:						
General fund	36,215	55,320	(46,309)	(1,811)	(6,905)	36,510
Battersea Dogs Home Limited	(11)	585	(571)	-	(3)	-
Designated funds						
Fixed asset fund	62,403	-	(4,377)	-	4,056	62,082
Site development fund	8,069	-	-	-	(2,069)	6,000
Multi year grants fund	1,838	-	(1,423)	-	4,129	4,544
Data Strategy fund	4,700	500	(292)	-	792	5,700
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	113,219	56,405	(52,972)	(1,811)	-	114,841
Other restricted funds						
Welfare of dogs and cats	18	17	(35)	-	-	-
Kennel appeal	5	-	(5)	-	-	-
Slighthound paddock	-	35	(25)	-	-	10
External treatments	-	20	-	-	-	20
Other	-	50	-	-	-	50
	23	122	(65)	-	-	80
Total funds	113,242	56,527	(53,037)	(1,811)	-	114,921

Group funds – prior year

	At 1 January 2021 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2021 £000
Unrestricted funds:						
General fund	25,336	56,975	(41,047)	1,078	(6,127)	36,215
Battersea Dogs Home Limited	-	576	(587)	-	-	(11)
Designated funds						
Fixed asset fund	57,199	-	(3,936)	-	9,140	62,403
Site development fund	15,187	-	-	2,433	(9,551)	8,069
Welfare of dogs and cats	-	219	(219)	-	-	-
Multi year grants fund	-	-	-	-	1,838	1,838
Data Strategy fund	-	-	-	-	4,700	4,700
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	97,727	57,770	(45,789)	3,511	-	113,219
Other restricted funds						
Welfare of dogs and cats	34	231	(382)	-	135	18
Kennel appeal	-	206	(201)	-	-	5
Volunteering, Fostering and Communities	700	-	(565)	-	(135)	-
Other	31	132	(163)	-	-	-
	765	569	(1,311)	-	-	23
Total funds	98,492	58,339	(47,100)	3,511	-	113,242

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

The fixed asset fund represents the net book value of Battersea's fixed tangible and intangible assets. These are all used for operational purposes in pursuance of Battersea's charitable activities. Transfers from the general fund to the fixed asset fund represents fixed asset additions and depreciation charges made in the year.

The site development fund is an amount set aside to develop Battersea's sites within its planned capital and maintenance programme.

The welfare of dogs and cats fund are monies where the donor has requested their use to the care and welfare of either dogs or cats across the charity, or specifically to clinic equipment at any of the three sites.

The multi-year grants designated fund represents funds set aside for grant awards for more than one year.

The Data Strategy Fund was approved by Council in February 2021 to fund Battersea's new data strategy project, with the completion of phase one of the project expected by the end of 2024.

The above funds are explained further in the reserves policy in the Trustees Report.

The capital fund represents shares in Bell Mead Kennels.

There were four restricted funds in the year: Welfare restricted are monies where the donor has restricted their use to the care and welfare of either dogs or cats across the charity as a whole or specifically to one of its three locations; Kennel appeal whose use is restricted to the building of kennels; Sloughhound paddock restricted are monies where the donor has restricted their use to the construction and upkeep of the paddocks at the Windsor site; External treatments restricted are monies where the donor has restricted their use for certain treatments performed by Battersea Dogs and Cats Home; Other restricted are monies where the donor has restricted their use for certain days in the future.

17. Analysis funds between net assets

2022	Fixed assets £000	Investments £000	Net current assets £000	2022 £000
General funds	-	12,596	23,914	36,510
Fixed asset fund	62,082	-	-	62,082
Site development fund	-	6,000	-	6,000
Multi year grants fund	-	-	4,544	4,544
Data Strategy fund	-	-	5,700	5,700
Capital fund	-	-	5	5
Restricted fund	-	-	80	80
Total funds	62,082	18,596	34,243	114,921

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

2021	Fixed assets £000	Investments £000	Net current assets £000	2021 £000
General funds	-	12,677	23,527	36,204
Fixed asset fund	62,403	-	-	62,403
Site development fund	-	8,069	-	8,069
Multi year grants fund	-	-	1,838	1,838
Data Strategy fund	-	-	4,700	4,700
Capital fund	-	-	5	5
Restricted fund	-	-	23	23
Total funds	62,403	20,746	30,093	113,242

18. Pensions

Battersea operated a defined benefit pension scheme, the scheme closed to new members in September 2010 and closed to further accrual at the end September 2013. The assets of the scheme are held separately from those of the Home, being invested with an insurance company which generates the funds to pay pensions as they fall due.

The most recent full actuarial valuation was carried out as at 1 January 2021. Employer contributions ceased in April 2016 as the scheme was deemed no longer in deficit. Employees were transferred to a group personal pension scheme where employer contributions range from between 5.33% and 10.7% dependent on employee contributions.

The most recent FRS 102 valuation was based on the state of affairs as at 31 December 2022.

The principal financial assumptions are:

	2022	2021
Inflation	3.1%	3.2%
Rate of increase in salaries	N/A	N/A
Rate of increase for pensions in payment	1.8%	2.2%
Scheme liabilities discount rate	4.8%	1.9%

Pre and post retirement mortality tables used

S2NMA for Males and S2NFA for Females, improving in line with CMI_2021 projections with a long term trend of 1.25% p.a.

Weighted average life expectancy for mortality tables used to determine benefit obligations

Average expected future life at age 65 for:

Member aged 65 (current life expectancy) - male	22.4 years
Member aged 65 (current life expectancy) - female	24.9 years
Member aged 45 (current life expectancy) - male	23.7 years
Member aged 45 (current life expectancy) - female	26.3 years

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

The assets in the scheme and their expected rate of return are:

	2022	% of fair value of plan assets	Expected overall return on plan assets %	2021	% of fair value of plan assets	Expected overall return on plan assets %
	£000			£000		
Equities	9,983	39%		11,060	38%	
Bonds	7,385	29%		11,262	39%	
Alternatives	8,098	32%		6,630	23%	
Cash	111	0%		26	0%	
Annuity policies	56	0%		76	0%	
Total value of assets	<u>25,633</u>		1.4	<u>29,054</u>		1.4
Present value of scheme liabilities	<u>(16,342)</u>			<u>(29,346)</u>		
Surplus/ (Deficit)	9,291			(292)		
Surplus restriction per FRS 102	<u>9,291</u>			<u>nil</u>		

Movements in fair value of plan assets:

	2022 £000	2021 £000
Value of assets at 1 January	29,054	27,156
Expected return	533	365
Actuarial losses	(3,514)	1,794
Benefits paid	(440)	(261)
Value of assets at 31 December	<u>25,633</u>	<u>29,054</u>

The actual return on plan assets was a loss of £2,981,000 (2021: gain of £2,159,000).

The fair value of the plan assets at the reporting period end was £25,633,000 (2021: £29,054,000).

Movements in the liability value over the year:

	2022 £000	2021 £000
Value of liabilities at 1 January	29,346	28,794
Past service cost	-	-
Interest on liabilities	539	387
Actuarial losses / (gains):		
From change in financial assumptions	(15,204)	(1,935)
From change in demographic assumptions	144	(345)
From experience	1,957	2,706
Benefits paid	(440)	(261)
Value of liabilities at 31 December	<u>16,342</u>	<u>29,346</u>

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022

Expected contributions for the year ended 31 December 2022

	£000
Defined benefit pension plans	
Employer	Nil – as closed to accrual

All amounts charged to the Statement of Financial Activities relate to the current service cost.

Analysis of actuarial gains:

	2022	2021
	£000	£000
Actuarial (losses)/gains from assets	(3,514)	1,794
Actuarial gains from a change in financial assumptions	15,204	1,935
Actuarial (losses)/gains from a change in demographic assumptions	(144)	345
Actuarial losses from experience	(1,957)	(2,706)
Restriction on recognised surplus	(9,291)	-
Actuarial Gains	298	1,368

History of experience gains and losses

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Difference between the expected and actual return on assets	(3,514)	1,794	957	2,750	(1,380)
Percentage of scheme assets	-13.7%	6.2%	3.5%	10.6%	-6.0%
Experience (losses)/gains arising on scheme liabilities	(1,957)	(2,706)	75	-	1,184
Percentage of present value of scheme liabilities	12.0%	-9.2%	0.3%	0.0%	6.0%
Total actuarial gain/(loss)	9,589	1,368	(3,775)	(1,092)	1,471
Percentage of present value of scheme liabilities	-58.7%	4.7%	13.11%	4.59%	7.42%

19. Financial commitments

The group's total future minimum operating payments are as follows:

	Land and buildings	Other	Land and buildings	Other
	2022	2022	2021	2021
	£000	£000	£000	£000
Operating lease commitments:				
- within 1 year	463	1	461	19
- between 1- 5 years	1,854	1	1,842	1
- more than 5 years	6,792	-	7,227	-
From the balance sheet date				

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

20. Capital commitments

There were capital commitments of £nil at 31 December 2022 (2021: £36,000). The prior year sum related to the implementation of a new accounting system which went live in February 2023.

21. Related party transactions

No disclosure has been made of transactions between the parent and subsidiary undertaking in accordance with the exemptions allowed by FRS 102.

Total donations received in the year from five Trustees amounted to £1,289 (2021: £2,892 from two trustees).

22. Company Limited by Guarantee

The guarantee given by the members of the charity is £1 per member in the event of there being a deficiency of assets should the charitable company be wound up. In 2022 there were 13 members (2021: 13 members).

Accounts

BATTERSEA DOGS' AND CATS' HOME
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

Company Limited by Guarantee
Registration Number 278802 (England and Wales)

Charity Registration Number
206394

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

CONTENTS

REPORT OF THE COUNCIL OF TRUSTEES	3
REFERENCE AND ADMINISTRATIVE DETAILS	23
STRUCTURE, GOVERNANCE AND MANAGEMENT	25
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATTERSEA DOGS' AND CATS' HOME	32
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	37
CONSOLIDATED AND CHARITY BALANCE SHEET	38
CONSOLIDATED STATEMENT OF CASH FLOWS	39
NOTES AND ACCOUNTING POLICIES	40

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Report of the Council of Trustees

The Council of Trustees is pleased to present the annual report and financial statements of Battersea Dogs & Cats Home for the year ended 31 December 2021.

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

Our activities

Battersea's core operational activities are directed toward improving the lives of dogs and cats, principally those that come directly into our centres, through our intake, assessment, rehoming and clinical activities, but also those beyond our three centres through our work and engagement with key stakeholders and decision-makers in Government on issues of animal welfare, and supporting other organisations through the Battersea Academy and our grants programme.

The Trustees confirm that they comply with their duty to have regard to the guidance on public benefit, published by the Charity Commission, when exercising their powers and duties.

Strategic Report

Battersea puts the health and welfare of dogs and cats at the very core of everything we do and in doing so we make a significant difference to the lives of animals through our activities. This is best articulated in our Mission:

We aim never to turn away a dog or cat in need of our help, ensuring they receive the best care possible no matter how long it takes to find them a place to live. We are experts in championing and supporting vulnerable dogs and cats, creating lasting change for animals and those who care for them, wherever they are.

We remain true to our Vision that every dog and cat should live where they are treated with compassion, care, and respect.

We achieved impact and made a difference through the efforts and commitment of our 521 staff and 798 volunteers, who consistently demonstrate our values of Care, Expertise, Determination, Respect, Inclusion and Collaboration.

In 2019 Battersea launched its Strategic Plan 2019 – 2023: 'Here for Every Dog and Cat'. This strategy places great emphasis on using our voice and expertise to make a difference, not just to those animals in our care but to those we may never see, but that are in desperate need of help.

We will substantially grow the number of animals we help by expanding our direct services, improving the effectiveness of the wider animal welfare sector in the UK and internationally through our Academy and Grants programme, using our voice and influence to champion legislative changes, and working to shift public perception of rescue animals through an ambitious behaviour change campaign.

Battersea's Strategic Plan 2019-2023 is built around five themes:

- 1. Directly helping more dogs and cats in need:** We will deliver a programme of service expansion, innovation, and continuous improvement.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

2. **Reframing rescue:** We will seek to change people's perceptions towards rescue animals to help more dogs and cats be treated with compassion, care, and respect.
3. **Our Voice:** We will use our respected, authoritative, and influential position as a leader in the sector to tackle existing and emerging animal welfare issues and to remove barriers to greater pet ownership.
4. **Increasing Our Impact:** We will extend our impact beyond our physical centres to help more animals by working in partnership with other dog and cat welfare organisations in the UK and around the world.
5. **Our Enablers:** We will ensure our people, income, technology, and systems support the effective delivery of our strategy.

Impact against Battersea's Five Strategic Themes

Theme 1: Directly helping more dogs and cats in need

The unprecedented nature of the global COVID-19 pandemic continued into 2021, with Battersea working hard to respond to changing Government requirements, and ensuring we kept our people safe and our operations running to help animals in need.

Intake of new animals was 3,344 across our three centres— up 7% from 3,114 in 2020. We received 1,601 dogs (in line with 2020 – 1,606 dogs) and 1,743 cats (up 16% from 1,508 in 2020) in 2021. Although the number of cats coming into our care increased year-on-year, intake continued to be at a lower level than pre-pandemic, kept purposefully lower at a level that enabled our staff to socially distance. More challenging animals were received which required medical and behavioural care with intake of dogs with challenging behaviours growing by up to 30% in 2021. Intake of dogs from Local Authority partners increased by 18% to 348 in 2021.

Rehoming **demand continued to surpass the availability of animals** at our centres which was further impacted by the increasing number of more challenging animals entering our care. We **rehomed 2,395 animals last year**, (957 dogs and 1,438 cats), across all three centres, with rehoming figures for dogs down 15% from 1,121 in 2020 and rehoming figures for cats up an encouraging 1.5% from 1,417 in 2020.

Battersea is proud of its **non-selective** approach to animal intake which sets us apart from many other animal rescues. We do not turn away a dog or cat based on its breed, age, condition, or any other factor. This approach does however mean that we receive many animals with complex medical and behavioural problems. Battersea provide the very best care for these animals through our dedicated and highly trained veterinary and behavioural teams, and our volunteer foster carers who took in over 600 dogs and cats into their homes in 2021. Despite the dedication and care provided to every animal who enters Battersea, some are either medically too unwell, or too dangerous to be rehomed, or there are legal reasons which result in us having to put the animal to sleep. We never take this decision lightly. In 2021, 22% of dogs (up from 20% in 2020), and 8% of cats (up from 7% in 2020) brought into Battersea were put to sleep.

Battersea's dedicated dog behaviour **advice line** dealt with 692 enquiries from dog owners – 59% of these cases involved Battersea dogs. **81% of these cases were positively resolved**, resulting in the owner keeping their pet.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Our **partnership** with the **RSPCA** led to 26 dogs and 73 cats entering our care and receiving medical treatment, and we continued to work with Blue Cross and StreetVet to provide vital veterinary support. In total, Battersea carried out 2,748 operations in 2021 – up 8% on 2020. The operations undertaken cover a wide range of procedures, and we aim to neuter all rehomed animals on site. Last year we neutered 1,109 animals and conducted 1,219 dental surgeries.

In 2021 we launched our **new hydrotherapy facility** which offers medical referral and non-medical referral swims to Battersea dogs, dogs owned by members of the public, as well as dogs through other charities. A total of **663 hydrotherapy sessions** were carried out, with plans to add physiotherapy to the service in 2022.

We are immensely proud of the facilities we have across our three centres and sought to improve these further through a series of projects designed to improve **sustainability and efficiency of our sites**. This included improving energy monitoring and recycling across all sites, and work has started towards securing **Bronze accreditation from Investing in the Environment**. Battersea was also **awarded the Silver Gilt award for London in Bloom** for improving the environment, biodiversity and enrichment of our centres for our dogs, staff, and visitors. Alongside this work were refurbishments to our oldest kennel facilities at the London site (Prince Michael of Kent Building) which is scheduled for completion in 2022.

To manage the demand for animals, new messaging was introduced to **the online rehoming journey** to manage expectations. This also included changing how animals are presented on the website, and sign posting those who live more than 70 miles from one of our centres to an ADCH (Association of Dogs and Cats Homes) member organisation near them. We continued to see positive results from our digitally aided system for matching our animals to good homes. The percentage of people identified by our analytics as 'very likely to rehome' who then went on to rehome increased by 76% for dogs and 152% for cats.

COVID-19 restrictions continued to impact the number of volunteers who could come onsite to our centres. Despite these challenges, **315 dogs and 291 cats were placed in temporary foster care**, and 68 animals were helped through Battersea's communities in Guildford and Ashford – an increase of 35 from 2020.

Our charity is not just committed to helping dogs and cats, but also **supporting pet owners** through any means.

Our **online training classes to support puppy and dog owners** continued to grow in 2021 with 528 hours of puppy training delivered over 88 programmes. We also delivered 83 hours of adolescent dog training reaching 191 pet owners. Pet advice content on our website was **viewed 3.6m times** and **reached 7.4m on social media** with 434,000 YouTube views. Our pet advice email series had **24,000 subscribers**.

Our pet advice is designed to equip pet owners with everything they need to successfully manage their pet's behaviour, but we know many people will still face a difficult decision to give up their pet. To encourage people to think Battersea first we launched our **'No Less Loved' campaign** reaching 30 million people and generating 35,000 visits to our website. A new online intake process was also introduced, resulting in 242 dogs and cats being booked to come into our centres.

Theme 2: Reframing rescue

Battersea's long-term ambition to change public perception of rescue animals led to an increase of those surveyed agreeing rescue is the place they will go if they want a pet from 63% at the start of the year to 66% by December 2021. This was achieved through the launch

BATTERSEA DOGS' AND CATS' HOME TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

of our most ambitious integrated campaign to date – **Wear Blue for Rescue**. The campaign encouraged animal lovers to visibly show their support for rescue animals, with a new rescue symbol introduced and applied across promotional activity and retail products.

The campaign included a new TV advert voiced by BBC Radio 1 DJ Greg James, a partnership with media outlet LADBible, corporate partnerships with Aardman, Andrex, PetPlan and Queens Park Rangers, as well as high-profile support from Battersea's ambassadors Amanda Holden and Tom Hardy. In total the campaign reached 39 million people resulting in 66,000 visits to our website. The campaign also helped Battersea's brand health with **71% surveyed stating Battersea is a brand they support or would support**.

Battersea's ITV series, **Paul O'Grady for the Love of Dogs** continued to raise the profile of rescue. Working within Covid-secure filming guidelines, we delivered 20 new episodes which were shortlisted for a National Television Award in 2021. This also included a new 30-minute Christmas Day special which gained 2.2m consolidated viewers.

Engaging with younger animal lovers is crucial to **drive generational change** in the way rescue is perceived and supported, and we are working hard to widen our audience base, creating new content and opportunities to reach, inform, and inspire engagement through a growing range of channels and partnerships. In 2021, we launched a Battersea TikTok channel, publishing 70 videos, achieving over a million views and gaining 23,500 followers.

Theme 3: Our Voice

Battersea has a respected, authoritative, and influential voice with a proven record in bringing about policy and legislative change to benefit animal welfare and 2021 was no exception.

Four years after launching our campaign to increase maximum prison sentences for animal cruelty, success was achieved in April 2021 when the **Animal Welfare (Sentencing) Bill was passed**, bringing in five-year maximum custodial sentences for England and Wales, in line with Scotland which passed the equivalent legislation in 2020. Battersea was the first to campaign for this change and was heralded in both the Houses of Parliament and House of Lords for our determination in garnering the support of 73,000 animal lovers, and almost 200 MPs and MSPs. The success of the campaign was celebrated on social media, including messages from Ambassador Paul O'Grady and Ricky Gervais, who were heavily involved in the launch of the campaign.

In May 2021, we welcomed the Secretary of State for DEFRA, the Rt. Hon George Eustice MP to our London site to launch the Government's new **Action Plan for Animal Welfare**. The plan sets out the Government's intention to improve welfare for pets by tackling puppy smuggling, introducing compulsory microchipping for cats and banning electric shock collars. Battersea has produced an annual report on the **effectiveness of compulsory dog microchipping** since the law was introduced in 2016. We were encouraged to see that the Government intends to pursue several Battersea recommendations when it published its post-implementation review into compulsory dog microchipping at the end of the year. These include a microchipping database, and a microchipping awareness campaign for owners and breeders to remind them to update their details.

Battersea continues to collaborate with sector colleagues to drive positive change for dogs and cats. In 2021 we engaged with over 40 different charities, industry bodies, and organisations to further our policy goals. Such work included:

- Continuing our support for the All-Party Parliamentary Group on Cats (APGOCATS) by drafting and co-ordinating joint policy briefings;

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

- Our leadership of the sector membership body ADCH of which our Chief Executive served as Honorary Secretary (and an ex-officio Trustee) during the year;
- The appointment of Battersea's Chief Executive as non-executive Director to the Government's **Animal Health and Welfare Board for England (AHWBE)** to advise on companion animal welfare; and
- working with partners in Scotland to create a forum to turn **animal welfare into a key election issue** ahead of the devolved elections.

Theme 4: Increasing our impact

Our charity has a strategic long-term commitment to increase our impact for animals and to help as many dogs and cats as we can. We aim to achieve this by working in partnership with other dog and cat welfare organisations in the UK and around the world.

By providing training and financial support to these organisations, we enable them to work effectively, efficiently, sustainably, and to the highest possible welfare standards, and help ensure that Battersea has a positive, lasting impact on even more dogs and cats, year after year.

One of the ways we do this is by supporting a great many smaller rescues, shelters, and charities to continue helping animals in need in local communities both in the UK, and beyond. By providing training and financial support to these organisations, we enable them to work effectively, efficiently, sustainably, and to the highest possible welfare standards, and help ensure that Battersea has a positive, lasting impact on even more dogs and cats, year after year.

In 2021, the Battersea Academy delivered **36 programmes**, which were attended by **367 delegates** from **174** rescues and local authorities across **32 countries**. In addition, we also hosted the **Battersea Academy Network Conference** attended by 49 delegates representing 31 organisations across seven countries. These programmes comprised both tailored face to face and remote training. Over 3,000 animals were helped by those who attended Academy courses in 2021 (1,101 in the UK). Excluding those organisations that also received a Battersea grant, over 1,000 animals were helped through the Academy (309 in the UK).

Significant progress was made in 2021 to develop our **online learning management system**, which is due to be launched early 2022. The system will allow Academy delegates to manage their own learning journey as well as register for courses to study in their own time.

We know that many smaller rescues can make a huge difference to their facilities with extra financial investment, so alongside the Battersea Academy, we have a grant giving programme that funds research and initiatives to help improve dog and cat welfare. During 2021, **57 grants were awarded** (2020: 41 grants awarded), including 33 international grants, totalling £1.0m (2020: £450,000). Of these international grants, five grants were awarded to recipients including Zero Stray Pawject in Greece, WeCare International in Sri Lanka, and Street Hearts in Bulgaria to enable them to continue projects that were started in 2020.

29 COVID-19 grants were awarded totalling £0.2m in 2021 across the UK and internationally to help rescue and rehoming organisations continue to provide vital services to their animals during the pandemic. To date, more than 5,000 animals have directly benefited from this funding.

Since Battersea started the Grants programme in 2018, we have **helped over 101,000 animals worldwide**.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

During 2021 the **Global Programmes Advancement Board** was established under the chairmanship of Trustee, Sir Alan Collins. The Board approved a major multi-year programme in Thailand, and similar programmes in other focus countries will follow in 2022 and beyond. An internal impact evaluation was carried out in 2021 in preparation for strategy development and the delivery of a new impact measurement framework for our global programmes.

During the year, three **UK research grants** were made focussing on themes of owner perceptions of cat behaviour, dog ownership and wellbeing, and technology use in shelter animal welfare. We intend to make this grant available for international applicants in 2022.

Theme 5: Our enablers

As part of our commitment to make Battersea a more diverse and inclusive organisation we commissioned important research with staff and volunteers to help develop a **multi-year D&I Action Plan**, which was published in August. In response to this, a new careers site was launched with a more accessible application process and anonymised shortlisting.

Battersea continued to invest heavily in staff initiatives with the launch of:

- Battersea's first **wellbeing plan**, equipping the organisation to build resilience in response to ongoing pandemic pressures through the provision of guidance, signposting of support services, and the development of a mental health first aider network;
- Battersea's **first ever intranet, 'Pawtal'**, to help staff stay connected and easily access information needed to do their roles;
- A six-month **hybrid working pilot for non-operational** roles in September 2021. Staff were supported with this new way of working through written guidance, FAQs, and webinars. An evaluation framework was developed to assess the effectiveness of the pilot;
- A **new leadership framework**, along with a new performance management system; and
- An **integrated onboarding and induction process** for new starters providing opportunities to engage with Battersea before joining.

Throughout 2021, most volunteering roles were suspended to reduce the number of people attending Battersea centres. In total, volunteers contributed **62,602 hours** in 2021, down 20% on 2020. In 2021, we achieved **Investing in Volunteers Accreditation** for the second time, receiving positive feedback on the quality of the volunteer programme.

At the end of the year, Battersea had **798 registered volunteers**, against 947 in 2020, the decrease being amongst kennel volunteers. Keeping volunteers engaged when most have been unable to volunteer has been a challenge and we hope to bring kennel volunteers back on site in 2022.

