THE BIRMINGHAM DOGS HOME

England & Wales · Charity number 222436

Details

Other names	SUNNYSIDE KENNELS
Status	Registered
Legal form	Charitable company
Company number	00662947
Registered	1964-06-25
Register	View on the Charity Commission register

Contact

Address	Birmingham Dogs Home Catherine-de-Barnes Lane Catherine-de-Barnes Solihull B92 0DJ
Phone	0121 643 5211
Email	info@birminghamdogshome.org.uk
Website	www.birminghamdogshome.org.uk

Activities

Objects: TO PROVIDE AND MAINTAIN PREMISES TO BE USED PRIMARILY FOR THE RESCUE, RE-HOMING AND, IF NECESSARY, PAINLESS DESTRUCTION OF LOST, UNWANTED, SUFFERING AND OWNERLESS DOGS, CATS AND OTHER SMALL DOMESTIC ANIMALS

Activities: To take in and care for stray and unwanted dogs from the West Midlands area and find new homes where possible.Provide education to schools and other community groups in responsible dog ownership.Fundraising to ensure the on-going provision of service.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Animals
- **Who:** Children/young People, Elderly/old People, Other Defined Groups, The General Public/mankind

Downloaded from opencharities.uk/ew/222436

Geography

- **Area of benefit:** BIRMINGHAM
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£3,408,698	£4,230,932	£18,626,079	72
2023-12-31	£5,739,081	£3,571,851	£19,084,573	68
2022-12-31	£3,077,691	£3,069,191	£16,363,795	62
2021-12-31	£2,110,947	£2,671,971	£17,562,491	56
2020-12-31	£1,645,521	£2,667,925	£17,132,949	56

Trustees

Name	Role	Appointed
Andrew Michael Whelan		2022-08-23
Claire Powell		2017-12-31
Janice Patricia Larraway		2018-08-21
Loretta Chivonne Fraser		2025-08-20
MRS C H TAYLOR		2012-09-20
Michael Lampard		2023-08-15
Nurun Nessa Ahmed		2021-08-18
PETER BARNETT		2011-10-13
Richard John Venner		2015-09-09
Wolfie Premsyl Robert Papirnik		2025-08-20

Downloaded from opencharities.uk/ew/222436

THE BIRMINGHAM DOGS HOME

England & Wales - Charity number 222436

Accounts

REGISTERED COMPANY NUMBER: 00662947
REGISTERED CHARITY NUMBER: 222436

Report of the Trustees and Consolidated Financial Statements for the Year Ended 31 December 2024 for THE BIRMINGHAM DOGS HOME

Prime
Chartered Accountants and Registered Auditors
Corner Oak
1 Homer Road
Solihull
West Midlands
B91 3QG

THE BIRMINGHAM DOGS HOME

Contents of the Financial Statements
for the year ended 31 December 2024

	Page
Reference and Administrative Details	1 to 2
Chairman's Statement	3
Report of the Trustees	4 to 9
Report of the Independent Auditors	10 to 12
Consolidated Statement of Financial Activities	13
Consolidated and Charity Statement of Financial Position	14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16 to 25

THE BIRMINGHAM DOGS HOME

Reference and Administrative Details
for the Year Ended 31 December 2024

Trustees	Ms J P Laraway (Chair) Mrs C H Taylor Mr P D Barnett Mr R J Venner Ms C Powell Mr M Lampard Mr A Whelan Ms L Millard Mrs N Ahmed Mr D Godfrey
Patrons	Lord Mayor of Birmingham Chief Constable of West Midlands Police Earl of Aylesford Mayor of Solihull Victoria Vere Nicoll
Officers	S Wynde (Treasurer) G Webber (Chief Executive)
Registered office	Catherine-de-Barnes Lane Catherine-de-Barnes Solihull B92 0DJ
Registered company number	00662947
Registered charity number	222436
Auditors	Prime Accountants Corner Oak 1 Homer Road Solihull B91 3QG
Bankers	Lloyds Bank PLC 9-11 Poplar Road Solihull B91 3AN Metro Bank 119 High St, Solihull B91 3SR
Solicitors	Higgs LLP 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX

