

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**

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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.

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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

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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

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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

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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

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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

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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

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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

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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

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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.

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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.

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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

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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	2022	Change	Ratio
	£m	£m	%	%
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

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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).

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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.

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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

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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.

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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%

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Totals (tCO₂e)	434.06	569.33	241.23	1,244.62
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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%

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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

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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

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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
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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

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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
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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.

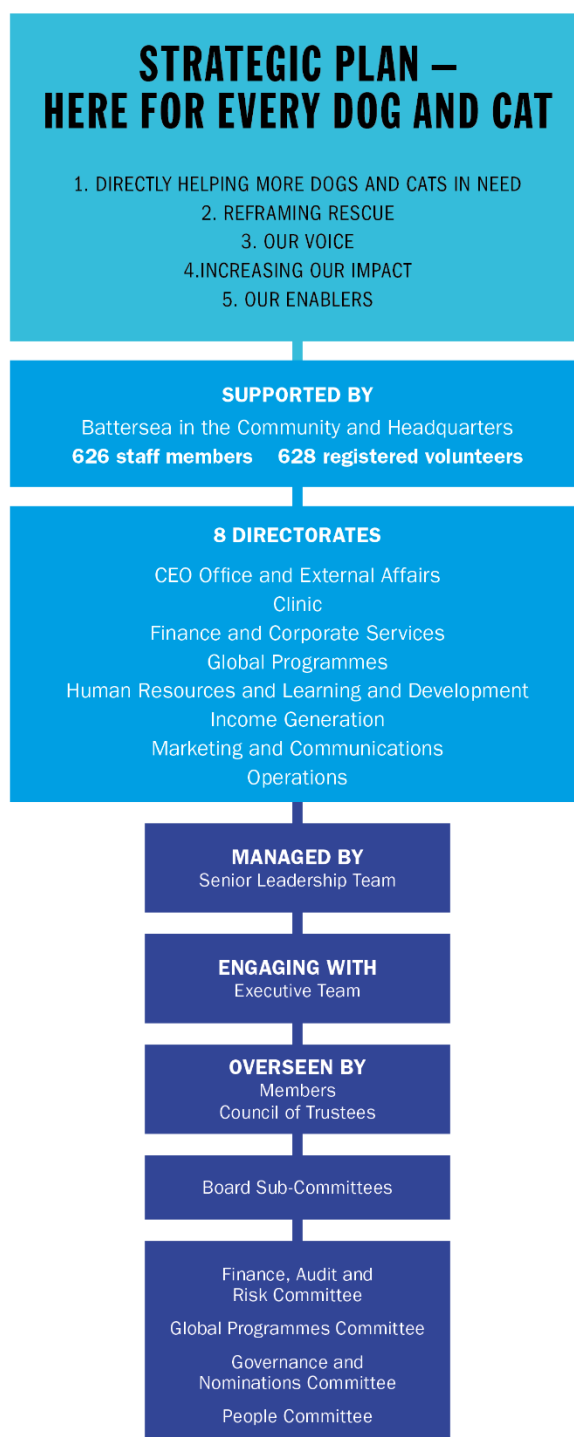
During 2023 the following served as Trustees:

BATTERSEA DOGS' AND CATS' HOME
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	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	-

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Battersea Governance and Management Structure



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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

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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)	<p>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).</p> <p>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.</p> <p>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.</p>
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	<p>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.</p> <p>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.</p>
Wellbeing – Risk of poor staff or volunteer physical or mental wellbeing.	<p>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.</p> <p>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.</p>

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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
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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
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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
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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

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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.

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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
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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
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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

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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

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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

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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.

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(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

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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

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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

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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

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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

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£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

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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)

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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

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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.

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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

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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.

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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

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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

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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:

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	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.