Despite the ongoing challenges surrounding the pandemic, we are thankful and grateful to all of our donors who continue to show support for Battersea.

Third-party challenge events continued to be affected by COVID-19 with some events experiencing high dropout rates. Despite this, our **Muddy Dog Challenge** event returned with 16 events delivered over five months, retaining 4,500 participants from the cancelled events in 2020, as well as gaining an additional 3,500 new registrations. A further two Muddy Dog Challenge events were delivered with just under 4,000 participants, raising over £120,000.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Our **corporate and philanthropic partners supported the work of Battersea in many ways**. In 2021, this included securing more than £50,000 in funding with King.Com Ltd and its app-based game 'Pet Rescue Saga'. The partnership went on to win the **Silver Award for Most Innovative Collaboration** at the Corporate Engagement Awards. Virtual and in-person stewardship activities during the year led to improved engagement with philanthropic partners and trusts which helped secure an increase in funding from the **People's Postcode Lottery** to £1.0m per year over the next three years.

As a charity, we are fortunate to have had many supporters who choose to recognise Battersea in their Will, with 2021 being **another record-breaking year for legacy** income, exceeding £25.5m (2020 - £22.6m). Despite multiple challenges throughout the year, we continued to see a strong performance from **Individual Giving** with an additional **44,000 new regular givers recruited**. In addition, we recruited **35,000 new cash and raffle donors** and retained an active base of 140,000 supporters in this area, raising £3.3m for our charity. Battersea's Licensing work continues to grow with six new licensees accepted in 2021. These included the launch of **Jude's** ice cream for dogs, **Marks and Spencer's** gifting ranges in Winter, and listing of dog beds with **John Lewis**.

In 2021, a **new data strategy** was approved, and a steering group established to oversee the project. The implementation will include replacement of our animal management system and fundraising platforms in 2022.

New systems were launched in 2021 to improve efficiency and ways of working. This includes a **new procurement system** to improve financial control and gain better insights into spending, a **Will writing service**, and a **retail fulfilment partner**.

Extensive work was carried out to review website experience and accessibility. User research was conducted to understand the needs and experience of our website visitors, which helped drive improve online content, as well as increasing online donations. A website accessibility audit helped make our website more accessible to those with diverse needs, such as visual impairments.

Section 172 statement

The Trustees of Battersea, as those of all UK charitable companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A Trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to the:

- Likely consequences of any decisions in the long term;
- Interests of the charitable company's employees;
- Need to foster charitable company's business relationships with suppliers, customers and others;
- Impact of the charitable company's operations on the community and environment;
- The charitable company's reputation for high standards of business conduct; and
- Need to act fairly between members of the charitable company.

The following paragraphs summarise how the Trustees fulfil their duties:

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Our Rehoming Customers

During the year, Battersea engaged with rehoming customers through creating focus groups to explore our wider remit with supporter groups. As a result of the positive response to our wider remit, we were able to conduct further research, strategic communications, and planning across Battersea to help develop our new evolving story.

Battersea also carried out a rehoming applicants experience survey. This helped us understand how applicants feel about the rehoming application process and accompanying communications. Findings from the survey led to developments to the website application process and email communications.

Donors

At Battersea, we are indebted to our supporters and greatly value all the donations given to us, ensuring they are carefully spent on providing the best possible future for the animals in our care and beyond our gates. We also have ambitious targets, to enable the organisation to meet its strategic aims.

In order to improve our communications and products for the benefit of our supporters and highlight and capitalise on opportunities for growth, we undertook research to better understand our current and potential donors both those who give directly and those who use their networks to fundraise on behalf of us. This insight will be used to:

- Develop new products and approaches;
- Prioritise, plan, design and deliver our work more effectively;
- Serve more tailored messages and marketing;
- Find more people in the market we do not currently speak to that may be interested in supporting our work; and
- Identify barriers to fundraising activities and appropriate solutions.

Employees

Battersea engages with its employees consistently and through various channels. During 2021 we continued to engage with staff (including furloughed staff) through All-Staff webinars which included regular updates from the Chief Executive, Directors and Senior Managers from across the organisation and provided staff with opportunities to put questions to the leadership team. Feedback from the webinars has been used to inform COVID-19 related decision making and our plans for returning to office working and hybrid working arrangements when government guidance enabled this, and how these decisions are communicated across Battersea.

In 2021 we launched Battersea's first Intranet, available to all staff, which has enabled a wider range of 'always on' engagement tools such as video messages from the Chief Executive and updates on key organisational priorities and connection to our cause through case studies and stories about our people, teams and animals, as well as access to policies, information and FAQ's.

Battersea's Senior Management Group is a group of Heads of Functions, formed to work with the Executive Team to help deliver key organisational priorities and to take a more strategic organisation-wide leadership role. The group met seven times during 2021 and provided recommendations to the Executive Team on returning to office working when government guidance enabled this. Key recommendations included adapting a hybrid working model for all staff in roles where this was possible, which was implemented in Autumn 2021.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

We engaged extensively with all staff in 2021 through facilitated focus groups and online feedback forums to understand their current experiences and perceptions of and inclusion at Battersea. Resulting from this consultation we have developed a comprehensive multi-year cross-organisational diversity & inclusion plan and appointed a specialist Diversity & Inclusion Business Partner to support the organisation in its implementation.

We continue to engage with our employees through the Battersea Matters staff consultation group, which is made up of elected representatives from across the whole organisation, to discuss on key organisational and employee priorities. The group met three times in 2021.

Volunteers and Foster Carers

Battersea continued to adapt its communications with its volunteers, foster carers and volunteers in Communities to keep them engaged. During 2021, Battersea worked with volunteers to bring them back on site, adjusting where required, to allow them to do their roles safely.

Ensuring volunteers remained engaged with Battersea, during Volunteers' Week staff hosted four webinars with guest speakers from across the sector and a 'Question Time' which allowed for volunteers to ask questions of the CEO and Directors. Two social events were also hosted for volunteers.

Through engaging with volunteers, we were able to identify a number of trustee volunteers and staff to help foster animals during an emergency fostering scheme towards the end of 2021.

Communities

Whilst COVID-19 continued to impact on the development of the Communities programme in 2021, we were able to scale up our rehoming activity in both Guildford and Ashford.

Identifying a need to increase the number of Community Rehoming Volunteers (CRVs), several recruitment campaigns were launched. This led to an additional 10 CRVs, enabling Battersea to book community events and county shows, as well as the identification of our third Community location in Basingstoke.

Academy attendees

Through the Academy alumni network, UK and International rescues were asked to contribute towards two consultations relating to the regulation of rescues in the UK and the import of animals to the UK. They were also informally asked to contribute ideas on new content that they would like to see delivered in 2022 and invited to participate in externally led research conducted by University of Liverpool and Derbyshire's Police & Crime Commissioner.

Grant recipients

Battersea's grant giving programme works alongside the Battersea Academy, including to support smaller rescues develop their facilities and improve their ways of working.

In 2021 we engaged with rescues to understand the impact of COVID on their work - 18% of Battersea's grant funding was attributed to COVID. This led to a strategic decision to make specific COVID grants available to rescues.

Environment

The Trustees recognise the importance of leading a charity that not only generates value for its beneficiaries, but also to the wider society. We recognise the environmental and climate risks, and we are committed to reducing the environmental impact of our operations and minimising our environmental footprint. To achieve this, Battersea ensures high standards of

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

environmental management in place by contractors working on-site, that all waste is recycled where possible and supplies for electricity, paper and building materials are procured from green sources. In 2021, Battersea implemented changes across the site to improve waste management, introduce energy monitoring, and improve biodiversity. This led to being awarded the Silver Gilt award for London in Bloom and a Bronze accreditation from Investment in the Environment.

Financial review

Income

Total income was £58.3m (2020: £52.7m) for the year – an increase of £5.6m from 2020. Despite the unpredictable economic climate, we received record legacy income of £25.5m (2020: £22.6m). Our Donations and Fundraising Events income increased to £30.2m (2020: £26.6m) in 2021 as we were able to carry out more fundraising events as lockdown eased. Also included within income is Government grants of £0.6m (2020: £1.4m) received this year in respect of the Government Retention Furlough Scheme.

	2021 £m	2020 £m	Change %	Ratio %
Legacies	25.5	22.6	13	43
Donations and Fundraising Events	30.2	26.6	14	52
Government grants	0.6	1.4	(57)	1
Gifts in kind	0.3	0.5	(20)	1
Trading activities and other income	0.7	0.5	40	1
Investment income	0.4	0.5	(20)	1
Charitable income	0.6	0.6	-	1
Total Income	58.3	52.7	11	100

Expenditure

Total expenditure increased by £3.5m to £47.1m for the year (2020: £43.6m). The amount we spent on caring for animals at Battersea decreased to £17.4m (2020: £18.1m), reflecting a reduction in headcount due to vacant roles. Costs of raising funds increased to £17.1m (2020: £14.4m) as fundraising activity began to resume to pre pandemic levels. Grant giving and Academy expenditure increased by £0.5m (2020: £0.8m) due to increase in grants awarded in 2021. Education and awareness costs increased to £6.6m (2020: £5.4m) in 2021 which included the launch of a brand-new integrated campaign Wear Blue for Rescue. Support costs have remained fairly in line with 2020 figures at £4.4m.

	2021 £m	2020 £m	Change %	Ratio %
Care of animals	17.4	18.1	(4)	37
Raising funds	17.1	14.4	18	36
Gifts in kind	0.3	0.5	(20)	1
Grant giving and Academy	1.3	0.8	63	3
Education and awareness	6.6	5.4	22	13
Support and governance	4.4	4.4	2	10
Total Expenditure	47.1	43.6	8	100

Net unrealised gains on investments in the year were £2.2m due to favourable movements in financial markets (2020: losses of £0.7m).

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Total funds at year end were £113.2m (2020: £98.5m).

Pension

Battersea operates a defined contribution pension scheme for its employees. It also has a legacy defined benefit pension scheme which was closed to new members from September 2010. At the end of September 2013 this was also closed to future benefit accrual, to help mitigate any future liability.

Despite this, Battersea will continue to have ongoing liabilities, the funding of which is agreed between the trustees of the pension scheme and the charity's Trustees. These liabilities are subject to fluctuation as assumptions change over time. As at 31 December 2021 the pension scheme was in a deficit position of £0.3m (2020 - £1.6m). The deficit position has been recognised within the Statement of Financial Activities for the year ended 31 December 2021.

Full detailed information on Battersea's pension schemes, including the defined contribution scheme, can be found in note 18.

Investment powers and policy

After a competitive tender process, Battersea appointed Sarasin & Partners as its new investment managers, transferring its investments from Adam & Co in December 2021.

Under the Memorandum and Articles of Association, the charity has the power to make any investments which the Council of Trustees sees fit. The Trustees are aware of the need to maximise the investment return without jeopardising Battersea's reputation. They therefore require their investment advisers, Sarasin, to refrain from investing in any company that is involved directly in the use of experimental animals for non-clinical research, or sub-contracts to companies that make use of such animals, unless there is a legal or regulatory requirement to do so. The mandate also prohibits Sarasin from investing in tobacco companies. If in doubt they are asked to refer to the Chair of the Finance Audit and Risk Committee. Adherence to this policy is confirmed quarterly through a formal screening of our investment portfolio and the issuing of a compliance report to the Finance Audit & Risk Committee.

In light of events following the escalation of the Ukraine conflict, only two holdings in Battersea's investment portfolio have indirect links to Russia and Ukraine, making up 1.2% of the overall portfolio.

This gives Trustees assurance that there are no listed investments adverse to the purpose of the charity, thereby complying with the requirements of the Statement of Recommended Practice (SORP) and the Charity Commission's revised guidance note CC14.

Investment diversification within the above criteria is used to reduce risk exposure. The Council of Trustees, together with their advisers, set benchmark weightings for the portfolio.

The asset allocation of the portfolio as at 31 December 2021 was as follows:

	Benchmark	Actual Weighting
Equities	70%	72.3%
Bonds	15%	8.8%
Alternative investments	10%	9.3%
Cash	-	9.6%
Property	5%	-
	100%	100%

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Departure from benchmarks above, at year end, reflects the need to respond to the market situation thereby optimising investment returns.

The result in the year to 31 December 2021 was as follows:

	Benchmark	Actual Performance
Portfolio total return	-0.3%	0.7%

Reserves

The aim of Battersea's Reserves Policy is to ensure that the charity's ongoing activities are protected from unexpected fluctuations in its income and expenditure. In setting the reserves Policy, the Council of Trustees is influenced by strategic risks facing the charity (which are kept under regular review) – not least the fact that the charity is heavily reliant on voluntary income (legacies and fundraising) to continue its charitable undertakings – which being uncertain sources of revenue may not always provide the necessary funds to cover essential costs. Trustees have affirmed the target range for free reserves to be maintained between 6 to 12 months of 2022 budgeted charitable and support cost expenditure which equate to a range between £18.3m and £36.6m. This would allow for our activities to continue as normal during temporary falls in income or allow contingency plans to be implemented in the event of a more significant downturn in income or unanticipated increase in expenditure. This level is deemed appropriate when considered alongside the major strategic and operational risks currently faced by the Charity.

Free reserves (that is, those unrestricted funds not tied up in tangible fixed assets or other designated funds, excluding any pension assets) increased during 2021 to £36.2m (2020: £25.3m), representing approximately 12 months of charitable and support cost expenditure. Another strong year for legacy income meant Battersea was able to achieve a surplus of income. Following a sustained period of financial growth, Battersea will be investing further in our charitable activities, exploring new opportunities that exist for growth in this area. This includes expanding our grants programme and ensuring our digital platforms are set to support the next phase of Battersea's growth.

Trustees balance the need to maintain an appropriate level of free reserves with funding key strategic initiatives such as investment in the charity's infrastructure and facilities. In 2021, Trustees will be focussing on increasing Battersea's charitable impact beyond our gates, supported by resuming investment in Individual Giving.

Battersea had identified the need for the development of existing facilities, particularly at the London and Windsor site, and work is expected to be completed in 2022. Battersea committed to ensuring every dog and cat coming to our doors can stay in the safe and hygienic conditions they truly deserve during their time in our care. To achieve this vision the **Site Development Fund** was created. As at 31 December 2021, this stands at £8.1m (2020: £15.2m), representing the remaining forecast spend to complete major planned development works.

The **Fixed Asset Fund** of £62.4m (2020: £57.2m), represents the net book value of Battersea's fixed assets – principally the value of the land and buildings on our three sites.

During the year, trustees approved two new designated funds. The **Multi Year Grants fund** was created to ringfence funds in relation to Battersea's first multi year grant award. At 31 December 2021, the balance on the fund stood at £1.8m (2020: nil), representing one multi year grant.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

A new **Data Strategy fund** was created during the year to fund a Battersea's data strategy project. At 31 December 2021, the balance on the fund stood at £4.7m (2020: nil).

Trustees review and monitor this policy annually.

Plans for future periods

In 2022, subject to Government restrictions, Battersea will also continue to implement the strategic initiatives prescribed by the Strategic Plan.

Theme 1: Directly helping more dogs and cats in need

We will continue to invest in improving our rehoming journey, expanding our aftercare for customers rehoming behaviourally and medically challenging animals. We will also look at devising a home-to-home rehoming service to increase the number of easy to rehome dogs.

We will continue to develop our veterinary services through increasing our resources to allow for complex veterinary referral cases, as well as the launch of a new **physiotherapy** service to complement our **hydrotherapy** work.

We will continue to establish our **Battersea Communities** Programme. Communities are expected to deliver the cost-effective expansion of rehoming and supporter engagement opportunities in new geographical areas. In 2022 we will be looking to grow the Guildford and Ashford Communities and, subject to need, launch a **third Battersea Community** in Basingstoke.

Battersea are committed to improving sustainability across our centres. In 2022, we will be working towards the **Investing in the Environment Silver** accreditation.

Theme 2: Reframing rescue

Battersea will continue to 'reframe rescue' and seek to help more dogs and cats live where they are treated with compassion, care, and respect. We will do this through the evolution of our **Reframing Rescue** and **Wear Blue** campaigns which will include sector engagement.

In addition to our major campaigns, we will be focussing on building Battersea's brand visibility, awareness, reputation, and health with an emphasis on growing new audiences, and aligning with fundraising activities. We will aim to grow and engage new audiences through the delivery of series 11 of ITV's **Paul O Grady's For the Love of Dogs**.

Theme 3: Our Voice

Battersea will continue to use our respected, authoritative, and influential position as a leader in the sector to tackle existing and emerging animal welfare issues and to remove barriers to greater pet ownership.

Key objectives of 2022 include:

- Support the Regulation of Rescues across the UK. England, Wales, and Scotland have all pledged to **regulate the rescue sector**. We will develop the first 'State of the Sector Report' in partnership with other rescues, which will be launched in 2022, assessing the impact of COVID-19 on the sector.
- **Pet Friendly Properties phase two**: Focussing on the private rental sector, we will seek to publish original research, seeking to build a bridge between renters and landlords to find practical ways forward, thereby opening a new pet ownership market.
- We will continue to work hard to **influence the legislative agenda**, including pushing for the best possible deals for animals on the Kept Animals Bill, which looks at the

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

welfare of certain kept animals that are in, imported into, or exported from Great Britain, as well as the Animal Welfare (Sentience) Bill, and microchipping for dogs and cats.

Theme 4: Increasing Our Impact

Battersea will continue to extend our impact beyond the confines of our physical centres to help more animals through the development of a **Global Programmes** strategy which will increase our impact on animals to around 100,000 per annum from 2024.

We will significantly grow the work of the **Battersea Academy**, continuing to develop our online delivery through the launch of the Academy Learning Management System, as well as reintroducing our face to face offering for our Intensive programmes.

In 2022, we will launch a **multi-year partnership** with Jai Dog to support a capture, vaccinate and neuter and release programme in Thailand. In this respect we have designated £1.8m of funds to be paid over five years. We have plans to launch a further two multiyear partnerships. The work of our Academy and Grants programme will be closely aligned to ensure a **strategic approach** is taken in developing and implementing strategies in focus countries, alongside the roll out of an International Programme of opportunities and identification of strategic partners. We will work closely with partners and organisations to develop new and existing work.

Theme 5: Our Enablers

Battersea will continue to invest in direct marketing fundraising campaigns and its **regular giving lottery** products to help generate financial returns over a longer-term period. We will look at introducing **virtual and hybrid fundraising events**, including the development of a new look My Muddy Dog challenge event, and Facebook challenges.

We will also look to continue to **build the pipeline for legacies** through increased investment in legacy marketing. In 2022, we are hoping to launch a free digital Will writing offer and will be investing in digital systems to help improve oversight and control over case management.

We will begin the implementation of a comprehensive **Data Strategy** and will begin to introduce new systems to replace our animal information management system and fundraising platform. This work will be supported through the development of a new target operation model and **impact measurement framework**. The new impact framework will help provide insights into how our work is contributing to our strategic goals.

We will continue to attract, develop, and retain **talented people** through the development of Battersea's first **People Strategy**, which will be overseen by the People Committee. Battersea will also be conducting a Staff and Volunteer survey, delivering the **Diversity and Inclusion Action Plan**, and introducing a career development offer called '**My Career**'.

Key strategic outcomes over the life of the Strategic Plan are:

- 30,000+ animals rehomed from our existing three centres;
- 4,500 animals rehomed from a fourth centre;
- 2,000+ animals rehomed via Battersea Communities;
- 60,000 more animals rehomed annually by the UK rescue sector;
- 150,000 animals helped by the Battersea Academy; and
- 70,000 animals helped by Battersea Grants.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Diversity & Inclusion (D&I)

Battersea is committed to providing equality of opportunity and valuing diversity. In consultation with our staff and volunteers, a comprehensive Diversity & Inclusion Action Plan was drafted, and implementation began in 2021. Current progress includes:

- Appointing a D&I Business Partner
- Appointing a Trustee D&I Champion
- Agreeing external benchmarks and internal targets for workforce diversity, including identifying priority areas of under-representation
- Introduced a new Applicant Tracking System to ensure we can collect good quality diversity monitoring data at recruitment stage & to enable anonymised shortlisting
- Begun reviewing our recruitment and selection processes to ensure they are inclusive and that we attract as diverse a candidate pool as possible
- Worked with specialist recruiters to ensure a diverse pool of candidates is attracted for Trustee vacancies
- Redeveloped our core people manager training to ensure a focus on inclusion
- Refreshed our organisational values to include Inclusion as a core principle embedded in our ways of working
- Opening prayer and spiritual meditation rooms together with guidance on religious observance and prayer at work
- Incorporation of D&I measures and engagement questions into our staff and volunteer engagement surveys
- Successful application to join the 2022 Pride London parade.

We are committed to continued work to ensure Battersea is even more diverse and inclusive. Future planned activities include:

- Launch of inclusion networks for staff and volunteers from under-represented groups together with their allies
- Inclusive leadership development
- Completing the review of our recruitment and selection processes
- Development of ongoing programme of learning around diversity and inclusion topics
- Further work on creating an inclusive culture including work on inclusive language and challenging microaggressions
- Ongoing monitoring of progress against our benchmarks and targets.

Fundraising standards

Open and accountable

All fundraising at Battersea is carried out with the full oversight of the Directors and the Council of Trustees. Battersea strives to provide an excellent service to all our supporters, and this is reflected in the low levels of complaints that we receive. Complaints are dealt with by our experienced Supporter Services team and are generally resolved without the need for escalation. Battersea takes any complaints very seriously and sees them as an opportunity to continue to improve our relationship with our supporters and the public.

Complaints

We record and monitor all complaints received and these are reported to our Trustees annually. We aim to acknowledge complaints within one working day with the vast majority being resolved within three working days.

- As a percentage against the volume of fundraising activity Battersea undertakes, we have received a very low number of complaints (for 2021, we recorded 642 complaints -

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

0.00013% of our total volume of fundraising activity) and we strive to continue to improve how we measure, record, and resolve complaints across Battersea.

- In 2021, Fundraising Compliance and the Supporter Services Team launched a new and improved complaints tracking and tiering system. The system allows us to identify complaint themes and trends, ensuring we can better mitigate risks to Battersea in the future, whilst also improving the customer experience.

Protecting the vulnerable

Battersea takes its responsibility towards supporters who may be considered vulnerable very seriously. We have a Vulnerable Persons Policy which is shared with staff and agencies working for us. Our Fundraising and Supporter Services teams have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance.

Contacting our supporters and supervising our fundraisers

Battersea prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations. We are registered with the Fundraising Regulator and as such their logo appears on our fundraising collateral as a kitemark of approval. All contracts with our third-party agencies include clauses to be able to monitor, mystery shop and train their fundraisers. Each agency is required to provide proof of membership of one of the fundraising regulatory bodies, along with all copies of their compliance policies. Weekly status calls with our agencies allow us to monitor their operating procedures.

Battersea manages two society lottery products; the Paw Draw weekly lottery and the Superdraw quarterly raffle. We take steps to ensure the product design, marketing and fulfilment adheres to Licensing Code and Codes of Practice requirements of the Gambling Commission and best practice. Our marketing strategy is ethical and age specific. Battersea follows the UN Rights of the Child and perceives a child to be anyone under the age of 18. As such, our gambling products are not open to over 16s (as permitted in legislation), and instead we require players to be over 18 years of age. This approach to age informs our marketing activity and we will not actively market to anyone we know is under 18 years of age.

We undertake extensive programmes of mystery shopping, fundraiser shadowing, call listening, training, and compliance support with our agencies. This facilitates the continued delivery of high quality and sustainable fundraising. We deliver a robust training programme to agencies working on our behalf, adhering to the Fundraising Code of Practice, and demonstrating best practice. Each training session has a section on compliance, consent for future contact preferences and dealing with vulnerable people. We actively engage with and encourage our agency fundraisers to be proud Battersea ambassadors.

In 2021 Fundraising Compliance created and supplied a Battersea standard Vulnerable Persons training to all agencies. Battersea insists that all agencies provide Vulnerable Person training to their staff on a quarterly basis. This is in response to a Vulnerable Persons Policy and Training Audit of our third-party fundraising agencies conducted in 2020.

Our mystery shopping and call monitoring programme ensures that fundraisers are treating our potential donors fairly, respectfully, and appropriately. This is supported via the periodic shadowing of fundraisers by Trustees and members of the Executive Team. We also regularly attend the agency induction training sessions to observe and audit the content and delivery of the fundraisers' initial training using the Chartered Institute of Fundraising (CIOF) /Fundraising

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Regulator checklist. Battersea is a member of the CIOF and the Fundraising Regulator and takes part in their compliance round table events.

Our trustees, directors, staff and senior management shadow our third-party fundraisers across all channels on an annual basis and provide feedback and/or recommendations for any improvement. These visits are recorded and form part of an annual report to our Council of Trustees.

Streamlined Energy and Carbon Reporting (SECR)

Our SECR obligations

Battersea Dogs & Cats Home understands that, like all organisations, our activities and services have an impact on the environment. As such, we are committed to the continual improvement of our environmental performance and ensure compliance with all relevant environmental legislation, including the Streamlined Energy and Carbon Reporting (SECR) scheme.

The figures provided outlines the results to 31 December 2021. The Greenhouse Gas (GHG) emissions associated with our core business operations have been measured and verified in accordance with SECR category guidance; Scope 1 (direct resource use), Scope 2 (bought resources for use in our direct operations) and specific Scope 3 emissions (indirect emissions due to business activities). We have also identified appropriate intensity ratios to normalise and monitor our carbon emissions and energy efficiency measures, which support our drive to minimise costs and improve productivity whilst reducing carbon emissions in line with the UK's target to bring all GHG emissions to net zero by 2050. Battersea aims to seek a verified Carbon Neutral status in 2022.

Our carbon impact

Table 1

2021	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Proportion (nearest whole number)
Electricity	0.00	503.48	175.66	53%
Natural Gas	323.01	0.00	55.28	30%
LPG	69.12	0.00	8.16	6%
Water	0.00	0.00	8.76	1%
Fleet Mileage	44.09	1.00	11.28	4%
Isoflurane	28.61	0.00	0.00	2%
Nitrous Oxide	44.93	0.00	0.00	4%
Totals (tCO₂e)	509.76	504.48	259.14	1,273.37

Table 1 shows that the total GHG emissions associated with our combined business operations for the year ended 31 December 2021 were 1,273.37 tonnes of carbon dioxide equivalents (tCO₂e). Utilities at our three sites accounted for 90% of our emissions and the remaining 10% were associated with fleet transport and anaesthetic gas use within our clinic operations. This proportionality indicates that our approach to carbon reduction should primarily target the operational efficiency of our buildings. We have expanded the scope of our reporting to exceed mandatory requirements by including emissions associated with the Transmission & Distribution (T&D) of electricity and water to site and Well-to-Tank (WTT) emissions for fuels. In future years we will look to include further Scope 3 emissions, including

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

employee commuting, purchased goods and services, and remote working. We will also aim to subtract any carbon offsetting or renewable energy generation that we can procure as part of our wider sustainability goals.

Table 2

	Scope 1 (tCO₂e)	Scope 2 (tCO₂e)	Scope 3 (tCO₂e)	Proportion (nearest whole number)
2020				
Electricity	0.00	540.25	121.01	49%
Natural Gas	390.40	0.00	50.76	33%
LPG	56.65	0.00	6.93	5%
Water	0.00	0.00	22.98	2%
Fleet Mileage	38.84	0.22	9.45	4%
Isoflurane	27.85	0.00	0.00	2%
Nitrous Oxide	74.88	0.00	0.00	6%
Totals (tCO₂e)	588.62	540.47	211.13	1,340.22

Table 2 is a recalculation of our 31 December 2020 carbon footprint, which has been amended to more accurately reflect our energy consumption and to include carbon emissions of our operational water and anaesthetic gas usage for the relevant reporting period. This shows that the updated total GHG emissions associated with our combined business operations during the previous SECR period were 1,340.22 tCO₂e.

Table 3

	Scope 1 (tCO₂e)	Scope 2 (tCO₂e)	Scope 3 (tCO₂e)	Proportion (nearest whole number)
2019				
Electricity	0.00	675.47	151.56	48%
Natural Gas	486.25	0.00	63.24	32%
LPG	58.14	0.00	7.31	4%
Water	0.00	0.00	30.99	2%
Fleet Mileage	38.45	0.00	9.21	3%
Isoflurane	49.78	0.00	0.00	3%
Nitrous Oxide	149.76	0.00	0.00	9%
Totals (tCO₂e)	782.38	675.47	262.31	1,720.16

Due to COVID-19 impacts on our operational capacity, we were unable to use our year 1 or year 2 datum as a baseline. Therefore, we have also retroactively calculated our carbon emissions for 2019 to represent a “business as usual” baseline. Table 3 shows that the total GHG emissions associated with our combined business operations during 2019 were 1,720.16 tCO₂e.

Emission Intensity Ratio

Current government environmental reporting guidance recommends the development of at least two Key Performance Indicators (KPIs) associated with key environmental impacts. In Table 4, we have identified two intensity ratios which divide our carbon emissions by an appropriate normalisation factor to enable performance tracking over time and comparison against organisations operating in equivalent sectors. These include (1) average carbon emissions per £100k turnover and (2) average carbon emissions per FTE employee. We

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

chose to use an employee-based indicator to encourage staff engagement with our organisational mission to minimise our impact on the environment.

Table 4

	tCO₂e/£100k	tCO₂e/FTE
2021	2.18 tCO ₂ e/£100k	2.41 tCO ₂ e/FTE
2020	2.54 tCO ₂ e/£100k	2.50 tCO ₂ e/FTE
2019	3.91 tCO ₂ e/£100k	3.29 tCO ₂ e/FTE

Calculation Methodology

The raw consumption data of our business operations has been calculated using a combination of direct meter reads, utility bills, and recorded fleet mileage data. All of our utility and fleet carbon emissions have been calculated in accordance with guidance provided by the UK Government, GHG Reporting Protocol, and using DEFRA conversion factors. For our anaesthetics, recommended conversion factors from the NHS Sustainable Development Unit (SDU) were followed.

Baseline Calculation Methodology

As both our first and current SECR reporting years occurred during the lockdown/COVID 19 period, neither will be suitable years to assign as a baseline year against which future energy saving measures are evaluated. We will therefore continue to monitor in future years and develop a suitable baseline calculation methodology to account for business-as-usual levels of productivity. For the purposes of this report, our retrospective calculated 2019 datum will serve as an interim baseline.

Energy Saving Measures

Since our last SECR report submission, we have developed an official Environmental Management System (EMS) and published an organisational Environmental Policy, both of which have been accredited and certified by third party auditor, Investors in the Environment. Our EMS supports consistent and accurate monitoring and evaluation of our resource consumption and associated emissions, whilst also encouraging staff and constituent engagement with the continual improvement of our organisational environmental sustainability.

Taking into account our key emissions areas and previous Energy Savings Opportunity Scheme (ESOS) recommendations, we have focused our energy saving efforts on upgrading our plant equipment, improving our building management systems, and introducing large scale LED installations. We have also begun to develop an official Environmental Strategy to achieve net zero GHG emissions in line with the UK Government's 2050 deadline.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Energy Consumption Data (Table 5)

2021			2020		
ENERGY TYPE	UNIT	CONSUMPTION	ENERGY TYPE	UNIT	CONSUMPTION
Electricity	kWh	2,371,193	Electricity	kWh	2,317,263
Natural Gas	kWh (net CV)	1,599,288	Natural Gas	kWh (net CV)	1,919,341
LPG	kWh (net CV)	300,076	LPG	kWh (net CV)	245,862
Fleet Mileage	kWh (net CV)	184,904	Fleet Mileage	kWh (net CV)	154,404
OTHER			OTHER		
Water	m ³	20,809	Water	m ³	21,848
Isoflurane	250ml bottles	150	Isoflurane	250ml bottles	148
Nitrous Oxide	9,000L canisters	9	Nitrous Oxide	9,000L canisters	15

2019		
ENERGY TYPE	UNIT	CONSUMPTION
Electricity	kWh	2,642,581
Natural Gas	kWh (net CV)	2,383,215
LPG	kWh (net CV)	252,409
Fleet Mileage	kWh (net CV)	147,928
OTHER		
Water	m ³	29,457
Isoflurane	250ml bottles	261
Nitrous Oxide	9,000L canisters	30

All figures in Table 5 are rounded to the nearest whole number. Consumption figures for Natural Gas, LPG, and Fleet Mileage were converted to kWh from m³, L, and miles, respectively, by using the UK Government's GHG Conversion Factors for Company Reporting. For 2019 Fleet Mileage figures, 2020 conversion factors were used as these were not provided in the 2019 UK Government guidance.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Reference and administrative details

Charity number: 206394
 Company number: 278802
 Registered office: 4 Battersea Park Road, London SW8 4AA

Our advisers

Auditors Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	Bankers Barclays Bank Plc Clapham Junction Branch 7-11 St John's Hill London SW11 1TR
Solicitors Bates Wells 10 Queen Street Place London EC4R 1BE	Investment Advisers Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU

Council of Trustees

Paul Baldwin	Chair
Patrick Aylmer	Honorary Treasurer
Sir Alan Collins	(appointed 21 May 2021)
Brian Dunk	(resigned 14 July 2021)
Richard Hammond	(resigned 20 April 2022)
Sunwinder Mann	(appointed 8 December 2021)
Alan Martin	
Anne Montgomery	(resigned 10 February 2022)
Cassie Newman	
Maria Novell	(appointed 8 December 2021)
Susan Paterson	
Patricia Stafford	
David Turner	
Bradley Viner	
Deri Watkins	
David Watson	(resigned 21 April 2021)
The Worshipful Mayor of Wandsworth	(Ex Officio)

Senior Staff

Peter Laurie	Chief Executive (from April 2021) Interim Chief Executive (from January 2021 to March 2021)
Kelly Brown	Director of Finance & Corporate Services
Bryony Glenn	Director of Human Resources

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Julian Holmes-Taylor	Director of Income Generation (from September 2021) Interim Director of Fundraising (until September 2021)
Amy Jankiewicz	Director of Operations (from November 2021 until April 2022)
Paul Marvell	Executive Head of Global Programmes (from November 2021) Interim Director of Operations (from January 2021 until November 2021)
Sarah Matthews	Director of Marketing & Communications
Shaun Opperman	Director of Veterinary Services

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Structure, Governance and Management

Trustee appointments

Battersea Dogs & Cats Home is governed by a Council of Trustees (who are also Directors of the charitable company for the purposes of company law). Trustees, who are volunteers with distinguished careers and experience in a wide variety of fields, are subject to fixed term appointments and election or re-election according to procedures set out in the Memorandum and Articles.

New Trustees are nominated via an external search led by the Chair of Trustees, interviewed by a panel of Trustees and the Chief Executive, and appointed where they have the necessary skills to contribute to the charity's governance and strategic development.

An individual induction programme is agreed for each new Trustee to brief them on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee structure and decision-making processes, the strategic plan and recent financial performance of the charity. As part of their induction, they meet key employees and other Trustees.

A skills audit is undertaken regularly to ensure appropriate expertise and diversity of experience is represented on Council to enable effective challenge, governance, and oversight of the charity to take place.

More information on Battersea's Trustees and Executive Team can be found on Battersea's website.

Trustee delegation

The Council is responsible for setting strategic direction, agreeing the financial plan and approving the delegation of financial authority through the Chief Executive, with specific limits imposed on delegation. The Council acts on advice and information from regular meetings with the Chief Executive. The Council met formally seven times during 2021.

The Chief Executive is responsible for the day-to-day management of the Charity and for implementing policies agreed by the Council. The Chief Executive is assisted by a group of directors and senior managers.

The Finance Audit & Risk Committee meets at least quarterly to oversee all financial aspects of the charity. It takes delegated responsibility for ensuring there is a framework for accountability and for ensuring that the charity complies with all financial aspects of the law, relevant regulations, and good practice. The Committee is also responsible for reviewing the performance of the charity's investment portfolio. It met five times during 2021.

The Buildings Committee is established to oversee all capital projects carried out by the charity. It met four times during 2021.

A Governance and Nominations Committee was established to review compliance with appropriate legislation and codes issued by the Charity Commission and other regulatory bodies and to lead on any process for appointments to Council and committees. The Committee met twice in 2021.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

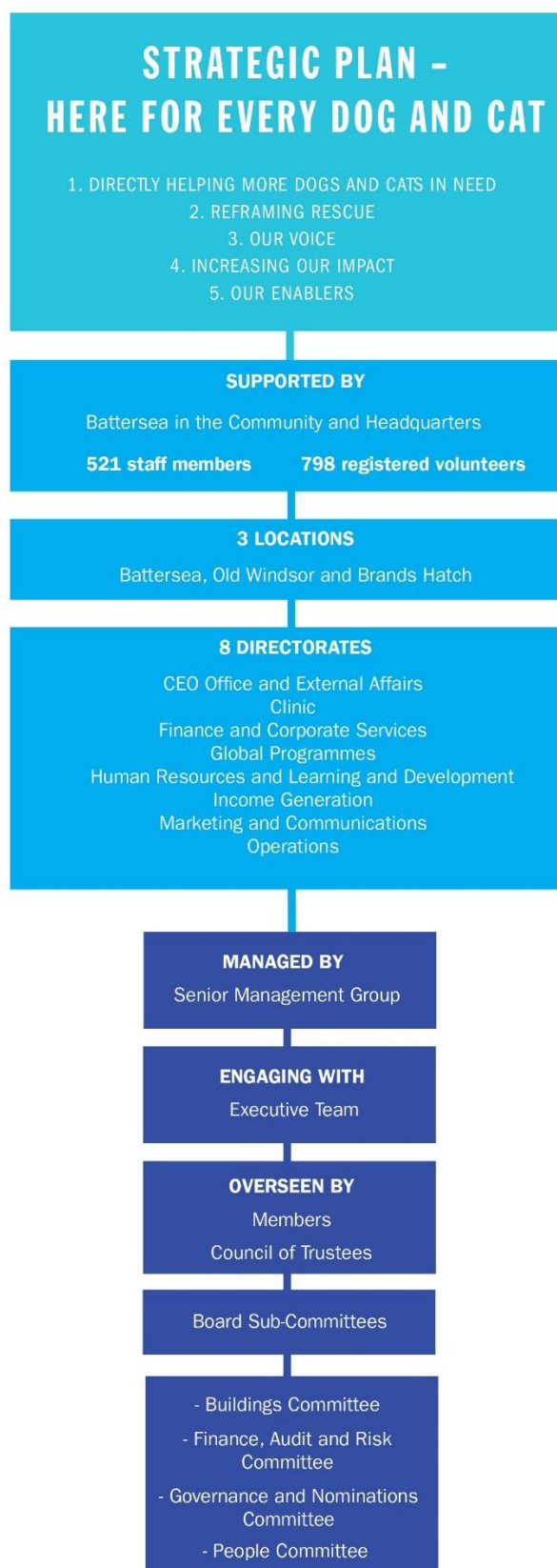
The People Committee was formed to address key areas of focus for the Trustees including reviewing and approving Battersea's remuneration policy, diversity, safeguarding, and learning and development. The Committee met four times in 2021.

During 2021 the following served as Trustees:

	Attendance at Council Meeting (max 7)	Attendance at Buildings Committee (max 4)	Attendance at Finance, Audit & Risk Committee (max 5)	Attendance at Governance & Nominations Committee (max 2)	Attendance at People Committee (max 4)
Paul Baldwin <i>(Council Chair)</i>	7/7	-	5/5	2/2	3/4
Patrick Aylmer <i>(Chair of Finance, Audit & Risk Committee)</i>	7/7	-	5/5	-	-
Alan Collins	6/6	-	-	-	-
Brian Dunk	5/5	3/3	-	-	-
Richard Hammond	5/7	-	-	-	-
Sunwinder Mann	1/1	-	-	-	-
Alan Martin	7/7	4/4	5/5	2/2	-
Anne Montgomery	5/7	-	-	2/2	2/4
Cassie Newman	6/7	-	-	1/2	2/4
Maria Novell	1/1	-	-	-	-
Susan Paterson	6/7	-	-	-	-
Patricia Stafford <i>(Chair of People Committee)</i>	6/7	-	2/3	1/1	4/4
David Turner	2/7	3/4	-	-	-
Bradley Viner <i>(Chair of Buildings Committee)</i>	7/7	4/4	-	-	-
Deri Watkins	5/7	-	-	-	-
David Watson	2/2	-	1/1	-	-

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Battersea Governance and Management Structure



**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Related parties

None of our trustees receive remuneration or other benefit from their work with the Charity. Any connection between a trustee or senior executive with a related party or competitor of the charity must be disclosed to the Council of Trustees. In the current year, no such related party transactions were reported. Donations made by Trustees to Battersea totalled £2,892 (2020: £1,040) for the year.

The charity has two wholly owned subsidiaries: Battersea Dogs Home Limited (BDH), which operates the Battersea's trading activities; and Bell Mead Kennels Limited, under which name the charity's annex at Old Windsor operated. Bell Mead Kennels Limited is now dormant. The companies' trading results and balance sheets are consolidated with those of the charity.

Pay policy for the Executive Team

Executive pay at Battersea reflects the market rate for comparable jobs in comparable organisations, the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with each role. Our pay policy aims to:

- recruit and retain talented individuals to lead and further develop our rapidly growing organisation;
- develop and sustain high performance, and;
- recognise individual performance in the preceding year.

The People Committee, formed in 2020, are responsible for overseeing the remuneration of Battersea's Executive Team. The Executive Team's annual pay reviews are paid in accordance with the wider organisational approach to pay reviews, which is currently to pay the same fixed percentage pay increase to staff at all levels. Pay for all roles at all levels is re-benchmarked on a triennial basis using externally validated voluntary sector pay data and adjusted accordingly to ensure competitive pay for comparable roles.

Risk management

Effective risk management is key to successfully delivering our strategy. An organisation-wide risk management approach is in place which identifies our key strategic and operational risks and ensures that they are effectively managed through clear accountability and procedures for escalation as required.

The Battersea risk management strategy comprises:

- on-going review by the Executive team of strategic and operational risks (both existing and emerging risks) which have the potential to adversely affect the organisation;
- a quarterly review by the Finance Audit & Risk Committee and Council of the principal risks and uncertainties that the charity and its subsidiary BDH Ltd face;
- the establishment of policies, systems, and procedures to mitigate the risks identified in the quarterly review; and
- the implementation of procedures to minimise or manage any potential impact on the Charity should those risks materialise.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

The Council of Trustees consider the specific major risks to the charity to be:

Risk	Mitigation
Reputational risk	Battersea considers the risk of being unable to meet potential rehoming expectations through an excess of rehoming demand against the availability of animals. To mitigate this risk, research is ongoing on the supply/demand challenge, and a new organisational narrative has been developed to provide a greater awareness of Battersea's scope of activities.
Systems	Battersea recognises there is a risk that existing systems and processes are outdated and do not provide a cohesive, integrated supporter journey. As a result, we have started work on implementing our Data Strategy over a three-year period, which will seek to replace outdated systems and processes. A Data Strategy Steering Group was formed in 2021 to monitor the risks and work of the Data Strategy.
Operational	Battersea recognises a risk that planned growth in existing and new areas of activity (such as grant giving) will not be safely supported through existing infrastructure. To mitigate this risk, Battersea are ensuring appropriate policies and guidance are issued to staff to support specific activity streams, as well as carrying out a full review of resource requirements.
Financial	The most significant financial risk for Battersea is economic uncertainty affecting financial wellbeing and liquidity. We review our financial plans and free reserves on a regular basis and manage any material risks via budgetary control, income pipeline reviews, investing in staff, carefully valuing properties, capital expenditure planning and cash flow forecasting. Also mitigating these risks is the level of free reserves which are set at a level sufficient to withstand any short-term financial risks.
Cyber security	We fully recognise the importance of defending our IT systems (including telephony) from malicious attacks and protecting the information we hold from unauthorised access and misuse. Risks around information security and data protection are reported to the Finance Audit and Risk Committee as part of their regular review of strategic risks. Our major systems are subject to regular penetration testing to ensure their defences are robust enough to withstand a sustained malicious attack, and work is underway to implement recommendations of a cyber security audit carried out in 2021.
Compliance	There is a recognised risk of non-compliance with Battersea's regulatory or statutory requirements, such as GDPR, Fundraising, Health and Safety, and Safeguarding. We recognise the importance of having a resilient approach to managing compliance and work is underway to complete a compliance gap analysis

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Risk	Mitigation
	across key areas, as well as increasing resource dedicated to managing compliance. Reporting of significant breaches are regularly made to the Finance, Audit & Risk Committee, and People Committee.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Statement of Responsibilities of the Council of Trustees

The Council of Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council of 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 the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the Council of Trustees is required to:

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

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

The Council of Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Council of Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the Council of Trustees, having made enquiries of fellow trustees and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Council of Trustees



Paul Baldwin (Chair)
Approving Trustees and Strategic Report
8 June 2022

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Independent Auditor's Report to the Members of Battersea Dogs' and Cats' Home

Opinion

We have audited the financial statements of Battersea Dogs and Cats Home Limited for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date

27/06/2022

Devonshire House
60 Goswell Road
London
EC1M 7AD

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Consolidated Statement of Financial Activities

For the year ended 31 December 2021

	Notes	Unrestricted 2021 £000	Restricted 2021 £000	Total 2021 £000	Total 2020 £000
Income from:					
Donations and legacies	2	54,675	569	55,244	50,483
Gifts in kind	3	321	-	321	497
Trading activities	4	1,762	-	1,762	686
Investment income	5	430	-	430	464
Charitable activities:					
Animal sales and claim fees		582	-	582	584
Total income		57,770	569	58,339	52,714
Expenditure on:	6				
Raising donations and legacies		15,387	51	15,438	13,462
Gifts in kind		321	-	321	497
Trading activities		2,420	29	2,449	1,686
Investment management fee		58	-	58	52
		18,186	80	18,266	15,697
Charitable activities:	6				
Care of dogs and cats		18,963	1,177	20,140	21,016
Grant giving and Academy		1,412	-	1,412	904
Education and awareness		7,228	54	7,282	5,987
Total expenditure		45,789	1,311	47,100	43,604
Net gains / (losses) on investments	12	2,165	-	2,165	(723)
Net income/(expenditure)	7	14,146	(742)	13,404	8,387
Other recognised losses					
Actuarial gains/(losses) on defined benefit pension scheme	18	1,346	-	1,346	(1,638)
Net movement in funds		15,492	(742)	14,750	6,749
Reconciliation of funds:					
Total funds at 1 January		97,727	765	98,492	91,743
Total funds at 31 December	16	113,219	23	113,242	98,492

All amounts are derived from continuing activities. All gains and losses recognised in the year are included above.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Consolidated and Charity Balance Sheet
As at 31 December 2021

		Group		Charity	
	Notes	2021	2020	2021	2020
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9	1,037	904	1,037	904
Tangible assets	10	61,366	56,295	61,366	56,295
Investments:					
Investment in subsidiary undertakings	11	-	-	5	5
Other fixed asset investments	12	20,746	18,582	20,746	18,582
		83,149	75,781	83,154	75,786
Current assets					
Stock	13	88	80	-	-
Debtors	14	9,098	7,632	10,682	8,744
Cash at bank and in hand		25,846	20,879	24,284	19,830
		35,032	28,591	34,966	28,574
Liabilities					
Creditors: amounts falling due within one year	15	(4,647)	(4,242)	(4,575)	(4,230)
Net current assets		30,385	24,349	30,391	24,344
Total assets less current liabilities		113,534	100,130	113,545	100,130
Defined benefit pension scheme liability	18	(292)	(1,638)	(292)	(1,638)
Net assets		113,242	98,492	113,253	98,492
Funds					
Unrestricted funds					
- Designated	16	77,015	72,391	77,015	72,391
- General	16	36,204	25,336	36,215	25,336
		113,219	97,727	113,230	97,727
Restricted funds	16	23	765	23	765
Total funds		113,242	98,492	113,253	98,492

As permitted by s408 Companies Act 2006, the company has not presented its own income and expenditure statement and related notes. The company's profit for the year was £14.7m (2020: £8.6m).

The financial statements were approved and authorised for issue by the Council of Trustees and were signed on its behalf on 8 June 2022.



P Baldwin, Chairman



P Aylmer, Honorary Treasurer

Company registration number 278802

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Notes	Group 2021 £000	2020 £000
Cash inflow from operating activities	(a)	13,676	11,380
Returns on investments	(b)	430	464
Capital expenditure and financial investment	(c)	(9,139)	(5,693)
Cash outflow before use of liquid resources		4,967	6,151
Increase in cash in the year	(d)	4,967	6,151

Notes to the cash flow statement

a) Net cash from operating activities

Net income	13,404	8,387
(Gains)/losses on investments	(2,165)	723
Depreciation	3,472	3,472
Amortisation	464	386
(Increase)/Decrease in stocks	(8)	7
Increase in debtors	(1,466)	(851)
Increase/(Decrease) in creditors	405	(284)
Bank interest receivable	(2)	(22)
Investment income receivable	(428)	(442)
Sale of fixed asset investments	-	4
Net cash inflow from operating activities	13,676	11,380

b) Returns on investments

Interest received	2	22
Returns on investments	428	442
	430	464

c) Capital expenditure and financial investment

Purchase of tangible fixed assets	(8,543)	(5,065)
Purchase of intangible fixed assets	(597)	(627)
Purchase of investments	(18,013)	(650)
Proceeds from sale of investments	18,878	509
Decrease/(increase) in portfolio cash	(864)	140
	(9,139)	(5,693)

d) Analysis of consolidated net cash resources

	At 1 January 2021 £000	Cash flow £000	At 31 December 2021 £000
Cash at bank and in hand	20,879	4,967	25,846

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Notes and Accounting Policies

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP including Update Bulletin 2), the Companies Act 2006 and Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

(b) Basis of consolidation

The consolidated accounts include the accounts of the charitable company, Battersea Dogs & Cats Home, and its trading subsidiary Battersea Dogs' Home Limited, which is consolidated on a line-by-line basis. No separate Statement of Financial Activities ("SOFA") has been presented for the charity as permitted by Section 408 of the Companies Act 2006. Bell Mead Kennels remains dormant and therefore is not included in the consolidated accounts. For 2021 the Charity entity had income, including gains and losses, of £61.4m (2020: £51.4m) and incurred expenditure of £46.7m (2020: £42.8m).

(c) Incoming resources

Legacies are credited to incoming resources when the charity becomes entitled to the income, there is probability of receipt, and the amount is quantifiable. Legacies received in the form of investments are included at probate value. Legacies received following year end for which estate accounts have been received are included in the year being reported. Life interest and other residual legacies, where there is uncertainty of the amount to be received, are not accrued.

Donations and sponsorship income is recognised as income when the conditions for its receipt have been met.

Proceeds from lottery and raffle income are recorded gross of prize money and other expenditure. Income is recognised when the conditions for its receipt have been met.

Donated goods are recognised at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of the goods or service provided, at the same value and time.

Income from government grants relate solely to income received in respect of the Job Retention Scheme and is recognised in the period to which the underlying furloughed staff costs relate.

Income from trading activities predominately relates to income generated by Battersea Dogs Home Limited and paid to the charity annually. The accounts of the Company set out the income recognition policies applied. Income from trading activities also relates to income received in respect of insurance commission which is accrued for in the period in which it relates.

Battersea recognises the income from a charitable fundraising event in the year in which the event takes place. Income received for an event taking place in a future period is treated as deferred income in the Balance Sheet.

Where income is received for a specific purpose, the income is included in restricted funds.

All other income is accounted for on a receivable basis.

(d) Expenditure

The costs of generating funds and charitable expenditure comprise staff and other costs directly

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

attributable to an activity and an allocation of support costs. Where costs have been allocated, this has been done based on staff costs directly attributable to each of the charity's activities. The costs of generating funds are those incurred in seeking voluntary contributions and do not include costs of disseminating information in support of the charitable objectives. Governance costs are those incurred in compliance with constitutional and statutory requirements.

Grants payable are considered to be part of cost of activities in furtherance of the objects of the charity. They are recognised in the period in which they are approved and in accordance with the relevant grants payment schedule. Where grants approved span more than one financial year, a designated fund is created for the full grant amount.

(e)(i) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £5,000 are capitalised and depreciated over their estimated useful lives as follows: -

Freehold land	nil
Freehold and long leasehold properties	25 years
Short leasehold properties	Over the shorter of the remaining period of the lease or 25 years
Equipment, fittings, and vehicles	4 to 10 years

Where fixed assets are purchased with restricted funding, the purchase or building of the assets is the fulfilment of the restriction. The asset then becomes part of unrestricted funds.

Assets under construction consist of expenditure incurred in respect of tangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(ii) Intangible fixed assets and amortisation

Intangible fixed assets comprise website, trademarks, and management system costs. Intangible fixed assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised to write off the cost or valuation of the assets less their residual values over their useful lives on the following bases:

Website development & management systems	4 years
Trademarks	10 years

The capitalisation threshold for intangible fixed assets is £5,000.

Assets under construction consist of expenditure incurred in respect of intangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(iii) Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangibles with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(f) Going Concern

The trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In making this assessment the trustees, have considered the charitable group's revised forecasts and projections for income and expenditure, as well as long term cash flow. These continue to be regularly monitored by Directors and trustees. Battersea holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(g) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

(h) Investments

Fixed Asset Investments are stated at market value. It is Battersea's policy to keep valuations up to date so that, when investments are sold, no gain or loss arises. As a result, the SOFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SOFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Pensions

In accordance with FRS 102 "Retirement Benefits", the movement in the defined benefit pension scheme liability, as determined by the actuary, is charged to the SOFA each year. Current and past service costs and experience gains are allocated across the SOFA expense categories in proportion to total salary costs in each category. Where expected returns on assets and interest costs result in a net charge this is also allocated on the above basis. Where it results in a net income this is included within investment income. Actuarial gains or losses are shown separately on the face of the SOFA.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

(k) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

(l) Funds

Unrestricted funds, including designated funds, are expendable at the trustees' discretion in furtherance of the charity's objects. Restricted funds can be spent only in accordance with the donors' specific requirements.

(m) Gifts in kind

Gifts in kind and donated services and facilities are recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods.

(n) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(o) Critical accounting estimates and areas of judgement

In view of the trustees applying the accounting policies adopted, the following estimates were required that have a significant effect on the amounts recognised in the financial statements:

The charity operated a defined benefit pension scheme, which closed to further accrual at the end of September 2013. An actuarial valuation of the scheme is undertaken to reflect the current position as at the year ended 31 December 2021. Assumptions used in this calculation, which include the level of future salary increases and the applicable discount rate, all require elements of estimation.

2. Donations and legacies

	2021	2020
	£000	£000
Legacies	25,471	22,616
Donations	29,181	26,457
Government Grants	592	1,410
	55,244	50,483

The estimated value of legacies notified but neither received nor accrued into income (as they do not meet the SORP recognition criteria) at 31 December 2021 is £15.8m (2020: £12.9m).

Included in the above figure is unrestricted income of £54.7m (2020: £49.6m) and restricted income of £0.6m (2020: £0.9m).

Grant income of £0.6m (2020: £1.4m) relates wholly to income received from the Government under the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies relating to the grant income from the Coronavirus Job Retention Scheme.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

3. Gifts in kind

	2021	2020
	£000	£000
Pets at Home	26	19
Cat and dog food	32	36
Google advertising	255	349
Dog miscellaneous	-	2
Christmas Trees	-	3
Facebook advertising	8	51
Pets 4 Homes advertising	-	37
	321	497

4. Trading activities

	2021	2020
	£000	£000
Sale of shop goods	262	260
Fundraising events	1,077	145
Sundry activities	423	281
	1,762	686

Sundry activities include admissions and rental income. All amounts relate to unrestricted income in the current and prior year.

5. Investment income

	2021	2020
	£000	£000
Listed investment income	428	442
Deposit and bank interest	2	22
	430	464

All amounts relate to unrestricted income in the current and prior year.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

6. Group analysis of total expenditure

	Direct activities £000	Support costs £000	2021 £000	Direct activities £000	Support costs £000	2020 £000
Cost of raising funds						
Donations and legacies	14,874	564	15,438	12,897	565	13,462
Gifts in kind	321	-	321	497	-	497
Trading activities	2,169	280	2,449	1,436	250	1,686
Investment management fee	58	-	58	52	-	52
Total cost of raising funds	17,422	844	18,266	14,882	815	15,697
Charitable activities						
Care of dogs and cats	17,363	2,777	20,140	18,139	2,877	21,016
Grant giving and Academy	1,315	97	1,412	827	77	904
Education and awareness	6,586	696	7,282	5,390	597	5,987
Total Group expenditure	42,686	4,414	47,100	39,238	4,366	43,604

Grants totaling £1.0m were awarded to 57 animal welfare organisations (2020: £0.4m to 41 animal welfare organisations). Of these, £0.5m were accrued for as at 31 December 2021 (2020: £0.3m).

Analysis of support costs
Support costs - 2021

	Donations and legacies £000	Activities for raising funds £000	Care of cats and dogs £000	Grant giving and Academy £000	Education and awareness £000	2021 £000
Support cost						
Finance	119	59	586	20	147	931
Volunteer management	50	25	247	9	62	393
Facilities	13	7	64	2	16	102
IT	128	63	629	22	158	1,000
HR	154	77	758	26	189	1,204
Secretariat	85	42	418	15	105	665
Governance	15	7	75	3	19	119
	564	280	2,777	97	696	4,414

Governance costs consist of accountancy and audit fees, as well as other compliance costs.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Support costs - 2020

	Donations and legacies £000	Activities for raising funds £000	Care of cats and dogs £000	Grant giving and Academy £000	Education and awareness £000	2020 £000
Support cost						
Finance	110	49	561	15	116	851
Volunteer management	56	25	284	7	59	431
Facilities	15	7	77	2	16	117
IT	121	54	617	17	128	936
HR	144	64	735	20	153	1,116
Secretariat	104	46	529	14	110	803
Governance	15	6	74	2	15	112
	565	250	2,877	77	597	4,366

Support costs are apportioned to differing activities in proportion to salary costs.

7. Net income before transfers

Net income before other recognised gains/(losses) is stated after charging the following items:

	2021 £000	2020 £000
Auditor's remuneration:		
- Charity	29	26
- Subsidiary	5	5
- Other	2	2
Accountancy, taxation, and other services	-	29
Depreciation	3,472	3,472
Amortisation	464	386
Operating lease rentals:		
- Land	461	458
- Other	95	80
Cost of stock recognised as an expense	245	173

8. Staff costs

	2021 £000	2020 £000
Salaries and wages	15,344	15,726
Social security costs	1,413	1,414
Pension costs	966	949
Other employee benefits	177	214
	17,900	18,303

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

The actual average number of employees involved in the following activities during the year was as follows:

	2021	2020
	Number	Number
Donations and legacies	46	47
Trading activities	23	21
Care of dogs and cats	335	374
Grant giving and Academy	7	6
Education and awareness	54	48
Support staff	55	59
	520	555

The number of employees whose emoluments exceeded £60,000 for the year was:

	2021	2020
	Number	Number
£60,001 - £70,000	4	5
£70,001 - £80,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	2	2
£100,001 - £110,000	2	1
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1

During the year, retirement pension benefits of £63,000 and other benefits of £6,000 were accrued to 9 higher paid employees (2020: 7).

No remuneration or reimbursed expenditure was paid to members of the Council of Trustees during the year (2020: Nil), nor were any emoluments waived in the year (2020: Nil). Indemnity insurance was provided in the year, covering trustees and staff, at a cost of £4,365 (2020: £2,412) to the charity.

Additional information:

The key management personnel of Battersea comprise the Trustees, the Chief Executive Officer, and the Directors of Finance and Corporate Services, Operations, Veterinary, Fundraising, Marketing & Communications and Human Resources. The total employee benefits (including salaries, employer pension contributions and national insurance) of the key management personnel of the charity were £820,000 (2020: £876,000).

Battersea operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. The amount for pension cost shown above includes Battersea's contribution to this scheme during the year of £966,000 (2020: £949,000).

Pension costs also include the operating costs of Battersea's defined benefit pension scheme of £76,000 (2020: £79,000).

Total redundancy and termination payments during the year of £7,000 (2020: £56,000) were recognised as an expense and did not give rise to a funding requirement.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

9. Intangible fixed assets

Charity and Group	Intangible assets £000	Assets under construction £000	Total £000
Cost			
At 1 January 2021	2,415	56	2,471
Additions	445	152	597
Transfers	13	(13)	-
Disposals	(632)	-	(632)
At 31 December 2021	2,241	195	2,436
Amortisation			
At 1 January 2021	1,567	-	1,567
Charge for the year	464	-	464
Disposals	(632)	-	(632)
At 31 December 2021	1,399	-	1,399
Net book value			
At 31 December 2021	842	195	1,037
At 31 December 2020	848	56	904

10. Tangible assets

Group and Charity	Land and buildings			Equipment, fittings, and vehicles £000	Assets under construction £000	Total £000
	Freehold land and buildings £000	Long leasehold £000	Short leasehold £000			
Cost:						
At 1 January 2021	20,434	59,235	2,441	5,474	1,202	88,786
Additions	61	238	23	392	7,829	8,543
Transfers	-	-	-	-	-	-
Disposals	(29)	-	(1,425)	(3,106)	-	(4,560)
At 31 December 2021	20,466	59,473	1,039	2,760	9,031	92,769
Depreciation:						
At 1 January 2021	11,025	15,298	1,988	4,180	-	32,491
Charge for the year	742	2,209	42	479	-	3,472
Disposals	(29)	-	(1,425)	(3,106)	-	(4,560)
At 31 December 2021	11,738	17,507	605	1,553	-	31,403
Net book value:						
At 31 December 2021	8,728	41,966	434	1,207	9,031	61,366
At 31 December 2020	9,409	43,937	453	1,294	1,202	56,295

All assets held in Tangible Fixed Assets are for charity use only.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

11. Investment in subsidiary undertakings

Battersea Dogs Home Limited (company number 3472633) and Bell Mead Kennels Limited (company number 247077) are both wholly owned subsidiaries, being companies incorporated in Great Britain. The principal activity of Battersea Dogs Home Limited is that of operating the shop of Battersea Dogs & Cats Home and developing commercial income streams. Bell Mead Kennels Limited is now a dormant company.

	2021 £	2020 £
Shares at cost:		
Bell Mead Kennels Limited	5,000	5,000
Battersea Dogs Home Limited	100	100
	<u>5,100</u>	<u>5,100</u>

A summary of the trading results and balance sheet of Battersea Dogs Home Limited is shown below:

	2021 £000	2020 £000
Profit and loss account		
Turnover	576	828
Administrative expenses	(584)	(477)
Interest paid on intergroup balance	(3)	(2)
Net (loss)/profit	<u>(11)</u>	<u>349</u>
Tax on ordinary activities	-	-
(Loss)/Profit on ordinary activities for the year before distribution	<u>(11)</u>	<u>349</u>
Amounts distributed to parent charity	-	349
Balance sheet		
Current assets	1,722	1,375
Current liabilities	(1,733)	(1,375)
Net current (liabilities)/assets and total(liabilities)/ assets	<u>(11)</u>	<u>-</u>
Capital and reserves		
Called up share capital	-	-
Profit and loss account	(11)	-
Equity shareholders' funds	<u>(11)</u>	<u>-</u>

Bell Mead Kennels Limited ceased trading on 31 December 1998 and has been dormant since that date. It has a current asset debtor of £5,000 and called up share capital of £5,000 at 31 December 2021 and 31 December 2020.

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

12. Other fixed asset investments

	2021 £000	2020 £000
Shares at cost and market valuation		
Market value at 1 January	17,483	18,065
Acquisitions at cost	18,013	650
Disposal proceeds	(18,878)	(509)
Realised gain/(loss) on disposal	2,100	(184)
Gain/(loss) on revaluation during the year	65	(539)
Market value at 31 December	<u>18,783</u>	17,483
Cash held in portfolio at 31 December	<u>1,963</u>	1,099
	<u>20,746</u>	<u>18,582</u>
 Historical cost at 31 December	 18,834	 14,096
Cash held in portfolio at 31 December	1,963	1,099
Historical cost and cash held in portfolio at 31 December	<u>20,797</u>	<u>15,195</u>

Listed investments at market value comprise:	2021 £000	2020 £000
UK government stock	709	1,350
UK fixed interest securities	1,111	2,600
UK equity investments	4,185	8,652
Overseas equity investments	10,843	2,440
UK and European alternative investments	1,935	2,441
Cash deposits held as part of portfolio	<u>1,963</u>	1,099
	<u>20,746</u>	<u>18,582</u>

At 31 December 2021 and at 31 December 2020, no single investment was considered material to the overall portfolio were held.

13. Stock

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Goods for resale	<u>88</u>	80	<u>-</u>	-

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

14. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts due within one year:				
Operating debtors	230	228	178	119
Due from subsidiary undertaking	-	-	1,658	1,357
Other debtors	1,638	1,375	1,638	1,375
Prepayments and accrued income	7,230	6,029	7,208	5,893
	9,098	7,632	10,682	8,744

15. Creditors

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts falling due within one year:				
Operating creditors	2,104	2,176	2,085	2,164
Amounts due to subsidiary undertaking	-	-	5	5
Taxation and social security	365	368	365	368
Other creditors	1	119	1	119
Grant accruals	437	292	437	292
Other accruals	1,740	1,287	1,682	1,282
	4,647	4,242	4,575	4,230

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

16. Group Funds

	At 1 January 2021 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2021 £000
Unrestricted funds:						
General fund	25,336	56,975	(41,047)	1,078	(6,127)	36,215
Battersea Dogs Home Limited	-	576	(587)	-	-	(11)
Designated funds						
Fixed asset fund	57,199	-	(3,936)	-	9,140	62,403
Site development fund	15,187	-	-	2,433	(9,551)	8,069
Welfare of dogs and cats	-	219	(219)	-	-	-
Multi year grants fund	-	-	-	-	1,838	1,838
Data Strategy fund	-	-	-	-	4,700	4,700
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	97,727	57,770	(45,789)	3,511	-	113,219
Other restricted funds						
Welfare of dogs and cats	34	231	(382)	-	135	18
Kennel appeal	-	206	(201)	-	-	5
Volunteering, Fostering and Communities	700	-	(565)	-	(135)	-
Other	31	132	(163)	-	-	-
	765	569	(1,311)	-	-	23
Total funds	98,492	58,339	(47,100)	3,511	-	113,242

Group funds – prior year

	At 1 January 2020 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2020 £000
Unrestricted funds:						
General fund	8,038	50,764	(37,760)	(539)	4,833	25,336
Battersea Dogs Home Limited	-	828	(479)	-	(349)	-
Designated funds						
Fixed asset fund	55,369	-	(3,841)	-	5,671	57,199
Site development fund	20,772	-	-	(1,393)	(4,192)	15,187
Freehold acquisition fund	6,392	-	-	(429)	(5,963)	-
Welfare of dogs and cats	20	190	(210)	-	-	-
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	90,596	51,782	(42,290)	(2,361)	-	97,727
Other restricted funds						
Welfare of dogs and cats	336	15	(317)	-	-	34
Kennel appeal	-	173	(173)	-	-	-
Volunteering, Fostering and Communities	750	700	(750)	-	-	700
Other	61	44	(74)	-	-	31
	1,147	932	(1,314)	-	-	765
Total funds	91,743	52,714	(43,604)	(2,361)	-	98,492

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

The fixed asset fund represents the net book value of Battersea's fixed tangible and intangible assets. These are all used for operational purposes in pursuance of Battersea's charitable activities. Transfers from the general fund to the fixed asset fund represents fixed asset additions and depreciation charges made in the year.

The site development fund is an amount set aside to develop Battersea's sites within its capital and maintenance programme. Major site development works across all centres is expected to be completed by 2022.

The welfare of dogs and cats fund are monies where the donor has requested their use to the care and welfare of either dogs or cats across the charity, or specifically to clinic equipment at any of the three sites.

The multi-year grants designated fund represents funds set aside for grant awards for more than one year. The transfer from general funds to the multi-year grants fund at 31 December 2021 represents the value of one multiyear grant awarded to an overseas partner in January 2022 but was agreed by Council in December 2021.

The Data Strategy Fund was approved by Council in February 2021 to fund Battersea's new data strategy project.

The balance on the freehold acquisition fund was transferred to general reserves in 2020. The fund was set up to enable Battersea to increase its geographical reach by acquiring a new site. While Battersea remains committed to increasing its geographic reach, at time of signing, no such site for the acquisition has been identified.

The above funds are explained further in the reserves policy in the Trustees Report.

The capital fund represents shares in Bell Mead Kennels.

There were four restricted funds in the year: Welfare restricted are monies where the donor has restricted their use to the care and welfare of either dogs or cats across the charity as a whole or specifically to one of its three locations; Kennel appeal whose use is restricted to the building of kennels; Volunteering, Fostering and Communities is to cover Volunteer, Fostering and Communities costs; Other includes funds for capital projects (not including kennel construction), grant giving purposes, vehicle purchase and donations for clinic construction costs, clinic equipment purchases or clinic running costs.

Transfers between restricted funds in 2021 represent the reallocation of funds to cover Operational staff costs, as agreed by the donor.

Except for the fixed asset fund, these funds are substantially invested in Battersea's investment portfolio, which is used to generate an annual income to maintain the operational activities of the charity.

17. Analysis funds between net assets

2021	Fixed assets £000	Investments £000	Net current assets £000	2021 £000
General funds	-	12,677	23,527	36,204
Fixed asset fund	62,403	-	-	62,403
Site development fund	-	8,069	-	8,069
Multi year grants fund	-	-	1,838	1,838
Data Strategy fund	-	-	4,700	4,700
Capital fund	-	-	5	5
Restricted fund	-	-	23	23
Total funds	62,403	20,746	30,093	113,242

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

2020	Fixed assets £000	Investments £000	Net current assets £000	2020 £000
General funds	-	-	25,336	25,336
Fixed asset fund	57,199	-	-	57,199
Site development fund	-	18,582	(3,395)	15,187
Capital fund designated	-	-	5	5
Restricted fund	-	-	765	765
Total funds	57,199	18,582	22,711	98,492

18. Pensions

Battersea operated a defined benefit pension scheme, the scheme closed to new members in September 2010 and closed to further accrual at the end September 2013. The assets of the scheme are held separately from those of the Home, being invested with an insurance company which generates the funds to pay pensions as they fall due.

The most recent full actuarial valuation was carried out as at 1 January 2018. Employer contributions ceased in April 2016 as the scheme was deemed no longer in deficit. Employees were transferred to a group personal pension scheme where employer contributions range from between 5.33% and 10.7% dependent on employee contributions.

The most recent FRS 102 valuation was based on the state of affairs as at 31 December 2021.

The principal financial assumptions are:

	2021	2020
Inflation	3.2%	2.9%
Rate of increase in salaries	0.0%	0.0%
Rate of increase for pensions in payment	2.2%	2.1%
Scheme liabilities discount rate	1.9%	1.4%

Pre and post retirement mortality tables used

S2NMA for Males and S2NFA for Females, improving in line with CMI_2020 projections with a 1.25% long term improvement rate.

Weighted average life expectancy for mortality tables used to determine benefit obligations

Average expected future life at age 65 for:

Member aged 65 (current life expectancy) - male	22.1 years
Member aged 65 (current life expectancy) - female	24.2 years
Member aged 45 (current life expectancy) - male	23.4 years
Member aged 45 (current life expectancy) - female	25.7 years

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

The assets in the scheme and their expected rate of return are:

	2021	% of fair value of plan assets	Expected overall return on plan assets %	2020	% of fair value of plan assets	Expected overall return on plan assets %
	£000			£000		
Equities	11,060	38%		11,153	41%	
Bonds	11,262	39%		11,019	40%	
Alternatives	6,630	23%		4,703	17%	
Cash	26	0%		127	1%	
Annuity policies	76	0%		154	1%	
Total value of assets	<u>29,054</u>		1.4	<u>27,156</u>		1.4
Present value of scheme liabilities	<u>(29,346)</u>			<u>(28,794)</u>		
Deficit	<u>(292)</u>			<u>(1,638)</u>		
Surplus restriction per FRS 102	<u>nil</u>			<u>nil</u>		

Movements in fair value of plan assets:

	2021 £000	2020 £000
Value of assets at 1 January	27,156	25,877
Expected return	365	541
Actuarial gains	1,794	957
Benefits paid	(261)	(219)
Value of assets at 31 December	<u>29,054</u>	<u>27,156</u>

The actual return on plan assets was a gain of £2,159,000 (2020: £1,498,000).

The fair value of the plan assets at the reporting period end was £29,054,000 (2020: £27,156,000).

Movements in the liability value over the year:

	2021 £000	2020 £000
Value of liabilities at 1 January	28,794	23,779
Past service cost	-	5
Interest on liabilities	387	497
Actuarial losses / (gains):		
From change in financial assumptions	(1,935)	4,679
From change in demographic assumptions	(345)	128
From experience	2,706	(75)
Benefits paid	(261)	(219)
Value of liabilities at 31 December	<u>29,346</u>	<u>28,794</u>

BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021

Expected contributions for the year ended 31 December 2021

	£000
Defined benefit pension plans	
Employer	Nil – as closed to accrual

All amounts charged to the Statement of Financial Activities relate to the current service cost.

Analysis of actuarial Gain/(loss):

	2021	2020
	£000	£000
Actuarial gains from assets	1,794	957
Actuarial gains / (losses) from a change in financial assumptions	1,935	(4,679)
Actuarial gains / (losses) from a change in demographic assumptions	345	(128)
Actuarial (losses) / gains from experience	(2,706)	75
Actuarial Gain/(loss)	1,368	(3,775)

History of experience gains and losses

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Difference between the expected and actual return on assets	1,794	957	2,750	(1,380)	1,497
Percentage of scheme assets	6.2%	3.5%	10.6%	-6.0%	5.9%
Experience (losses) / gains arising on scheme liabilities	(2,706)	75	-	1,184	-
Percentage of present value of scheme liabilities	-9.2%	0.3%	0.0%	6.0%	0.0%
Total actuarial gain / (loss)	1,368	(3,775)	(1,092)	1,471	(1,378)
Percentage of present value of scheme liabilities	4.7%	13.11%	4.59%	7.42%	5.83%

19. Financial commitments

The group's total future minimum operating payments are as follows:

	Land and buildings	Other	Land and buildings	Other
	2021	2021	2020	2020
	£000	£000	£000	£000
Operating lease commitments:				
- within 1 year	461	19	458	37
- between 1- 5 years	1,842	1	1,833	9
- more than 5 years	7,227	-	7,680	-
From the balance sheet date				

**BATTERSEA DOGS' AND CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

20. Capital commitments

There were capital commitments of £36,000 at 31 December 2021 (2020: £8.0m). These sums relate to the refurbishment of the Kent building at Battersea and the implementation of a new accounting system.

21. Related party transactions

No disclosure has been made of transactions between the parent and subsidiary undertaking in accordance with the exemptions allowed by FRS 102.

Total donations received in the year from two Trustees amounted to £2,892 (2020: £1,040).

22. Company Limited by Guarantee

The guarantee given by the members of the charity is £1 per member in the event of there being a deficiency of assets should the charitable company be wound up. In 2021 there were 13 members (2020: 13 members).

Accounts



BATTERSEA DOGS & CATS HOME
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

Company Limited by Guarantee
Registration Number 278802 (England and Wales)

Charity Registration Number
206394

**BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020**

CONTENTS

REPORT OF THE COUNCIL OF TRUSTEES	3
REFERENCE AND ADMINISTRATIVE DETAILS	24
STRUCTURE, GOVERNANCE AND MANAGEMENT	26
STATEMENT OF RESPONSIBILITIES OF THE COUNCIL OF TRUSTEES	32
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATTERSEA DOGS' AND CATS' HOME	33
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	38
CONSOLIDATED AND CHARITY BALANCE SHEET	39
CONSOLIDATED STATEMENT OF CASH FLOWS	40
NOTES AND ACCOUNTING POLICIES	41

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Report of the Council of Trustees

The Council of Trustees is pleased to present the annual report and financial statements of Battersea Dogs & Cats Home for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015.

COVID-19 (Coronavirus) 2020 - 2021

For 160 years Battersea has been here for dogs and cats. We have built a reputation for being a leader in our field, a driver for change and a champion and a voice for vulnerable animals. Since we were founded in 1860 our charity has helped over 3.1 million dogs and cats and to this day, we continue to help the most unfortunate and unwanted dogs and cats in society, not just those that are brought into our care, but animals that we may never meet. We have overcome so many challenges along the way, and it is Battersea's determination and resilience that has helped us through two World Wars, and in our 160th anniversary year, a global pandemic, to continue to be here for dogs and cats who need us.

As the world responded to the COVID-19 pandemic, our supporters rallied, pet owners looked to us for advice, and we used our voice to speak out for the sector, sharing our funds and expertise to help rescues across the UK and overseas. Our passionate and committed staff continued to provide emergency care and support for animals in urgent need, and Battersea worked harder than ever before to champion responsible pet buying and ownership, to prevent animals being poorly bred, cruelly treated, given up, or abandoned. We supported pet owners, continued to change perceptions around rescue, and collaborated with the Government and other charities to further animal welfare, recognising the greater outcomes we could achieve for animals beyond our gates.

Our charity is incredibly grateful to our generous regular donors who have continued, or even increased, their support during such challenging times. We could never have expected our donors to support Battersea in the way they have, and their loyalty to our charity has allowed us to stay resilient throughout the pandemic. This invaluable support is particularly evident through the increasing number of people who choose to give to Battersea in their Will. Legacy income has steadily grown over the past few years and has helped safeguard the future of our charity in a particularly challenging economic climate, giving us the financial security to continue with our ambitious plans to help more dogs and cats beyond our gates.

We know that alongside economic uncertainty, the animal welfare implications resulting from the COVID-19 pandemic could be profound. Increased demand for puppies, kittens, and designer breeds, means thousands more poorly bred animals hitting the UK market, a sharp increase in puppies being imported or smuggled into the UK, and worrying projections on pet abandonment. Battersea is also concerned by the impact of social isolation on our animals, and of owners not seeking or being able to access veterinary treatments.

Careful investment of our income, and further investment in fundraising to diversify our income streams is crucial to ensure we and the wider rescue sector are ready to respond to any potential influx of abandoned animals and to enable us to continue with our ambitious aims to help more dogs and cats beyond our gates.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Our activities

Battersea's core operational activities are directed toward improving the lives of dogs and cats, principally those that come directly into our centres, through our intake, assessment, rehoming and clinical activities, but also those beyond our three centres through our work and engagement with key stakeholders and decision-makers in Government on issues of animal welfare, and supporting other rescue centres through the Battersea Academy and our grants programme.

The Trustees confirm that they comply with their duty to have regard to the guidance on public benefit, published by the Charity Commission, when exercising their powers and duties.

Strategic Report

Battersea puts the health and welfare of dogs and cats at the very core of everything we do and in doing so we make a significant difference to the lives of animals through our activities. This is best articulated in our Mission:

We aim never to turn away a dog or cat in need of our help, ensuring they receive the best care possible no matter how long it takes to find them a place to live. We are experts in championing and supporting vulnerable dogs and cats, creating lasting change for animals and those who care for them, wherever they are.

And we remain true to our Vision that every dog and cat should live where they are treated with compassion, care, and respect.

We achieved impact and made a difference through the efforts and commitment of our 555 staff and 947 volunteers, who consistently demonstrate our values of Care, Excellence, Determination, Respect, Integrity and Commitment.

In 2019 Battersea launched its Strategic Plan 2019 – 2023: 'Here for Every Dog and Cat'. This strategy places great emphasis on using our voice and expertise to make a difference, not just to those animals in our care but to those we may never see, but that are in desperate need of help.

We will substantially grow the number of animals we help by expanding our direct services, improving the effectiveness of the wider animal welfare sector in the UK and internationally through our Academy and Grants programme, using our voice and influence to champion legislative changes, and working to shift public perception of rescue animals through an ambitious behaviour change campaign.

Battersea's Strategic Plan 2019-2023 is built around five themes:

- 1. Directly helping more dogs and cats in need:** We will deliver a programme of service expansion, innovation, and continuous improvement.
- 2. Reframing rescue:** We will seek to change people's perceptions towards rescue animals to help more dogs and cats be treated with compassion, care, and respect.
- 3. Our Voice:** We will use our respected, authoritative, and influential position as a leader in the sector to tackle existing and emerging animal welfare issues and to remove barriers to greater pet ownership.
- 4. Increasing Our Impact:** We will extend our impact beyond our physical centres to help more animals by working in partnership with other dog and cat welfare organisations in the UK and around the world.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

- 5. Our Enablers:** We will ensure our people, income, technology, and systems support the effective delivery of our strategy.

Impact against Battersea's Five Strategic Themes

Theme 1: Directly helping more dogs and cats in need

The unprecedented nature of the global COVID-19 pandemic forced Battersea to close our centres to public visitors for the first time in our 160-year history, so that we could prioritise the welfare of our staff and animals and remain open for emergency cases and those that needed us the most.

Battersea took the lead in the **development of sector-wide, Government-backed operational guidance**, providing a framework for animal rescue and rehoming organisations to continue operating legally and safely during the pandemic.

Within our own organisation, a rapid and agile crisis response was implemented with impressive speed and with great consideration for our people and animals. We reduced the number of animals at our centres from a typical 350-400 animals to 85 by the start of the first lockdown, and all planned intake - other than emergency cases – was suspended. Throughout the year, COVID-19 risk levels and Government restrictions and guidelines were constantly monitored, and Battersea's **operating processes were adapted** to ensure full compliance and a safe working environment.

Across Battersea, our teams comprise truly exceptional people working at every level whose passion for animal welfare knows no bounds. Their determination to ensure the care of our animals was not compromised meaning that in 2020 we directly **helped over 3,000 animals** through reuniting them with their owner, caring for them at our sites and in foster homes, or by rehoming them.

Colleagues across Battersea rose to the challenge of adapting to new ways of working, demonstrating great resilience, and coming on site every day to ensure every dog and cat continued to get the treatment, care, love, play and interaction they needed.

After switching to emergency-only veterinary surgeries throughout the start of the pandemic, resumption of standard surgical operations began in May 2020, the earliest of any team in the charity sector. In 2020, our highly skilled veterinary team conducted **2,538 procedures** for our dogs and cats. The thousands of operations undertaken cover a wide range of procedures, and we aim to neuter all rehomed animals on site. Last year we neutered 687 dogs and 707 cats.

Intake of new animals was 3,114 across our three centres— down 42% from 5,336 in 2019. We received 1,606 dogs (down 47% from 3,002 in 2019) and 1,508 cats (down 35% from 2,334 in 2019) in 2020. Lockdown-imposed restrictions led to a reduction in our intake, but we also received fewer enquiries from owners seeking to give up their dogs and cats. A comprehensive survey of animal partners and Local Authority Dog Wardens confirmed that this was a nationwide trend, with remarkably few animals being relinquished by their owners.

With fewer animals arriving at our centres, we sought out opportunities to increase Battersea's direct care for animals by providing support for other charities struggling to provide their usual service. This included establishing a new **partnership** with the **RSPCA** to help the dogs and cats that would otherwise have been treated at their hospital in Putney, which closed at the end of September. We also helped **Blue Cross** following a large backlog of surgical cases

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

post-lockdown at all their London hospitals. Battersea's clinic team were able to make use of theatre capacity to treat Blue Cross surgical cases on an outpatient basis, and the charity brought 19 dogs to our London centre for veterinary treatment in the two weeks before London went into Tier 4 lockdown.

We also continued to work in **partnership** with **StreetVet**, a charity that provides veterinary care to animals belonging to homeless people. We provided temporary boarding for 12 dogs from StreetVet in 2020.

We are immensely proud of the facilities we have across our three centres, and despite a challenging year, a series of development projects were successfully delivered. At our London centre, major development works were completed, including the opening of **Tealby's café**, a new reception entrance area, a **dog wellness centre and hydrotherapy suite**. At our Windsor site, construction of The Duchess of Cornwall Kennels was completed and opened by our Royal Patron. The facility includes a **dedicated maternity area and puppy paddock**. At our Brands Hatch site, we made improvements to our kennels and cattery and created new grooming and working dog training spaces.

Interest in pet ownership soared in 2020 and unsurprisingly, Battersea experienced **sustained, unprecedented rehoming demand** for both dogs and cats with many people looking to get a new pet during the pandemic. We quickly adapted our rehoming approach and introduced a number of measures to ensure we could respond to rehoming demand whilst maintaining social distancing.

Investment was made on improving the **online rehoming journey** for customers, with a new matching tool to find suitable customers. A **rehoming appointment system** was rapidly scaled-up and we introduced **virtual rehoming** and **rehoming by delivery**, which was an instant success and paved the way for a new and highly efficient method of rehoming. A survey of rehoming customers carried out in the summer found that 95% of respondents rated Battersea's rehoming process as 'good' or 'excellent'. 97% of customer rated our bespoke delivery service as 'excellent'.

We **rehomed 2,539 animals last year**, (1,121 dogs and 1,417 cats), across all three centres. Rehoming figures for dogs were down 46% from 2,076 in 2019 and rehoming figures for cats were down 33% from 2,104 in 2019 as a result of reduced intake across our centres.

Our anticipated growth in the development of our **Communities programme** was impacted by COVID-19 with many key community activities cancelled, and reduced animal intake affecting the number of dogs and cats that could be placed in Communities for onward rehoming. Despite these challenges, we recruited 13 Community Rehoming Volunteers and **launched a second community in Ashford**, Kent, in September 2020. In 2020, we rehomed 31 animals – 26 dogs and five cats - through our communities in Guildford and Ashford.

Battersea is proud of its **non-selective** approach to animal intake. Unlike other rescue organisations, we do not turn away a dog or cat based on its breed, age, condition, or any other factor. This approach does however mean that we receive many animals with complex medical and behavioural problems, that rely on us to provide the very best care through our dedicated and highly trained veterinary and behavioural teams, and our dedicated foster carers who were involved in 1,003 foster cases in 2020. Despite the dedication and care provided to every animal who enters Battersea, some are either medically too unwell, or too dangerous to be rehomed, or there are legal reasons which result in us having to put the animal to sleep. We never take this decision lightly and instead work continually to keep these numbers to an absolute minimum. In 2020, 20% of dogs (up from 19% in 2019), and 7% of cats (up from 6% in 2019) brought into Battersea were put to sleep.

BATTERSEA DOGS' & CATS' HOME TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Our charity is not just committed to helping dogs and cats, but also **supporting pet owners** through any means. In a rapid response to the challenges of the pandemic, Battersea's website, content, email, and social media strategy were adapted to **elevate advice content** to provide support for pet owners during a potentially difficult time. A new website section, **'Make yourself at home'** providing tips and support for pet owners was created, as well as a new pet advice content suite which gained 18,000 subscribers.

We set up a dedicated dog and cat **behaviour advice line** that dealt with 1,020 enquiries from dog owners. 81% of these cases were positively resolved, resulting in the owner keeping their pet. The Canine Behaviour team provided behavioural advice and support to an average of **85 members of the public each month in 2020**, a 40% increase on 2019.

At the end of 2020 we launched **online training classes** to support a new generation of puppy owners. 57 dogs were helped through Battersea's virtual puppy training classes after they launched in Q4, and in our survey of attendees, 86% (19) of respondents felt the classes were easy or very easy to participate in online. We plan to offer a greater number and range of classes in 2021.

Theme 2: Reframing rescue

Battersea has a vital role to play in growing the rescue sector and delivering better outcomes for more dogs and cats. With increasing numbers of people buying and selling pets online during 2020, our **Rescue Is Our Favourite Breed campaign** was vital in ensuring pets are not seen as commodities. We want people to be inspired to think 'rescue first' not only when it comes to rehoming but also if they are faced with circumstances that mean they must relinquish their pet.

Plans were rapidly flexed in response to the pandemic to enable us to maintain visibility, relevance, and position Battersea as a trusted source of expertise and advice. During the year, we ran four successful bursts of campaign activity. This featured a new **'Rescues to the Rescue'** advert launched in June 2020 designed to align with the mood of the nation and ensure Battersea's cause remained visible. This reached 33.5 million viewers nationally, whilst research and case studies exploring the positive benefits of pet ownership during lockdown gained national press coverage.

In November 2020, we evaluated the impact of the Reframing Rescue campaign, with research showing that 37% of the UK population had heard of **#RescuesMyFavouriteBreed**. Of those questioned, 73% claimed that **#RescuesMyFavouriteBreed** has started to make them 'think more openly about age or breed', and 72% stated that it made them want to find out more about rescue animals, indicating the campaign is starting to shift perceptions of rescue. Seven in 10 people who saw the campaign took a positive step towards rescue and/or Battersea as a result.

Engaging with younger animal lovers is crucial to **drive generational change** in the way rescue is perceived and supported, and we are working hard to widen our audience base, creating new content and opportunities to reach, inform, and inspire engagement through a growing range of channels and partnerships.

We partnered with our **high-profile supporters and Ambassadors** in new and uplifting ways to boost the nation's spirits and reach new audiences, alongside creating original content featuring Battersea animals and staff. To reach younger audiences, we created a meme generator and an augmented reality filter on Instagram for **#RescuesMyFavouriteBreed**, encouraging user generated content. We added over **130,000 social media followers** in 2020, across Facebook, Twitter, Instagram, YouTube, Pinterest, and LinkedIn.

BATTERSEA DOGS' & CATS' HOME TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Battersea's ITV series, **Paul O'Grady For the Love of Dogs** continued to raise the profile of rescue. Working within Covid-secure filming guidelines, we delivered a 60 minute 'Back in Business' special, focusing on our response to lockdown, which reached 3.3m viewers. A new 3 x 60' series 'POGDOGS: What Happened Next' caught up with rescue dogs from the previous 8 series showing the joy and solace they have brought their owners. Each episode gained 3.4m viewers.

Theme 3: Our Voice

Battersea has a respected, authoritative, and influential voice with a proven record in bringing about policy and legislative change to benefit animal welfare and 2020 was no exception.

In January 2020, we were pleased to see the **Animal Welfare (Sentencing) Bill** introduced as a Private Member's Bill, backed by the Government. This calls for an increase in the maximum sentence for animal cruelty from six months to five years in prison. Demonstrating our ability to successfully leverage our political relationships, we organised a Battersea reception in Parliament in partnership with Sir Oliver Heald MP. This was attended by **over 100 Parliamentarians** including Animal Welfare Minister Lord Goldsmith and Bill sponsor Chris Loder MP, setting us up well for the Bill stages to come. Although the COVID-19 outbreak delayed progress of the Bill, we were pleased that on 28 April 2021, **the Animal (Sentencing) Bill completed its passage through Parliament and became law**, meaning the maximum animal cruelty sentence will increase from six months to five years.

In Scotland, Members of Scottish Parliament (MSP) passed into law the **Animals and Wildlife (Penalties, Protections, and Powers) (Scotland) Act 2020** in June, which makes provision to introduce five-year sentences for animal cruelty in Scotland. This followed three years of proactive lobbying by Battersea with MSPs and officials.

We are one in a network of hundreds of dog and cat rescue organisations, large and small, across the UK, and in 2020 we continued to support our sector colleagues. We set out to better understand the impact of the pandemic on the sector so we could draft guidance to MPs and set out the case for support. This included working in collaboration with the Association of Dogs and Cats Homes (ADCH) on two major sector surveys to understand how rescues across the UK were coping with and responding to the pandemic.

In November we published a new Battersea report to provide evidence of the impact of the pandemic on companion animals. The report makes a strong case for the Government to consider **urgent financial support** ahead of a potentially challenging period for smaller rescues. The report achieved 250 media mentions across national, broadcast, online and print media, with a total reach of 21m.

We have worked, and will continue to work, collaboratively to ensure high standards of animal care. Collaboration, influencing, and consulting remain staples of our work and examples in 2020 of this approach include:

- forming one part of the secretariat to the All-Party Parliamentary Group on Cats (APGOCATS) alongside Cats Protection and Blue Cross. In 2020 we delivered a **joint report into cats and tackling loneliness** which was well received by politicians and stakeholders;
- providing support to the Department for Environment, Food and Rural Affairs (DEFRA) for their **Petfished campaign** against unscrupulous breeders selling puppies or kittens online;
- our leadership of the sector membership body ADCH of which our Chief Executive acted as Chair during the year. We led the establishment of an **ADCH Emergency**

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Fund and contributed £50,000 to this Fund to supply grant funding to smaller rescues; and

- working with the **Canine & Feline Sector Group (CFSG)** and **Companion Animal Welfare Group Wales (CAWGW)** to provide guidance on what can be done legally and what can be safely changed during lockdown. We designed a suite of infographics for the whole sector and used our own social media channels to reach the biggest possible audience of owners and professionals.

Theme 4: Increasing our impact

Battersea has a strategic long-term commitment to increase our impact for animals and to help as many dogs and cats as we can.

Battersea's work now stretches far beyond our physical centres as we strive to build a better world for dogs and cats, mindful of how we can make a real practical difference to the lives of even more animals. One of the ways we do this is by supporting a great many smaller rescues, shelters, and charities to continue helping animals in need in local communities both in the UK, and beyond. By providing training and financial support to these organisations, we enable them to work effectively, efficiently, sustainably, and to the highest possible welfare standards, and help ensure that Battersea has a positive, lasting impact on even more dogs and cats, year after year. Battersea feels a strong responsibility to help and support other rescues and their animals, and we remain **committed to working in partnership** with as many organisations working in our field as possible.

In 2020, the Battersea Academy delivered 27 programmes and webinars, which were attended by **467 delegates** from 146 UK and international organisations, and 11 dog wardens from five local authorities. As face-to-face training was no longer a possibility from March 2020 onwards in response to COVID-19, our on-site programmes were postponed, and the Academy's e-learning capabilities were accelerated with considerable content being re-designed for online delivery. In addition to a wider range of animal welfare content for both dog and cat organisations, a range of other topics including fundraising, digital, marketing and strategy development were delivered, some in direct response to the learning needs imposed on organisations by the pandemic. Places offered on our intensive 5-day on-site programmes were re-allocated onto 2021 programmes. Ongoing business development activity continued to identify new organisations in the UK and overseas that might benefit from the Academy. Since it launched in November 2018, the Academy has indirectly helped 6,419 animals worldwide through its intensive programmes only (1,872 in the UK and 4,547 overseas).

We had in 2020, and will continue to have in future years, a positive impact on a greater number of dogs and cats through providing training and financial support to organisations that require it. As a part of the Academy work, we committed to providing **funding to other organisations** to help more dogs and cats. During 2020, **41 grants were awarded**, totalling £450,000. Of these, 10 were international grants to projects in a number of our focus countries of South Africa, India, Sri Lanka, Romania, Bulgaria, and Greece. In addition, Battersea established the Association of Dogs and Cats Homes Covid Emergency Fund on behalf of the ADCH and the sector and made a leadership gift of £50,000. Since Battersea started the Grants programme in 2018, we have indirectly helped 43,100 animals worldwide (30,955 in the UK and 12,145 overseas). A longer-term strategy for the Academy and Grants functions was presented to Trustees in December 2020.

Our Animal Partnerships team works with many different dog and cat charities and rescues all over the country to provide the best outcome for our dogs and cats in need of homes. Last year Battersea took in **308 animals from other animal rescues**. Throughout the year, 50 cats were placed in rural outlets such as farms and stable yards. We also worked

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

collaboratively with Cats Protection to trap, neuter, and release 66 feral cats in rural Sussex. Three dogs were placed in working outlets, whilst 33 dogs requiring specialist homes were placed with breed centres.

Theme 5: Our enablers

Throughout 2020, most volunteering roles were suspended to reduce the number of people attending Battersea centres. In total, volunteers contributed **78,461 hours** in 2020, down 45% on 2019. During specific periods when restrictions were eased, some cattery and gardening volunteers were able to briefly return. A comprehensive Christmas Retail Volunteer programme involved 31 volunteers who donated 954 hours.

Fostering played a vital role in Battersea's response to the pandemic and an **emergency fostering effort** as the country entered lockdown in March 2020 saw a record number of dogs and cats placed in foster care within a month. In total, 699 animals were fostered in 2020, against 789 in 2019, the overall reduction due to reduced animal intake. An additional 37 foster carers were recruited in the year, including 25 from among Battersea staff.

At the end of the year, Battersea had **947 registered volunteers**, against 902 in 2019, the increase following the recruitment of Community Rehoming Volunteers in Guildford and Ashford, and an increased number of foster carers.

Our fundraising plans for 2020 were largely impacted as a result of the pandemic. We placed **our face-to-face activity** on hold, losing the opportunity to meet and recruit new supporters. However, we mitigated the impact by increasing our digital and television presence, both of which produced successful results for Battersea.

Our events programme was also affected with all but one event in the portfolio being cancelled. Despite this, our **Muddy Dog Challenge** won Bronze in the Charity Awards for 'Best Mass Participation Event and the team - through excellent stewardship - retained 4,800 Muddy Dog participants to take on the challenge in 2021. In October, a new virtual '**My Muddy Dog**' challenge received over 2,000 sign ups and raised over £100,000 in income.

Despite multiple challenges throughout the year, we continued to see a strong performance from **Individual Giving** with 55,000 new regular supporters recruited, and our cash and raffle fundraising activity delivering the best results Battersea has ever achieved.

Fortunately, we have always had many supporters who choose to recognise our charity in their Will, and last year we received **record legacy income** in excess of £22m. The unanticipated level of legacy income we achieved has ensured that Battersea has not suffered financial loss in the short term, and we are incredibly grateful to our generous regular donors who have continued, or even increased their support during such challenging times.

Our **corporate and philanthropic partners supported the work of Battersea in many ways**. In 2020, this included securing more than £50,000 in funding specifically in response to COVID-19 and securing Battersea's largest income partnership to date with Mars Petcare through the 'Buy 1, Feed 1' campaign, guaranteeing £125,000 in income. Despite a challenging retail environment, there were some successful campaigns in 2020 which helped drive sales. Christmas was a successful period for Battersea with **catalogue sales up 73%** on the previous year.

Battersea's Licensing work continues to grow with nine new licensees accepted in 2020 – representing almost £100,000 in advances and minimum guarantees. In addition, three **product ranges were launched** in 2020 in Sainsburys, Tesco and Marks and Spencer,

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

comprising 23 products totalling 200,000 units across 441 UK stores.

Battersea played a key role in **supporting staff throughout the pandemic**. Battersea, like many other charities, had taken advantage of the Government's Job Retention Scheme to enable us to retain our valued workforce during challenging times. Our charity is reliant on public donations to fund our work and we have a responsibility to spend every penny carefully. In receiving this financial assistance from the Government, we had been able to support our staff who are unable to carry out their work, whilst continuing to use public donations to fund our charitable activities to help dogs and cats at our centres and beyond our gates. The Human Resources team ensured clear processes were in place for reporting and monitoring COVID-19 related absences, and rapidly implemented the furlough scheme to minimise risk for staff and financial impact. A total of 237 staff (45% of Battersea's employees) were furloughed during 2020.

The change in working circumstances in 2020 for staff both on site and working from home, meant that focus on **emotional resilience, mental health, and wellbeing**, was critical. Mental Health for Managers training was delivered to all Managers, and **24 Mental Health First Aiders were trained**. Battersea also provided Emotional Resilience Workshops and disseminated mental health and wellbeing resources to all staff.

Battersea currently leads the animal welfare sector on a number of **diversity** metrics. Our median **Gender Pay Gap** was 8.8% in 2019/20, better than all the other major animal welfare charities who reported their results, and the national average of 15.8%. At the end of 2020, 8% of our workforce identified as being from a **Black, Asian, or Minority Ethnic background**. This compares favourably to the animal welfare sector, with the next-nearest proportion of BAME staff in an equivalent charity being 4%.

To enable staff to work from home, the capacity of **Battersea's remote working system was rapidly expanded** in just two weeks, with IT equipment provided to those in need.

To support our staff's **learning and development needs**, work was carried out to transition priority subjects to remote/digital offerings. Battersea's own online **Learning Management System was launched in October 2020**, enabling staff to access learning content at any time and on any device. Since launching, 346 Battersea staff have accessed 45 pieces of content over 1,000 times.

Section 172 statement

The Trustees of Battersea, as those of all UK charitable companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A Trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to the:

- Likely consequences of any decisions in the long term;
- Interests of the charitable company's employees;
- Need to foster charitable company's business relationships with suppliers, customers and others;
- Impact of the charitable company's operations on the community and environment;
- The charitable company's reputation for high standards of business conduct; and
- Need to act fairly between members of the charitable company.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

The following paragraphs summarise how the Trustees fulfil their duties:

Our Rehoming Customers

In response to the restrictions requiring us to limit and carefully manage visitors to centres, we started to conduct rehoming introductions between dogs and cats to prospective customers virtually, and through short videos. These 'virtual introductions' have been effective in enabling customers to 'meet' multiple animals without visiting a centre. During the initial phases of the first lockdown, we continued to rehome via delivery to customer homes in a Covid-secure way. This has proven so successful that, along with virtual introductions, it is now an established service we offer our customers.

The rehoming teams at all three of the centres have been supported by an upskilled Customer Service team who now engage with all rehoming customers in greater detail, providing swifter access to expert advice. The three centres have also been joined by two additional Battersea Communities in 2020, with Guildford and Ashford now able to care for and rehome animals from the Community volunteer's 'foster' homes.

During the year, Battersea conducted surveys to better understand the rehoming journey. These included online rehoming focus groups, post-registration surveys, and aftercare surveys, to understand Rehomers' expectations and identify areas of improvement. The research was used to inform a new appointment system across three sites, enabling a more dedicated service for customers in place of the 'first come, first served' approach.

Donors

Our supporters and donors are critical to what we do, and we strive to ensure we are engaging them effectively. In 2020 we contacted over 40,000 supporters by telephone to simply thank them, inform them of how Battersea was continuing to work throughout the pandemic and find out how they were. We also kept in touch via mail and email communications to keep our supporters feeling connected and informed about Battersea. We received positive feedback from supporters who welcomed these stewardship calls and continued to show support during the pandemic.

The impact of these stewardship calls led to an increase in donations, fewer direct debit cancellations and improved supporter retention rates. As a result of this success, we will be proceeding with our usual direct marketing programme, including reintroducing legacy communications, in 2021.

Our valued Legacy pledgers and those who have enquired about leaving a gift to Battersea in their Will were sent a range of bespoke newsletters to keep them up to date and informed during the pandemic. During the year, we held three special webinar events which were attended by legacy pledgers, enquirers, donors, and supporters. In 2021, we are planning to hold four further virtual events and hope to host live events later in the year if possible.

Using insight gained through focus groups in 2019, Battersea were able to understand supporter views and reactions on legacy campaigns and designs. As a result, Battersea were able to develop a new TV legacy advert which launched in 2020.

Animal Gifters

Our mission is to never turn away a dog or cat in need of our help and we achieve this through our non-selective intake policy. We appreciate we could not do this without the help and support of the individuals – our Animal Gifters - who trust Battersea to find their dogs and cats a new home. In 2020, whilst intake was lower because of the pandemic, we engaged with our customers to support them whilst remaining at home in self-isolation and during the

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

lockdowns, by providing bespoke advice via our behavioural helpline and offering specific guidance on the Battersea website.

Employees

Battersea engages with its employees consistently and through various channels. Vital to 2020 was the introduction of the All-Staff webinar which was created to engage with staff (including furloughed staff) during lockdown. The webinar included regular updates from the Chief Executive and Directors and provided staff with opportunities to put questions to the leadership team. Feedback from the webinar has been used to inform COVID-19 related decision making and how these decisions are communicated across Battersea.

Using ad-hoc pulse surveys and polls we have been able to continue to improve how we communicate key messages. For example, during 2020, pulse surveys were used to understand staff views around working from home and how they would like to be communicated with. The results of the survey informed future internal communications and decision making around what further training and support was needed for home working staff.

Battersea's Senior Management Group is a group of Heads of Functions, formed to work with the Executive Team to help deliver key organisational priorities and to take a more strategic organisation-wide leadership role. The group met four times during 2020 and provided recommendations to the Executive Team on how Battersea can retain the benefits gained through new ways of working during lockdown. Key recommendations include a review of how on-site visitors are managed, the appointment of an Environment & Sustainability Officer to drive forward sustainability initiatives, and a review of the current pay and performance review process. These recommendations will be implemented in 2021.

As part of the work to review the rehoming journey – both digital and remote - Battersea engaged with Rehoming teams to understand how improvements can be made to the existing process. The results of interviews and surveys led to improvements in the digital journey through a new appointment system and standardising the remote rehoming process for all sites.

Volunteers and Foster Carers

In response to the impact of COVID-19, Battersea had to adapt how it communicates with volunteers and foster carers to ensure we continue to effectively engage with those volunteers who were temporarily stood down. The Battersea Volunteers Facebook Group was created and has over 250 members, and Battersea revised our onsite learning sessions to become webinars. In total, volunteers and foster carers attended 72 webinars, including a webinar to introduce the new Chair of Council, Paul Baldwin.

In March 2020, the team introduced retrospective diversity and inclusion monitoring for volunteers and foster carers, and established diversity and inclusion monitoring as part of the application process for all future volunteers. Battersea brought forward the Investing in Volunteers Accreditation process for Good Practice in Volunteer Management to 2020 and received the Investing in Volunteers Award for the second time.

Communities

The impact of COVID-19 meant that plans to develop the Guildford Community through recruiting Community Rehoming Volunteers (CRVs) were delayed. As a result, we adapted our volunteer induction programme to an online version and were able to recruit 15 CRVs which led to 28 animals being rehomed in the Guildford community.

Whilst we had not been able to fully launch our programme of community events due to the pandemic, we were able to deliver online talks to local groups about Battersea Communities

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

and pet ownership and connect with additional organisations/businesses/groups in the local area. We hope to re-commence community events and face to face talks as soon as government restrictions are lifted.

In late September 2020, we launched our second community in Ashford and recruited 14 CRVs within the first few weeks of the launch. The launch of a new community was a smooth process due to prior development of robust processes and procedures. Seven animals were placed in our Ashford Community in 2020 and we hope to launch our programme of community events and talks in 2021.

Academy attendees

Due to the impact of the COVID-19 pandemic, our Academy work moved online with 27 programmes and webinars delivered to 467 delegates.

During 2020, we interviewed a sample of our Academy attendees to obtain feedback on potential and existing Academy courses, and what actions have been taken as a result of training. The results of these pieces of work will allow us to identify potential improvements to the programme and identify where we can deliver greater impact in this area going forward.

Grant recipients

Battersea's grant giving programme works alongside the Battersea Academy, including to support smaller rescues develop their facilities and improve their ways of working.

In 2020, we contacted a sample of our grant recipients and conducted online interviews and surveys. This allowed us to understand the outcomes of our grants programme so we can work on delivering greater impact in future.

Suppliers

We value all our suppliers and through building a robust procurement function, aim to develop strategic relationships with our key suppliers. In 2020, Battersea launched an electronic 'Procure to Pay' function. This will allow us to gain better insight into our expenditure across suppliers, enabling us to further develop our working relationships, securing more supplier contracts, and introducing an approved supplier list to the charity.

Environment

The Trustees recognise the importance of leading a charity that not only generates value for its beneficiaries, but also to the wider society. We recognise the environmental and climate risks, and we are committed to reducing the environmental impact of our operations and minimising our environmental footprint. To achieve this, Battersea ensures high standards of environmental management in place by contractors working on-site, that all waste is recycled where possible and supplies for electricity, paper and building materials are procured from green sources. In 2020, the Trustees approved the recruitment of an Environment and Sustainability Officer. The role will be responsible for developing an Environment and Sustainability policy, reducing Battersea's environmental impact, and ensuring compliance with a number of mandatory energy assessment schemes.

Financial review

Income

Total income was £52.7m (2019: £44.0m) for the year – an increase of £8.7m from 2019. Despite the unpredictable economic climate, we received record legacy income of £22.6m (2019: £17.0m), and although Battersea had to cancel planned fundraising activity due to the pandemic, our Donations and Fundraising Events income increased to £26.6m (2019: £24.8m) in 2020, as regular donors continued to support, or increased their support, during

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

the year. Also included within income is Government grants of £1.4m (2019: nil) received this year in respect of the Government Retention Furlough Scheme.

	2020 £m	2019 £m	Change %	Ratio %
Legacies	22.6	17.0	33	43
Donations and Fundraising Events	26.6	24.8	7	50
Government grants	1.4	-	New	3
Gifts in kind	0.5	0.3	67	1
Trading activities and other income	0.5	0.6	(17)	1
Investment income	0.5	0.6	(17)	1
Charitable income	0.6	0.7	(14)	1
Total Income	52.7	44.0	20	100

Expenditure

Total expenditure remained fairly in line with prior year at £43.6m (2019: £43.8m). The amount we spent on caring for animals at Battersea increased to £18.1m (2019: £17.3m), reflecting inflationary increases in expenditure and headcount. Costs of raising funds decreased to £15.2m (2019: £16.4m) which was due to planned fundraising activity being cancelled to comply with government restrictions as a result of the COVID-19 pandemic. Education and awareness costs increased to £5.4m (2019: £5.3m) in 2020 as Battersea continues to raise awareness for Reframing Rescue. Support costs have decreased for the year to £4.4m (2019: £4.5m) due to savings generated through most of Battersea's workforce working from home.

	2020 £m	2019 £m	Change %	Ratio %
Care of animals	18.1	17.3	5	42
Raising funds	15.2	16.4	(7)	35
Gifts in kind	0.5	0.3	67	1
Education and awareness	5.4	5.3	2	12
Support and governance	4.4	4.5	(2)	10
Total Expenditure	43.6	43.8	0	100

Net unrealised losses on investments in the year were £0.7m due to adverse movements in financial markets (2019: gain of £2.4m) as a result of the COVID-19 pandemic.

Total funds at year end were £98.5m (2019: £91.7m).

Pension

Battersea operates a defined contribution pension scheme for its employees. It also has a legacy defined benefit pension scheme which was closed to new members from September 2010. At the end of September 2013 this was also closed to future benefit accrual, to help mitigate any future liability.

Despite this, Battersea will continue to have ongoing liabilities, the funding of which is agreed between the trustees of the pension scheme and the charity's Trustees. These liabilities are subject to fluctuation as assumptions change over time. As at 31 December 2020 the pension scheme was in a deficit position of £1.6m as a result of significant reduction in the yield of fixed income securities, which forms the basis of the discount rate applied to future liabilities

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

of the pension scheme. The deficit position has been recognised within the Statement of Financial Activities for the year ended 31 December 2020.

Since the balance sheet date, the performance of yields on fixed income securities have improved and assuming this higher yield is sustained and converts to a higher discount rate, the scheme would then return to a surplus. More information on this has been provided in note 23.

Full detailed information on Battersea's pension schemes, including the defined contribution scheme, can be found in note 18.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to make any investments which the Council of Trustees sees fit. The Trustees are aware of the need to maximise the investment return without jeopardising the Battersea's reputation. They therefore require their investment advisers, Adam & Co, to refrain from investing in any company that is involved directly in the use of experimental animals for non-clinical research, or sub-contracts to companies that make use of such animals, unless there is a legal or regulatory requirement to do so. The mandate also prohibits Adam & Co from investing in tobacco companies. If in doubt they are asked to refer to the Chair of the Finance Audit and Risk Committee. Our investment advisers confirm adherence to this policy through a formal quarterly screening of our investment portfolio and the issuing of a compliance report to the Finance Audit & Risk Committee.

This gives Trustees assurance that there are no listed investments adverse to the purpose of the charity, thereby complying with the requirements of the Statement of Recommended Practice (SORP) and the Charity Commission's revised guidance note CC14.

Investment diversification within the above criteria is used to reduce risk exposure. The Council of Trustees, together with their advisers, set benchmark weightings for the portfolio and a benchmark for income yield.

The asset allocation of the portfolio as at 31 December 2020 was as follows:

	Benchmark	Actual Weighting
Equities	70%	71.7%
Bonds	25%	21.3%
Cash	5%	5.9%
Property	0%	1.1%
	100%	100%

Departure from benchmarks above, at year end, reflects the need to respond to the market situation thereby optimising investment returns.

The Council of Trustees place the emphasis on maximising long-term, maintainable investment growth and the actual performance is reviewed against the benchmark return with Adam & Co every quarter.

The result in the year to 31 December 2020 was as follows:

	Benchmark	Actual Performance
Portfolio total return	-2.5%	-1.3%

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Reserves

The aim of Battersea's Reserves Policy is to ensure that the charity's ongoing activities are protected from unexpected fluctuations in its income and expenditure. In setting the reserves Policy, the Council of Trustees is influenced by strategic risks facing the charity (which are kept under regular review) – not least the fact that the charity is heavily reliant on voluntary income (legacies and fundraising) to continue its charitable undertakings – which being uncertain sources of revenue may not always provide the necessary funds to cover essential costs. Trustees have affirmed the targeted range for free reserves to be maintained between £14.0m and £28.0m, which equates to between 6 to 12 months of 2021 budgeted charitable and support cost expenditure. This would allow for our activities to continue as normal during temporary falls in income or allow contingency plans to be implemented in the event of a more significant downturn in income or unanticipated increase in expenditure. This level is deemed appropriate when considered alongside the major strategic and operational risks currently faced by the Charity.

Free reserves (that is, those unrestricted funds not tied up in tangible fixed assets or other designated funds, excluding any pension assets) increased during 2020 to £25.3m (2019: £8.0m), representing approximately 11 months of charitable and support cost expenditure. Battersea experienced unprecedented levels of legacies income during the year reaching a record high of £22.6m, and planned investments in Individual Giving had to be placed on hold to comply with government restrictions. In addition, operational savings were achieved through minimised dog and cat numbers on site. In 2021, Battersea will be exploring strategic initiatives to utilise its general funds to help more dogs and cats.

Trustees balance the need to maintain an appropriate level of free reserves with funding key strategic initiatives such as investment in the charity's infrastructure and facilities. In 2021, Trustees will be focussing on increasing Battersea's charitable impact beyond our gates, supported by resuming investment in Individual Giving.

The balance on the **freehold acquisition fund** of £6.4m was set aside by Trustees to enable the Charity to increase its geographical reach by acquiring an additional site for Battersea. In 2020, the balance on this fund was transferred to general reserves. At time of signing, a suitable site had yet to be found and this strategic initiative will be reviewed in 2021.

The need for the development of existing facilities, particularly at the London and Windsor sites, has already been identified. Battersea committed to ensuring every dog and cat coming to our doors can stay in the safe and hygienic conditions they truly deserve during their time in our care. To achieve this vision the **Site Development Fund**, which at year end 2020 stands at £15.2m (2019: £20.8m), represents the Trustees' short to medium term programme of improving the facilities needed to provide the highest standard of animal welfare for the cats and dogs in our care.

The **Fixed Asset Fund** of £57.2m (2019: £55.4m), represents the net book value of Battersea's fixed assets – principally the value of the land and buildings on our three sites.

Trustees review and monitor this policy annually.

Plans for future periods

The impact of COVID-19 on plans for 2021

With the COVID-19 pandemic and Government social distancing measures continuing into 2021, Battersea's key priorities are ensuring we maintain a safe operational response to COVID-19; and planning and preparing strategic initiatives for post COVID. The latter may require a review of our operating model and a development of new strategic initiatives to help deliver increasing impact for dogs and cats in need.

BATTERSEA DOGS' & CATS' HOME TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

In 2021, subject to Government restrictions, Battersea will also continue to implement the strategic initiatives prescribed by the Strategic Plan.

Theme 1: Directly helping more dogs and cats in need

Before COVID-19 restrictions, **we expected to rehome nearly 6,000 animals in 2021** across our three sites and two communities. With Government social distancing guidelines and the closures of our three sites, we have introduced new measures to continue rehoming animals safely.

We will continue to establish our **Battersea Communities** Programme. Communities are expected to deliver the cost-effective expansion of rehoming and supporter engagement opportunities in new geographical areas. In 2021 we will be looking to grow the Guildford and Ashford Communities through a programme of events as well as agree the location for a **third Battersea Community**. The Strategic Plan provides for the establishment of ten Battersea Communities by 2023, although it is now likely that up to eight communities will be established.

Opened in 2020, we will be looking to fully operationalise our new **hydrotherapy facilities**, expected to benefit up to 100 dogs from across all three Battersea Centres per week. We will also be looking to complete the refurbishment of the **Prince Michael of Kent building**, the commencement of which had been postponed to September 2020 due to COVID-19.

Battersea will also continue to improve and innovate our **digital** rehoming and intake proposition and explore how digital technology can provide longer-term and even sector-wide solutions to rehoming.

Theme 2: Reframing rescue

Battersea will continue to 'reframe rescue' and seek to help more dogs and cats live where they are treated with compassion, care, and respect. We will do this by continuing to deliver the **Reframing Rescue campaign**, working at a national and local level, encompassing two campaigns for 2021 and the launch of **Wear Blue for Rescue**.

In addition to our Reframing Rescue campaign, we will be focussing on building Battersea's brand visibility, awareness, reputation, and health with an emphasis on growing new audiences. To extend our reach we will be introducing a **Battersea podcast**, a strategically aligned **YouTube series** and delivering series 9 and 10 of ITV's POGDOGS.

Theme 3: Our Voice

Battersea will continue to use our respected, authoritative, and influential position as a leader in the sector to tackle existing and emerging animal welfare issues and to remove barriers to greater pet ownership.

Key objectives of 2021 include:

- Support the Regulation of Rescues across the UK. England, Wales, and Scotland have all pledged to **regulate the rescue sector**, and we will be working to ensure that the ADCH Minimum Welfare and Operational Standards form the bedrock of the licensing standard.
- **Pet Friendly Properties phase two**: Our continued partnership with StreetVet will see us work with hostels and encourage them to accept more homeless people with dogs. Scheduled towards the end of 2021, we will undertake a research report which analyses the private rental market in key locations.
- During the COVID-19 pandemic, Battersea worked together with the rescue sector and DEFRA to produce new guidelines that will enable rescue organisations to responsibly rehome the animals in our care, whilst continuing to adhere to the latest Government

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

guidelines on social distancing. In 2021, we plan to publish a **follow up COVID-19 report** - focusing on the continuing financial health of the sector, the operational impact on service demand, and the effectiveness of welfare enforcement since the pandemic began.

Theme 4: Increasing Our Impact

Battersea will continue to extend our impact beyond the confines of our physical centres to help more animals by working in partnership with other dog and cat welfare organisations in the UK and around the world. Our international work will be targeted at partners in our focus countries of: Greece, Cyprus, Portugal, Romania, Bulgaria, South Africa, Sri Lanka, and India.

We will significantly grow the work of the **Battersea Academy**, continuing to develop our Academy e-learning capabilities by launching new content, training, and continuing the delivery of webinars alongside a return to delivery of our flagship intensive on-site programmes once Covid restrictions are lifted. We will continue to support ADCH members in the achievement of higher standards through promoting preferred access to our Academy programmes. We will work with partners in focus countries, developing and delivering bespoke training as required, in addition to developing strategic partnerships with identified organisations. We will enable the training of up to 1,000 dogs through our puppy, adolescent and skills online training aimed at members of the public.

In 2021, we will expand the **Grants programme**, including the launch of Battersea's first Research programme, which will provide funding to pay for at least two academic research projects into selected and prioritised companion animal welfare topics, which will benefit Battersea and the wider animal welfare sector and the animals we serve. The Grants programme will also look to identify opportunities to build capacity in focus countries through developing targeted partnerships with animal welfare organisations. Grants awarded to strategic partners overseas will be focused on addressing key identified animal welfare issues, including dog and cat population management initiatives. We will expect to award our first multi-year grants in 2021. Battersea will seek to award grants totalling £800,000 across six funding streams, benefitting around 58 rescues from across the UK and overseas.

The work of our Academy and Grants programmes will be supported by an Advancement Board, that will connect Battersea to highly influential individuals and organisations, with the aim of advancing our external facing work, thereby enabling Battersea to increase our impact by reaching an increasing number of vulnerable dogs and cats. We will further our connections, influence, and impact through membership of the International Companion Animal Management coalition.

Theme 5: Our Enablers

Battersea will continue to invest in direct marketing fundraising campaigns and its **regular giving lottery** products to help generate financial returns over a longer-term period. We will look at driving value by doing fewer, bigger, and more profitable fundraising events, and assessing our Philanthropy and Corporate new prospect pipelines.

We will ensure Battersea remains innovative, agile, and committed to **continuous improvement**, building on our culture and values and using technology to improve efficiency and effectiveness across our teams, whilst not compromising on quality and service levels. In 2021 we have launched Battersea's very first intranet and have plans to migrate our existing services to cloud based providers to leverage the benefits of Office 365.

We will begin the implementation of a comprehensive **Data Strategy**. This will transform Battersea's management, use and storage of data across the charity.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

We will continue to attract, develop, and retain **talented people** through the development and introduction of Battersea's first **People Strategy**, which will be undertaken by the People Committee. Battersea will also be developing a **Digital Learning Strategy** to outline how staff will engage with digital learning, including the creation of high-quality digital learning resources to meet organisational needs. In addition to this, Battersea will be carrying out an organisational review of **Equality, Diversity & Inclusion**.

Key strategic outcomes over the life of the Strategic Plan are:

- 30,000+ animals rehomed from our existing three centres;
- 4,500 animals rehomed from a fourth centre;
- 2,000+ animals rehomed via Battersea Communities;
- 60,000 more animals rehomed annually by the UK rescue sector;
- 150,000 animals helped by the Battersea Academy; and
- 70,000 animals helped by Battersea Grants.

Equal Opportunities

Battersea is committed to providing equality of opportunity and valuing diversity. This is reinforced in our organisational values and is embedded in our day-to-day working practices. We demonstrate our commitment by:

- building a workforce whose diversity is valued;
- drawing on the skills and talents of this diverse workforce;
- enabling everyone at Battersea to achieve their full potential in an environment characterised by dignity and mutual respect; and,
- valuing equally the unique contribution that individual experience, knowledge and skills can make.

Fundraising standards

Open and accountable

All fundraising at Battersea is carried out with the full oversight of the Directors and the Council of Trustees. Battersea strives to provide an excellent service to all our supporters, and this is reflected in the low levels of complaints that we receive. Complaints are dealt with by our experienced Supporter Services team and are generally resolved without the need for escalation. Battersea takes any complaints very seriously and sees them as an opportunity to continue to improve our relationship with our supporters and the public.

Complaints

We record and monitor all complaints received and these are reported to our Trustees annually. We aim to acknowledge complaints within one working day with the vast majority being resolved within three working days.

- As a percentage against the volume of fundraising activity Battersea undertakes, we have received a very low number of complaints (a total of 390 complaints in 2020 – 0.00005% of our total volume of fundraising activity), and we strive to continue to improve how we measure, record, and resolve complaints across Battersea.
- In 2020, Battersea was asked to investigate one complaint that was made to the Fundraising Regulator that was satisfied with how Battersea resolved this complaint. No further complaints were investigated by the Fundraising Regulator.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

- In 2020, Fundraising Compliance and the Supporter Services Team reviewed the current complaints system and as a result, a new and improved complaints tracking system has been developed. The system allows us to identify complaint themes and trends, ensuring we can better mitigate risks to Battersea in the future. The system is scheduled to go live in 2021.

Protecting the vulnerable

Battersea takes its responsibility towards supporters who may be considered vulnerable very seriously. We have a Vulnerable Persons Policy which is shared with staff and agencies working for us. Our Fundraising and Supporter Services teams have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance.

Contacting our supporters and supervising our fundraisers

Battersea prides itself on a high standard of ethical fundraising and we continually review how we contact the public to ask for support. This ensures that we follow regulations, meet our own high standards and exceed the public's expectations. We are registered with the Fundraising Regulator and as such their logo appears on our fundraising collateral as a kitemark of approval. All contracts with our third-party agencies include clauses to be able to monitor, mystery shop and train their fundraisers. Each agency is required to provide proof of membership of one of the fundraising regulatory bodies, along with all copies of their compliance policies. Weekly status calls with our agencies allow us to monitor their operating procedures.

Battersea manages two society lottery products; the Paw Draw weekly lottery and the Superdraw quarterly raffle. We take steps to ensure the product design, marketing and fulfilment adheres to Licensing Code and Codes of Practice requirements of the Gambling Commission and best practice. Our marketing strategy is ethical and age-specific. Battersea follows the UN Rights of the Child and perceives a child to be anyone under the age of 18. As such, our gambling products are not open to over 16s (as permitted in legislation), and instead we require players to be over 18 years of age. This approach to age informs our marketing activity and we will not actively market to anyone we know is under 18 years of age.

We undertake extensive programmes of mystery shopping, fundraiser shadowing, call listening, training, and compliance support with our agencies. This facilitates the continued delivery of high quality and sustainable fundraising. We deliver a robust training programme to agencies working on our behalf, adhering to the Fundraising Code of Practice, and demonstrating best practice. Each training session has a section on compliance, consent for future contact preferences and dealing with vulnerable people. We actively engage with and encourage our agency fundraisers to be proud Battersea ambassadors.

In 2020, we concluded a Vulnerable Persons Policy and Training Audit of our third-party fundraising agencies (both face to face and telephone fundraising). As part of the recommended actions and in response to the impact of COVID-19, Fundraising Compliance now provides Battersea standard Vulnerable Persons training to all agencies. Battersea insists that all agencies provide Vulnerable Person training to their staff on a quarterly basis.

Our mystery shopping and call monitoring programme ensures that fundraisers are treating our potential donors fairly, respectfully, and appropriately. This is supported via the periodic shadowing of fundraisers by Trustees and members of the Executive Team. We also regularly attend the agency induction training sessions to observe and score the content and delivery of the fundraisers' initial training using the Chartered Institute of Fundraising (CIOF)

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

/Fundraising Regulator checklist. Battersea is a member of the CIOF and the Fundraising Regulator and takes part in their compliance round table events.

Our trustees, directors, staff and senior management shadow our third-party fundraisers across all channels on a regular basis and provide feedback and/or recommendations for any improvement. These visits are recorded and form part of an annual report to our Council of Trustees.

In addition to the usual regulatory requirements, fundraising activity was responsive to the changing public health landscape caused by the global pandemic. Battersea created a set of internal standards that governed when face to face fundraising would and would not be permitted. Our standards exceeded the guidance provided by the CIOF and further demonstrated our commitment to the safety and well-being of our supporters. We enabled a fast time response mechanism, that allowed us and our agencies to respond swiftly to variations in lockdown status and risk tiering. Our efforts were effectively communicated via our website. We carefully monitored the feedback from the public through weekly meetings with our agencies and Battersea, to gauge public opinion towards face to face fundraising. Battersea was able to quickly respond to this information.

Streamlined Energy and Carbon Reporting (SECR)

Our SECR obligations

We recognise our obligation to manage the environmental impact of our operations and comply with all relevant environmental legislation, including the Streamlined Energy and Carbon Reporting (SECR) scheme.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Our carbon impact

Element	Detail	Units	2020	Proportion %
Energy consumption used to calculate emissions	Electricity	kWh	1,668,046	43
	Gas	kWh	2,164,747	55
	LPG	kWh	-	-
	Transport Fuel	kWh	83,412	2
Total energy consumption	Total	kWh	3,916,205	100
Emissions from combustion of gas (Scope 1)	Gas	teCO2e	398	40
	LPG	teCO2e	-	-
Emissions from combustion of fuel for charity owned fleet (Scope 1)	Transport Fuel	teCO2e	20	2
Emissions from grey fleet business travel (Scope 3)	Transport Fuel	teCO2e	-	-
Emissions from purchased electricity (Scope 2 – location based)	Grid Electricity	teCO2e	389	48
Total gross carbon emissions	Total Mandatory	teCO2e	807	100
Intensity ratio	Revenue	teCO2e / £100k	1.57	TBC
Emissions from grid electricity transmission and distribution losses (Scope 3 – location based)	Electricity	teCO2e	33	-
Emissions from water supply and treatment (Scope 3)	Water	teCO2e	-	N/A
Total gross Scope 3 emissions	Total Optional	teCO2e	33	-
Renewable energy generated from own assets	Electricity	KWh	-	N/A
Emissions offsets resulting from renewable generation	Electricity	teCO2e	-	N/A
Total annual net emissions (Scope 1, 2 and 3)	Total Operational	teCO2e	840	-
Additional intensity ratios	Site Energy	KWh / m2	-	-
	Site Carbon	teCO2e / m2	-	-
	Employee Carbon	teCO2e / FTE	1.61	-

The table shows the Gross GHG emissions associated with our combined operations during 2020 were 807 tonnes of carbon dioxide equivalents (teCO2e). Our three sites account for 98% of our emissions and the remaining 2% is associated with transport. This ratio indicates that our future carbon reduction strategy should focus heavily on our buildings and their associated operations.

We have chosen to expand the scope of our reporting to exceed the mandatory requirement by including emissions associated with the transmission of electricity to site. Our Net annual emissions have been calculated by adding this figure to the gross emissions and in future years we will look to subtract any carbon offsetting or renewable energy generation that we can procure as part of our wider sustainability goals. Under this optional methodology our gross annual emissions are 840 teCO2e.

During the initial SECR period it is not a requirement to make a performance comparison against the previous year.

Emission Intensity Ratio

Current government environmental reporting guidance recommends the development of at least two Key Performance Indicators (KPIs) associated with key environmental impacts. We have identified two intensity ratios which divide our energy and carbon emissions by an appropriate normalisation factor to enable performance tracking over time and comparison

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

against organisations operating in equivalent sectors. We will use the employee-based indices to promote employee engagement with Battersea's mission to minimise our impact on the environment.

- Average carbon emissions per £100k Turnover: 1.57 teCO₂e / £100k
- Average carbon emissions per employee: 1.61 teCO₂e/FTE

Calculation Methodology

The energy consumption of our core business operations has been calculated using proprietary software to process utility bills for our site and fleet data. Our carbon emissions have been calculated in accordance with guidance provided by the UK Government and the WRI GHG Reporting Protocol methodology.

Baseline Calculation Methodology

As our first SECR reporting year has occurred during COVID-19, it will not be a suitable year to assign as a baseline year against which future energy saving measures are evaluated. We will therefore continue to monitor the baseline in future years and will develop a suitable baseline calculation methodology to account for business as usual levels of productivity.

Energy Saving Measures

We have begun initial conversations with energy consultants sourced from Brightsourced Ltd to develop a road map to achieve net zero GHG emissions ahead of the government's 2050 legally binding deadline for achieving net zero. The output of planned further workshops in this area will include development of a road map to achieving net zero emissions for our organisations through identification and evaluation of options to achieve carbon reduction pathways across all core areas of our business activities.

Energy Consumption Data (KWH) for 2020

Site	Fuel	Jan	Feb	Mar	Apr	May	Jun
Battersea	Diesel	4,984	4,984	4,984	4,984	4,984	4,984
	Unleaded	1,967	1,967	1,967	1,967	1,967	1,967
	Electricity	80,560	80,560	80,560	105,300	100,806	90,850
	Gas	98,268	108,160	92,006	72,371	72,371	72,371
Brands Hatch	Electricity	10,423	10,423	10,423	10,423	10,423	10,423
Old Windsor	Electricity	34,427	34,427	34,427	34,427	34,427	34,427
	Gas	203,045	182,906	150,200	100,567	78,640	67,368

Site	Fuel	Jul	Aug	Sep	Oct	Nov	Dec
Battersea	Diesel	4,984	4,984	4,984	4,984	4,984	4,984
	Unleaded	1,967	1,967	1,967	1,967	1,967	1,967
	Electricity	86,480	80,456	80,456	80,456	132,083	131,279
	Gas	72,371	72,371	83,657	83,657	90,890	90,890
Brands Hatch	Electricity	10,423	10,423	10,423	10,423	10,423	10,423
Old Windsor	Electricity	34,427	34,427	34,427	34,427	34,427	34,427
	Gas	58,908	58,908	58,908	58,908	58,908	78,098

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Reference and administrative details

Charity number: 206394
Company number: 278802
Registered office: 4 Battersea Park Road, London SW8 4AA

Our advisers

Auditors Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	Bankers Barclays Bank Plc Clapham Junction Branch 7-11 St John's Hill London SW11 1TR
Solicitors Bates Wells 10 Queen Street Place London EC4R 1BE	Investment Advisers Adam & Co 22 King Street London SW1Y 6QY

Council of Trustees

Paul Baldwin	Chair (appointed 6 October 2020)
Amanda Burton	Chair (resigned 6 October 2020)
Sophie Andrews	(resigned 29 July 2020)
Patrick Aylmer	Honorary Treasurer
Sir Alan Collins	(appointed 21 May 2021)
Brian Dunk	
Richard Hammond	(appointed 6 December 2020)
Alan Martin	
Anne Montgomery	Vice Chair
Cassie Newman	
Susan Paterson	(appointed 6 December 2020)
Matthew Pead	(resigned 7 December 2020)
Patricia Stafford	
David Turner	
Bradley Viner	
Deri Watkins	
David Watson	(appointed 3 March 2020, resigned 21 May 2021)
The Worshipful Mayor of Wandsworth	(Ex Officio)

Senior Staff

Peter Laurie	Chief Executive (from April 2021) Interim Chief Executive (from January 2021) Director of Operations & Deputy Chief Executive (until January 2021)
--------------	---

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Kelly Brown	Director of Finance & Corporate Services (from October 2020)
Bryony Glenn	Director of Human Resources
Julian Holmes-Taylor	Interim Director of Fundraising (from March 2020)
Claire Horton CBE	Chief Executive (until January 2021)
Paul Marvell	Interim Director of Operations (from January 2021)
Sarah Matthews	Director of Marketing & Communications
Catherine Miles	Director of Fundraising (until March 2020)
Shaun Opperman	Director of Veterinary Services
George Ruiz	Director of Finance and Corporate Services (until October 2020)

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Structure, Governance and Management

Trustee appointments

Battersea Dogs & Cats Home is governed by a Council of Trustees (who are also Directors of the charitable company for the purposes of company law). Trustees, who are volunteers with distinguished careers and experience in a wide variety of fields, are subject to fixed term appointments and election or re-election according to procedures set out in the Memorandum and Articles.

New Trustees are nominated via an external search led by the Chair of Trustees, interviewed by a panel of Trustees and the Chief Executive, and appointed where they have the necessary skills to contribute to the charity's governance and strategic development.

An individual induction programme is agreed for each new Trustee to brief them on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee structure and decision-making processes, the strategic plan and recent financial performance of the charity. As part of their induction, they meet key employees and other Trustees.

A skills audit is undertaken regularly to ensure appropriate expertise and diversity of experience is represented on Council to enable effective challenge, governance, and oversight of the charity to take place.

More information on Battersea's Trustees and Executive Team can be found on Battersea's website.

Trustee delegation

The Council is responsible for setting strategic direction, agreeing the financial plan and approving the delegation of financial authority through the Chief Executive, with specific limits imposed on delegation. The Council acts on advice and information from regular meetings with the Chief Executive. The Council met formally five times during 2020.

The Chief Executive is responsible for the day-to-day management of the Charity and for implementing policies agreed by the Council. The Chief Executive is assisted by a group of directors and senior managers.

The Finance Audit & Risk Committee meets quarterly to oversee all financial aspects of the charity. It takes delegated responsibility for ensuring there is a framework for accountability and for ensuring that the charity complies with all financial aspects of the law, relevant regulations, and good practice. The Committee also takes delegated responsibility for the performance of the charity's investment portfolio. It met four times during 2020.

The Building Committee is established to oversee all capital projects carried out by the charity. It met five times during 2020.

A Governance and Nominations Committee was established to review compliance with appropriate legislation and codes issued by the Charity Commission and other regulatory bodies and to lead on any process for appointments to Council and committees. The Committee met twice in 2020.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

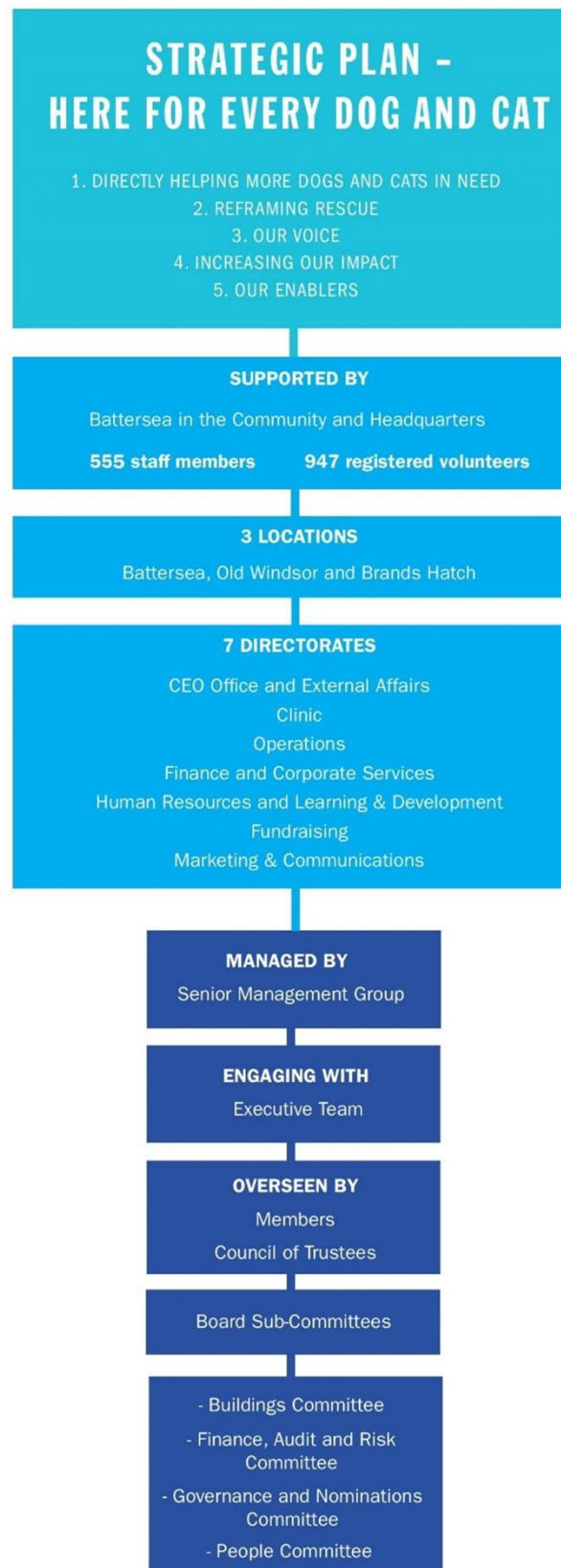
The People Committee was formed in July 2020 to address key areas of focus for the Trustees including reviewing and approving Battersea's remuneration policy, diversity, safeguarding, and learning and development. The Committee met three times in 2020.

During 2020 the following served as Trustees:

	Attendance at Council Meeting (max 5)	Attendance at Buildings Committee (max 5)	Attendance at Finance, Audit & Risk Committee (max 4)	Attendance at Governance & Nominations Committee (max 2)	Attendance at People Committee (max 3)
Paul Baldwin <i>(Council Chair)</i>	2/2	-	-	-	2/2
Amanda Burton <i>(Council Chair and Chair of Governance & Nominations Committee)</i>	4/4	-	1/3	2/2	0/1
Sophie Andrews	4/5	-	-	-	-
Patrick Aylmer <i>(Chair of Finance, Audit & Risk Committee)</i>	5/5	-	4/4	-	-
Brian Dunk	5/5	5/5	-	-	-
Alan Martin	5/5	5/5	4/4	2/2	-
Anne Montgomery	5/5	-	-	1/2	3/3
Cassie Newman	4/5	-	-	2/2	2/3
Matthew Pead	5/5	-	-	-	-
Patricia Stafford <i>(Chair of People Committee)</i>	5/5	-	-	-	3/3
David Turner	5/5	4/5	-	-	-
Bradley Viner <i>(Chair of Buildings Committee)</i>	5/5	5/5	-	-	-
Deri Watkins	4/5	-	-	-	-
David Watson	5/5	-	3/4	-	-

**BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020**

Battersea Governance and Management Structure



BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Related parties

None of our trustees receive remuneration or other benefit from their work with the Charity. Any connection between a trustee or senior executive with a related party or competitor of the charity must be disclosed to the Council of Trustees. In the current year, no such related party transactions were reported. Donations made by Trustees to Battersea totalled £1,040 (2019: £185) for the year.

The charity has two wholly owned subsidiaries: Battersea Dogs Home Limited (BDH), which operates the Battersea's trading activities; and Bell Mead Kennels Limited, under which name the charity's annex at Old Windsor operated. Bell Mead Kennels Limited is now dormant. The companies' trading results and balance sheets are consolidated with those of the charity.

Pay policy for the Executive Team

Executive pay at Battersea reflects the market rate for comparable jobs in comparable organisations, the level of knowledge, skills and experience required, and the responsibilities and accountabilities associated with each role. Our pay policy aims to:

- recruit and retain talented individuals to lead and further develop our rapidly growing organisation;
- develop and sustain high performance, and;
- recognise individual performance in the preceding year.

The People Committee, formed in 2020, are responsible for overseeing the performance and remuneration of Battersea's Executive Team, as well as approving recommendations from the Team with regard to the remuneration of other senior managers. Executive pay is reviewed by the Committee annually based on the performance of the relevant business area, contribution to the achievement of wider organisational goals and individual impact based on delivery against annual objectives in accordance with Battersea's values.

Risk management

Effective risk management is key to successfully delivering our strategy. An organisation-wide risk management approach is in place which identifies our key strategic and operational risks and ensures that they are effectively managed through clear accountability and procedures for escalation as required.

The Battersea risk management strategy comprises:

- on-going review by the Executive team of strategic and operational risks (both existing and emerging risks) which have the potential to adversely affect the organisation;
- a quarterly review by the Finance Audit & Risk Committee and Council of the principal risks and uncertainties that the charity and its subsidiary BDH Ltd face;
- the establishment of policies, systems, and procedures to mitigate the risks identified in the quarterly review; and
- the implementation of procedures to minimise or manage any potential impact on the Charity should those risks materialise.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

The Council of Trustees consider the specific major risks to the charity to be:

Risk	Mitigation
COVID-19 impact on income	The COVID19 pandemic and Government policy having an impact on Battersea's ability to generate fundraising income, with face-to-face fundraising activities and fundraising events specifically impacted. There is also a risk of lower income generated through major donors, trusts, and corporate sponsors if funds are being diverted to organisations directly impacted by COVID-19. Mitigating these risks is an increase in digital, television, and online fundraising methods, deploying stewardship support across all supporter types, and hosting virtual fundraising events.
Reputational impact due to COVID-19	Battersea considers the risk of being unable to demonstrate its charitable impact as a result of a reduced rehoming operation and low animal numbers due to the COVID-19 pandemic. Mitigating these risks, Battersea is focussing on developing strategies to continue to deliver charitable impact. This includes continuing to develop brand health, focussing communications on the Battersea Academy and grant giving, and through wider sector engagement work planned for 2021.
Financial	The most significant financial risk for Battersea is income uncertainty, specifically loss of fundraising income through changes in staff and/or fundraising environment, and through loss of legacy income through significant declines in property values because of political uncertainties, and more recently, COVID-19. We review our financial plans on a regular basis and manage any material risks via budgetary control, income pipeline reviews, investing in staff, carefully valuing properties, capital expenditure planning and cash flow forecasting. Also mitigating these risks is the level of free reserves which are set at a level sufficient to withstand any short-term financial risks.
Compliance	Non-compliance with GDPR, such as data breaches, data retention, training, and awareness, remains a key focus for Battersea. We recognise the importance of having a resilient approach to managing compliance and have set up a Compliance Steering Group and Compliance Forum to monitor regulatory requirements across Battersea. A full review of regulatory responsibilities, policies and pathways for reporting is planned for 2021. A Fundraising Compliance function is also in place to ensure compliance with relevant regulatory bodies. Reporting of Serious Incidents/Safeguarding issues to the Finance, Audit & Risk Committee, and People Committee.
Operational	Battersea recognises there is a risk that existing systems and processes are outdated and do not provide a cohesive, integrated supporter journey.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Risk	Mitigation
	As a result, we have developed a Data Strategy with a specific focus on reviewing our existing architecture and system, with implementation of Phase 1 of the plan expected in 2021.
Cyber Security	We fully recognise the importance of defending our IT systems (including telephony) from malicious attacks and protecting the information we hold from unauthorised access and misuse. Risks around information security and data protection are reported to the Finance Audit and Risk Committee as part of their regular review of strategic risks. Our major systems are subject to regular penetration testing to ensure their defences are robust enough to withstand a sustained malicious attack.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Statement of Responsibilities of the Council of Trustees

The Council of Trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council of 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 the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the Council of Trustees is required to:

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

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

The Council of Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Council of Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the Council of Trustees, having made enquiries of fellow trustees and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Council of Trustees



Paul Baldwin (Chair)
Approving Trustees and Strategic Report
14 June 2021

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Independent Auditor's Report to the Members of Battersea Dogs' and Cats' Home

Opinion

We have audited the financial statements of Battersea Dogs and Cats Home Limited for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date 22 June 2021

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Consolidated Statement of Financial Activities

For the year ended 31 December 2020

	Notes	Unrestricted 2020 £000	Restricted 2020 £000	Total 2020 £000	Total 2019 £000
Income from:					
Donations and legacies	2	49,551	932	50,483	40,411
Gifts in kind	3	497	-	497	325
Trading activities	4	686	-	686	1,930
Investment income	5	464	-	464	641
Charitable activities: Animal sales and claim fees		584	-	584	727
Total income		51,782	932	52,714	44,034
Expenditure on:					
	6				
Raising donations and legacies		13,406	56	13,462	14,254
Gifts in kind		497	-	497	325
Trading activities		2,543	47	2,590	3,036
Investment management fee		52	-	52	54
		16,498	103	16,601	17,669
Charitable activities:	6				
Care of dogs and cats		19,864	1,152	21,016	20,258
Education and awareness		5,928	59	5,987	5,857
Total expenditure		42,290	1,314	43,604	43,784
Net (losses)/gains on investments	12	(723)	-	(723)	2,394
Net income/(expenditure)	7	8,769	(382)	8,387	2,644
Other recognised gains and (losses)					
Actuarial losses on defined benefit pension scheme	18	(1,638)	-	(1,638)	-
Net movement in funds		7,131	(382)	6,749	2,644
Reconciliation of funds:					
Total funds at 1 January		90,596	1,147	91,743	89,099
Total funds at 31 December	16	97,727	765	98,492	91,743

All amounts are derived from continuing activities. All gains and losses recognised in the year are included above.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Consolidated and Charity Balance Sheet
As at 31 December 2020

		Group		Charity	
	Notes	2020 £000	2019 £000	2020 £000	2019 £000
Fixed assets					
Intangible assets	9	904	663	904	663
Tangible assets	10	56,295	54,706	56,295	54,706
Investments:					
Investment in subsidiary undertakings	11	-	-	5	5
Other fixed asset investments	12	18,582	19,304	18,582	19,304
		75,781	74,673	75,786	74,678
Current assets					
Stock	13	80	87	-	-
Debtors	14	7,632	6,781	8,744	7,530
Cash at bank and in hand		20,879	14,728	19,830	14,051
		28,591	21,596	28,574	21,581
Liabilities					
Creditors: amounts falling due within one year	15	(4,242)	(4,526)	(4,230)	(4,516)
Net current assets		24,349	17,070	24,344	17,065
Total assets less current liabilities		100,130	91,743	100,130	91,743
Defined benefit pension scheme liability	18	(1,638)	-	(1,638)	-
Net assets		98,492	91,743	98,492	91,743
Funds					
Unrestricted funds					
- Designated	16	72,391	82,558	72,391	82,558
- General	16	25,336	8,038	25,336	8,038
		97,727	90,596	97,727	90,596
Restricted funds	16	765	1,147	765	1,147
Total funds		98,492	91,743	98,492	91,743

As permitted by s408 Companies Act 2006, the company has not presented its own income and expenditure statement and related notes. The company's profit for the year was £6,300 (2019: profit of £2,000).

The financial statements were approved and authorised for issue by the Council of Trustees and were signed on its behalf on 14 June 2021.



P Baldwin, Chairman



P Aylmer, Honorary Treasurer

Company registration number 278802

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Notes	Group 2020 £000	2019 £000
Cash inflow from operating activities	(a)	11,380	2,146
Returns on investments	(b)	464	641
Capital expenditure and financial investment	(c)	(5,693)	(6,605)
Cash outflow before use of liquid resources		6,151	(3,818)
Increase /(Decrease) in cash in the year	(d)	6,151	(3,818)

Notes to the cash flow statement

a) Net cash from operating activities

Net income	8,387	2,644
Losses/(gains) on investments	723	(2,394)
Depreciation	3,472	3,041
Amortisation	386	262
Decrease in stocks	7	63
Increase in debtors	(851)	(1,015)
Decrease in creditors	(284)	186
Bank interest receivable	(22)	(78)
Investment income receivable	(442)	(563)
Sale of fixed asset investments	4	-
Net cash inflow from operating activities	11,380	2,146

b) Returns on investments

Interest received	22	78
Returns on investments	442	563
	464	641

c) Capital expenditure and financial investment

Purchase of tangible fixed assets	(5,065)	(6,014)
Purchase of intangible fixed assets	(627)	(592)
Purchase of investments	(650)	(559)
Proceeds from sale of investments	509	868
Decrease/(increase) in portfolio cash	140	(308)
	(5,693)	(6,605)

d) Analysis of consolidated net cash resources

	At 1 January 2020 £000	Cash flow £000	At 31 December 2020 £000
Cash at bank and in hand	14,728	6,151	20,879

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Notes and Accounting Policies

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP including Update Bulletin 2), the Companies Act 2006 and Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

(b) Basis of consolidation

The consolidated accounts include the accounts of the charitable company, Battersea Dogs & Cats Home, and its trading subsidiary Battersea Dogs' Home Limited, which is consolidated on a line-by-line basis. No separate Statement of Financial Activities ("SOFA") has been presented for the charity as permitted by Section 408 of the Companies Act 2006. Bell Mead Kennels remains dormant and therefore is not included in the consolidated accounts. For 2020 the Charity entity had income of £51.4m (2019: £42.8m) and incurred expenditure of £42.8m (2019: £43.2m).

(c) Incoming resources

Legacies are credited to incoming resources when the charity becomes entitled to the income, there is probability of receipt, and the amount is quantifiable. Legacies received in the form of investments are included at probate value. Legacies received following year end for which estate accounts have been received are included in the year being reported. Life interest and other residual legacies, where there is uncertainty of the amount to be received, are not accrued.

Donations and sponsorship income is recognised as income when the conditions for its receipt have been met.

Proceeds from lottery and raffle income are recorded gross of prize money and other expenditure. Income is recognised when the conditions for its receipt have been met.

Donated goods are recognised at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of the goods or service provided, at the same value and time.

Income from government grants relate solely to income received in respect of the Job Retention Scheme and is recognised in the period to which the underlying furloughed staff costs relate.

Income from trading activities predominately relates to income generated by Battersea Dogs Home Limited and paid to the charity annually. The accounts of the Company set out the income recognition policies applied.

Battersea recognises the income from a charitable fundraising event in the year in which the event takes place. Income received for an event taking place in a future period is treated as deferred income in the Balance Sheet.

Where income is received for a specific purpose, the income is included in restricted funds.

All other income is accounted for on a receivable basis.

(d) Expenditure

The costs of generating funds and charitable expenditure comprise staff and other costs directly attributable to an activity and an allocation of support costs. Where costs have been allocated, this has

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

been done based on staff costs directly attributable to each of the charity's activities. The costs of generating funds are those incurred in seeking voluntary contributions and do not include costs of disseminating information in support of the charitable objectives. Governance costs are those incurred in compliance with constitutional and statutory requirements.

(e)(i) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £5,000 are capitalised and depreciated over their estimated useful lives as follows: -

Freehold land	nil
Freehold and long leasehold properties	25 years
Short leasehold properties	Over the shorter of the remaining period of the lease or 25 years
Equipment, fittings, and vehicles	4 to 10 years

Where fixed assets are purchased with restricted funding, the purchase or building of the assets is the fulfilment of the restriction. The asset then becomes part of unrestricted funds.

Assets under construction consist of expenditure incurred in respect of tangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(ii) Intangible fixed assets and amortisation

Intangible fixed assets comprise website, trademarks, and management system costs. Intangible fixed assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised to write off the cost or valuation of the assets less their residual values over their useful lives on the following bases:

Website development & management systems	4 years
Trademarks	10 years

The capitalisation threshold for intangible fixed assets is £5,000.

Assets under construction consist of expenditure incurred in respect of intangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

(e)(iii) Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangibles with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(f) Going Concern

The trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

In making this assessment the trustees, have considered the charitable group's revised forecasts and projections for income and expenditure, as well as long term cash flow. These continue to be regularly monitored by Directors and trustees. Despite government restrictions continuing to 2021, the Charity's financial results have not been adversely affected. Battersea holds significant reserves and has liquid

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

assets in the form of investments which are readily available to convert into cash.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

(g) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

(h) Investments

Fixed Asset Investments are stated at market value. It is Battersea's policy to keep valuations up to date so that, when investments are sold, no gain or loss arises. As a result, the SOFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year. The SOFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value.

(j) Pensions

In accordance with FRS 102 "Retirement Benefits", the movement in the defined benefit pension scheme liability, as determined by the actuary, is charged to the SOFA each year. Current and past service costs and experience gains are allocated across the SOFA expense categories in proportion to total salary costs in each category. Where expected returns on assets and interest costs result in a net charge this is also allocated on the above basis. Where it results in a net income this is included within investment income. Actuarial gains or losses are shown separately on the face of the SOFA.

(k) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

(l) Funds

Unrestricted funds, including designated funds, are expendable at the trustees' discretion in furtherance of

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

the charity's objects. Restricted funds can be spent only in accordance with the donors' specific requirements.

(m) Gifts in kind

Gifts in kind and donated services and facilities are recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods.

(n) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(o) Critical accounting estimates and areas of judgement

In view of the trustees applying the accounting policies adopted, the following estimates were required that have a significant effect on the amounts recognised in the financial statements:

The charity operated a defined benefit pension scheme, which closed to further accrual at the end of September 2013. An actuarial valuation of the scheme is undertaken to reflect the current position as at the year ended 31 December 2020. Assumptions used in this calculation, which include the level of future salary increases and the applicable discount rate, all require elements of estimation.

2. Voluntary income

	2020	2019
	£000	£000
Legacies	22,616	16,977
Donations	26,457	23,434
Government Grants	1,410	-
	50,483	40,411

The estimated value of legacies notified but neither received nor accrued into income (as they do not meet the SORP recognition criteria) at 31 December 2020 is £12.9m (2019: £13.8m).

Included in the above figure is unrestricted income of £49.6m (2019: £39.0m) and restricted income of £0.9m (2019: £1.4m).

Grant income of £1.41m (2019: nil) relates wholly to income received from the Government under the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies relating to the grant income from the Coronavirus Job Retention Scheme.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

3. Gifts in kind

	2020	2019
	£000	£000
Pets at Home	19	15
Cat and dog food	36	57
Google advertising	349	243
Dog miscellaneous	2	10
Christmas Trees	3	-
Facebook advertising	51	-
Pets 4 Homes advertising	37	-
	497	325

4. Trading activities

	2020	2019
	£000	£000
Sale of shop goods	260	223
Fundraising events	145	1,363
Sundry activities	281	344
	686	1,930

Sundry activities include admissions and rental income. All amounts relate to unrestricted income in the current and prior year.

5. Investment income

	2020	2019
	£000	£000
Listed investment income	442	563
Deposit and bank interest	22	78
	464	641

All amounts relate to unrestricted income in the current and prior year.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

6. Group analysis of total expenditure

	Direct activities £000	Support costs £000	2020 £000	Direct activities £000	Support costs £000	2019 £000
Cost of raising funds						
Donations and legacies	12,897	565	13,462	13,668	586	14,254
Gifts in kind	497	-	497	325	-	325
Trading activities	2,263	327	2,590	2,684	352	3,036
Investment management fee	52	-	52	54	-	54
Total cost of raising funds	15,709	892	16,601	16,731	938	17,669
Charitable activities						
Care of dogs and cats	18,139	2,877	21,016	17,310	2,948	20,258
Education and awareness	5,390	597	5,987	5,251	606	5,857
Total Group expenditure	39,238	4,366	43,604	39,292	4,492	43,784

Analysis of support costs
Support costs - 2020

	Donations and legacies £000	Activities for raising funds £000	Care of cats and dogs £000	Education and awareness £000	2020 £000
Support cost					
Finance	110	64	561	116	851
Volunteer management	56	32	284	59	431
Facilities	15	9	77	16	117
IT	121	70	617	128	936
HR	144	84	735	153	1,116
Secretariat	104	60	529	110	803
Governance	15	8	74	15	112
	565	327	2,877	597	4,366

Governance costs consist of accountancy and audit fees, as well as other compliance costs.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Support costs - 2019

	Donations and legacies £000	Activities for raising funds £000	Care of cats and dogs £000	Education and awareness £000	2019 £000
Support cost					
Finance	111	67	559	115	852
Volunteer management	67	40	335	69	511
Facilities	16	9	79	16	120
IT	131	79	659	135	1,004
HR	130	78	656	135	999
Secretariat	100	60	502	103	765
Governance	31	19	158	33	241
	586	352	2,948	606	4,492

Support costs are apportioned to differing activities in proportion to salary costs.

7. Net income before transfers

Net income before other recognised gains/(losses) is stated after charging the following items:

	2020 £000	2019 £000
Auditor's remuneration:		
- Charity	26	24
- Subsidiary	5	4
- Other	2	1
Accountancy, taxation, and other services	29	26
Depreciation	3,472	3,041
Amortisation	386	262
Operating lease rentals:		
- Land	458	259
- Other	80	82
Cost of stock recognised as an expense	173	131

8. Staff costs

	2020 £000	2019 £000
Salaries and wages	15,726	14,989
Social security costs	1,414	1,315
Pension costs	949	822
Other employee benefits	214	195
	18,303	17,321

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

The actual average number of employees involved in the following activities during the year was as follows:

	2020	2019
	Number	Number
Donations and legacies	47	45
Trading activities	27	28
Care of dogs and cats	374	369
Education and awareness	48	49
Support staff	59	53
	555	544

The number of employees whose emoluments exceeded £60,000 for the year was:

	2020	2019
	Number	Number
£60,001 - £70,000	5	1
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£90,001 - £100,000	2	2
£100,001 - £110,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

During the year, retirement pension benefits of £58,000 and other benefits of £11,000 were accrued to 7 higher paid employees (2019: 8).

No remuneration or reimbursed expenditure was paid to members of the Council of Trustees during the year (2019: Nil), nor were any emoluments waived in the year (2019: Nil). Indemnity insurance was provided in the year, covering trustees and staff, at a cost of £2,412 (2019: £2,021) to the charity.

Additional information:

The key management personnel of Battersea comprise the Trustees, the Chief Executive Officer and the Directors of Finance and Corporate Services, Operations, Veterinary, Fundraising, Marketing & Communications and Human Resources. The total employee benefits (including salaries, employer pension contributions and national insurance) of the key management personnel of the charity were £876,000 (2019: £863,000).

Battersea operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. The amount for pension cost shown above includes Battersea's contribution to this scheme during the year of £949,000 (2019: £822,000).

Pension costs also include the operating costs of Battersea's defined benefit pension scheme of £79,000 (2019: £81,000).

Total redundancy and termination payments during the year of £56,000 (2019: £25,000) were recognised as an expense and did not give rise to a funding requirement.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

9. Intangible fixed assets

Charity and Group	Intangible assets £000	Assets under construction £000	Total £000
Cost			
At 1 January 2020	1,733	111	1,844
Additions	542	85	627
Transfers	140	(140)	-
At 31 December 2020	2,415	56	2,471
Amortisation			
At 1 January 2020	1,181	-	1,181
Charge for the year	386	-	386
At 31 December 2020	1,567	-	1,567
Net book value			
At 31 December 2020	848	56	904
At 31 December 2019	552	111	663

10. Tangible assets

Group and Charity	Land and buildings			Equipment, fittings, and vehicles £000	Assets under construction £000	Total £000
	Freehold land and buildings £000	Long leasehold £000	Short leasehold £000			
Cost:						
At 1 January 2020	20,342	48,826	2,406	4,634	7,534	83,742
Additions	11	47	14	749	4,244	5,065
Transfers	85	10,362	21	108	(10,576)	-
Disposals	(4)	-	-	(17)	-	(21)
At 31 December 2020	20,434	59,235	2,441	5,474	1,202	88,786
Depreciation:						
At 1 January 2020	10,288	13,102	1,947	3,699	-	29,036
Charge for the year	737	2,196	41	498	-	3,472
Disposals	-	-	-	(17)	-	(17)
At 31 December 2020	11,025	15,298	1,988	4,180	-	32,491
Net book value:						
At 31 December 2020	9,409	43,937	453	1,294	1,202	56,295
At 31 December 2019	10,054	35,724	459	935	7,534	54,706

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

11. Investment in subsidiary undertakings

Battersea Dogs Home Limited (company number 3472633) and Bell Mead Kennels Limited (company number 247077) are both wholly owned subsidiaries, being companies incorporated in Great Britain. The principal activity of Battersea Dogs Home Limited is that of operating the shop of Battersea Dogs & Cats Home and developing commercial income streams. Bell Mead Kennels Limited is now a dormant company.

	2020 £	2019 £
Shares at cost:		
Bell Mead Kennels Limited	5,000	5,000
Battersea Dogs Home Limited	100	100
	<u>5,100</u>	<u>5,100</u>

A summary of the trading results and balance sheet of Battersea Dogs Home Limited is shown below:

	2020 £000	2019 £000
Profit and loss account		
Turnover	828	876
Administrative expenses	(477)	(410)
Interest paid on intergroup balance	(2)	(1)
Net profit	<u>349</u>	<u>465</u>
Tax on ordinary activities	-	-
Profit on ordinary activities for the year before distribution	<u>349</u>	<u>465</u>
Amounts distributed to parent charity	<u>349</u>	<u>465</u>
Balance sheet		
Current assets	1,375	1,072
Current liabilities	(1,375)	(1,072)
Net current assets and total assets	<u>-</u>	<u>-</u>
Capital and reserves		
Called up share capital	-	-
Profit and loss account	-	-
Equity shareholders' funds	<u>-</u>	<u>-</u>

Bell Mead Kennels Limited ceased trading on 31 December 1998 and has been dormant since that date. It has a current asset debtor of £5,000 and called up share capital of £5,000 at 31 December 2020 and 31 December 2019.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

12. Other fixed asset investments

	2020	2019
	£000	£000
Shares at cost and market valuation		
Market value at 1 January	18,065	15,980
Acquisitions at cost	650	559
Disposal proceeds	(509)	(868)
Realised (loss)/gain on disposal	(184)	26
Gain/(loss) on revaluation during the year	(539)	2,368
Market value at 31 December	17,483	18,065
Cash held in portfolio at 31 December	1,099	1,239
	18,582	19,304
Historical cost at 31 December	14,096	14,233
Cash held in portfolio at 31 December	1,099	1,239
Historical cost and cash held in portfolio at 31 December	15,195	15,472
Listed investments at market value comprise:	2020	2019
	£000	£000
UK government stock	1,350	1,357
UK fixed interest securities	2,600	2,529
Overseas fixed interest securities	-	120
UK equity investments	8,652	9,517
Overseas equity investments	2,440	2,365
UK and European alternative investments	2,441	2,177
Cash deposits held as part of portfolio	1,099	1,239
	18,582	19,304

At 31 December 2020, the following investments were considered material to the overall portfolio:

	2020	% of
	£000	portfolio
Impax Environmental Markets PLC	897	5.13%
TwentyFour Global Investment Funds PLC	888	5.08%
	1,785	10.21%

13. Stock

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Goods for resale	80	87	-	-

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

14. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Amounts due within one year:				
Operating debtors	228	343	119	64
Due from subsidiary undertaking	-	-	1,357	1,058
Other debtors	1,375	1,394	1,375	1,394
Prepayments and accrued income	6,029	5,044	5,893	5,014
	7,632	6,781	8,744	7,530

15. Creditors

	Group		Charity	
	2020	2019	2020	2019
	£000	£000	£000	£000
Amounts falling due within one year:				
Operating creditors	2,176	3,115	2,164	3,104
Amounts due to subsidiary undertaking	-	-	5	5
Taxation and social security	368	352	368	352
Other creditors	119	-	119	-
Accruals	1,579	1,059	1,574	1,055
	4,242	4,526	4,230	4,516

16. Group Funds

	At 1 January 2020 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2020 £000
Unrestricted funds:						
General fund	8,038	50,764	(37,760)	(539)	4,833	25,336
Battersea Dogs Home Limited	-	828	(479)	-	(349)	-
Designated funds						
Fixed asset fund	55,369	-	(3,841)	-	5,671	57,199
Site development fund	20,772	-	-	(1,393)	(4,192)	15,187
Freehold acquisition fund	6,392	-	-	(429)	(5,963)	-
Welfare of dogs and cats	20	190	(210)	-	-	-
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	90,596	51,782	(42,290)	(2,361)	-	97,727
Other restricted funds						
Welfare of dogs and cats	336	15	(317)	-	-	34
Kennel appeal	-	173	(173)	-	-	-
Volunteering, Fostering and Communities	750	700	(750)	-	-	700
Other	61	44	(74)	-	-	31
	1,147	932	(1,314)	-	-	765
Total funds	91,743	52,714	(43,604)	(2,361)	-	98,492

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Group funds – prior year

	At 1 January 2019 £000	Income £000	Expenditure £000	Gains/ (losses) £000	Transfers £000	At 31 December 2019 £000
Unrestricted funds:						
General fund	11,181	41,641	(39,373)	730	(6,141)	8,038
Battersea Dogs Home Limited	-	876	(411)	-	(465)	-
Designated funds						
Fixed asset fund	52,066	-	(3,303)	-	6,606	55,369
Site development fund	19,500	-	-	1,272	-	20,772
Freehold acquisition fund	6,000	-	-	392	-	6,392
Welfare of dogs and cats	-	80	(60)	-	-	20
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	88,752	42,597	(43,147)	2,394	-	90,596
Other restricted funds						
Welfare of dogs and cats	7	409	(80)	-	-	336
Kennel appeal	214	209	(423)	-	-	-
Volunteering, Fostering and Communities	100	750	(100)	-	-	750
Other	26	69	(34)	-	-	61
	347	1,437	(637)	-	-	1,147
Total funds	89,099	44,034	(43,784)	2,394	-	91,743

The fixed asset fund represents the net book value of Battersea's fixed tangible and intangible assets. These are all used for operational purposes in pursuance of Battersea's charitable activities.

The site development fund is an amount set aside to develop Battersea's sites within its capital and maintenance programme. Major site development works across all centres will largely be complete by the end of 2021 in which event the balance on the fund will be reduced to nil.

The welfare of dogs and cats fund are monies where the donor has requested their use to the care and welfare of either dogs or cats across the charity as a whole, or specifically to clinic equipment at any of the three sites.

Transfers between funds reflect the year end status of these funds. The balance on the freehold acquisition fund was transferred to general reserves. The fund was set up to enable Battersea to increase its geographical reach by acquiring a new site. While Battersea remains committed to increasing its geographic reach, at time of signing, no such site for the acquisition has been identified.

The above funds are explained further in the reserves policy in the Trustees Report.

The capital fund represents shares in Bell Mead Kennels.

There were four restricted funds in the year: Welfare restricted are monies where the donor has restricted their use to the care and welfare of either dogs or cats across the charity as a whole or specifically to one of its three locations; Kennel appeal whose use is restricted to the building of kennels; Volunteering, Fostering and Communities is to cover Volunteer, Fostering and Communities costs; Other includes funds for capital projects (not including kennel construction), grant giving purposes, vehicle purchase and donations for clinic construction costs, clinic equipment purchases or clinic running costs.

Except for the fixed asset fund, these funds are substantially invested in Battersea's investment portfolio, which is used to generate an annual income to maintain the operational activities of the charity.

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

17. Analysis funds between net assets

2020	Fixed assets £000	Investments £000	Net current assets £000	2020 £000
General funds	-	-	25,336	25,336
Fixed asset fund	57,199	-	-	57,199
Site development fund	-	18,582	(3,395)	15,187
Capital fund designated	-	-	5	5
Restricted fund	-	-	765	765
Total funds	57,199	18,582	22,711	98,492

2019	Fixed assets £000	Investments £000	Net current assets £000	2019 £000
General funds	-	-	8,038	8,038
Fixed asset fund	55,369	-	-	55,369
Site development fund	-	19,304	1,468	20,772
Freehold acquisition fund	-	-	6,392	6,392
Welfare of dogs and cats	-	-	20	20
Capital fund designated	-	-	5	5
Restricted fund	-	-	1,147	1,147
Total funds	55,369	19,304	17,070	91,743

18. Pensions

Battersea operated a defined benefit pension scheme, the scheme closed to new members in September 2010 and closed to further accrual at the end September 2013. The assets of the scheme are held separately from those of the Home, being invested with an insurance company which generates the funds to pay pensions as they fall due.

The most recent full actuarial valuation was carried out as at 1 January 2018. Employer contributions ceased in April 2016 as the scheme was deemed no longer in deficit. Employees were transferred to a group personal pension scheme where employer contributions range from between 5.33% and 10.7% dependent on employee contributions.

The most recent FRS 102 valuation was based on the state of affairs as at 31 December 2020.

The principal financial assumptions are:

	2020	2019
Inflation	2.9%	2.9%
Rate of increase in salaries	0.0%	0.0%
Rate of increase for pensions in payment	2.1%	2.1%
Scheme liabilities discount rate	1.4%	2.1%

Pre and post retirement mortality tables used

S2NMA for Males and S2NFA for Females, improving in line with CMI_2019 projections with a 1.25% long term improvement rate.

Weighted average life expectancy for mortality tables used to determine benefit obligations

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Average expected future life at age 65 for:

Member aged 65 (current life expectancy) - male	22.4 years
Member aged 65 (current life expectancy) - female	24.4 years
Member aged 45 (current life expectancy) - male	23.7 years
Member aged 45 (current life expectancy) - female	25.9 years

The assets in the scheme and their expected rate of return are:

	2020	% of fair value of plan assets	Expected overall return on plan assets %	2019	% of fair value of plan assets	Expected overall return on plan assets %
	£000			£000		
Equities	11,153	41%		9,791	37%	
Bonds	11,019	40%		8,535	33%	
Alternatives	4,703	17%		7,305	28%	
Cash	127	1%		86	1%	
Annuity policies	154	1%		160	1%	
Total value of assets	27,156		1.4	25,877		2.1
Present value of scheme liabilities	(28,794)			(23,779)		
(Deficit)/Surplus	(1,638)			2,098		
Surplus restriction per FRS 102	nil			(2,098)		

Movements in fair value of plan assets:

	2020 £000	2019 £000
Value of assets at 1 January	25,877	22,882
Expected return	541	646
Actuarial gains / (losses)	957	2,750
Benefits paid	(219)	(401)
Value of assets at 31 December	27,156	25,877

The actual return on plan assets was a gain of £1,498,000 (2019: £3,396,000).

The fair value of the plan assets at the reporting period end was £27,156,000 (2019: £25,877,000).

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

Movements in the liability value over the year:

	2020	2019
	£000	£000
Value of liabilities at 1 January	23,779	19,830
Past service cost	5	-
Interest on liabilities	497	558
Actuarial losses / (gains):		
From change in financial assumptions	4,679	3,844
From change in demographic assumptions	128	(2)
From experience	(75)	-
Employer contributions (refunded)/to be refunded	-	(50)
Benefits paid	(219)	(401)
Value of liabilities at 31 December	28,794	23,779

Expected contributions for the year ended 31 December 2021

	£000
Defined benefit pension plans	
Employer	Nil – as closed to accrual

All amounts charged to the Statement of Financial Activities relate to the current service cost.

Analysis of actuarial loss:

	2020	2019
	£000	£000
Actuarial gains / (losses) from assets	957	2,750
Actuarial gains / (losses) from a change in financial assumptions	(4,679)	(3,844)
Actuarial gains / (losses) from a change in demographic assumptions	(128)	2
Actuarial gains / (losses) from experience	75	-
Actuarial loss	(3,775)	(1,092)

History of experience gains and losses

	2020	2019	2018	2017	2016
	£000	£000	£000	£000	£000
Difference between the expected and actual return on assets	957	2,750	(1,380)	1,497	2,517
Percentage of scheme assets	3.5%	10.6%	-6.0%	5.9%	10.8%
Experience gains arising on scheme liabilities	75	-	1,184	-	155
Percentage of present value of scheme liabilities	0.3%	0.0%	6.0%	0.0%	0.7%
Total actuarial (loss)/gain	(3,775)	(1,092)	1,471	(1,378)	3,013
Percentage of present value of scheme liabilities	13.11%	4.59%	7.42%	5.83%	-13.04%

BATTERSEA DOGS' & CATS' HOME
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020

19. Financial commitments

The group's total future minimum operating payments are as follows:

	Land and buildings 2020 £000	Other 2020 £000	Land and buildings 2019 £000	Other 2019 £000
Operating lease commitments:				
- within 1 year	458	37	383	38
- between 1- 5 years	1,833	9	1,533	46
- more than 5 years	7,680	-	6,997	-
From the balance sheet date				

20. Capital commitments

There were capital commitments of £8.0m at 31 December 2020 (2019: £2.3m). These sums relate to the redevelopment of Pippin Kennels at Battersea Old Windsor and the refurbishment of the Kent building at Battersea.

21. Related party transactions

No disclosure has been made of transactions between the parent and subsidiary undertaking in accordance with the exemptions allowed by FRS 102.

Total donations received in the year from two Trustees amounted to £1,040 (2019: £185).

22. Company Limited by Guarantee

The guarantee given by the members of the charity is £1 per member in the event of there being a deficiency of assets should the charitable company be wound up. In 2020 there were 13 members (2019: 12 members).

23. Post balance sheet events

The value of Battersea's defined benefit pension scheme as at 31 December 2020 stood at £1.6m deficit (2019: £2.1m surplus) and has been affected by the significant reduction in the yield of fixed income securities, which forms the basis of the discount rate used to calculate the Scheme's liabilities from 2.1% to 1.4%. Since the balance sheet date, the performance of yields on fixed income securities have improved with the discount rate assumption at the end of April 2021 now standing at 2.15%. Assuming this higher yield is sustained and converts to a higher discount rate, the scheme would then return to a surplus.