Investment managers	Rathbones 30 Gresham Street London EC2V 7QP CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET

THE BIRMINGHAM DOGS HOME

Chairman's Statement
for the year ended 31 December 2024

It is a pleasure to present my report for the year ended 31 December 2024, my second year as Chair of Birmingham Dogs Home. It has been another year of challenges for the organisation which has been met with resilience and compassion in the face of the overwhelming effect the legislation on XL Bullies had on us and the wider dog rescue sector. I particularly want to thank the kennel staff and veterinary team for the way they managed the situation and dealt with the undoubted emotional strain it placed upon them all.

We are continuing to develop the Home in line with our strategic plan and the plans to refurbish, modernise and future proof the Wolverhampton rescue centre are now well under way. The Behaviour and Training Centre completed last year has changed the lives of many of our dogs and helped them find loving homes and, our veterinary clinic goes from strength to strength, gaining an excellent reputation with the wider public in the area. Positive evidence of our determination to be forward thinking in our ambitions.

Financially, we were in deficit in 2024 with an increase in costs of 18.5%. Although the deficit was less than we had budgeted, it underlines the need for us to continue to work hard to develop a broader range of income streams to underpin the generous legacies we currently rely upon. We are extremely grateful and appreciative for the generous support we receive from our supporters and donors, especially in these financially challenging times for everyone.

Finally, I would like to thank all of the staff who work so hard for the benefit of the dogs in our care. Without them we could not achieve the heartwarming outcomes for the thousands of dogs that pass through our care. They are a fantastic team and I commend them all.

J Laraway

Chair of Trustees

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and the financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and 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).

Objectives, activities and aims

The primary objective of the charity is to take in and care for stray and abandoned dogs from the West Midlands area, reuniting lost pets with their owners and rehoming abandoned dogs to new loving homes. During the year:

1,771 dogs came into care;
1,012 homeless dogs have gone on to have new lives in new homes;
300 dogs were reunited with their owners;
9 litters, totalling 67 puppies were born to homeless mothers at our centres;
153 dogs were in care at the end of 2024;
242 of the dogs that came into our care were young dogs under 12 months of age.

The Fundraising department has continued to be very proactive with various new fundraising initiatives and outreach programmes which utilise the improved facilities now available.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning future activities. We believe our work benefits the public in a variety of ways:-

- Providing assistance to local authorities and the general public by taking in and rehoming stray and abandoned dogs.
- Rehoming dogs safely to those who want and are able to provide a good home, providing companionship to individuals and families.
- Reuniting lost and stray dogs with their owners.
- Reducing the number of stray dogs on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- Providing information and advice to owners on the care of dogs and the need for vaccinations and neutering.
- Educating young people in schools and youth groups about the welfare and respect of dogs.

Strategic report

Achievements and performance

The financial performance of the Charity is summarised below. Before gains on investments the Charity incurred a deficit of £844,734 which was less than budget. The increase was due to a reduction in legacy income after the exceptionally high income credited in 2023. There were net gains on investments of £386,240 reducing the total deficit to £458,494.

The Charity continually reviews its aims and objectives set out in the Public Benefit section above at Staff Management meetings which are held monthly.

The major risks to which the Charity is exposed are considered at meetings of the Risk Sub-committee of the Trustees which are held three times a year. A Risk Register is maintained and reviewed at these meetings. A Disaster Recovery Plan has been formulated and an element of it tested during the year.

The Financial Statements for the year show net deficit of £458,494 (2023:surplus of £2,720,778). This was after taking into account net gains on investments of £386,240 (2023 gains £553,548).

Expenditure for the year increased to £4,230,932 (2023: £3,571,851).

The investment market continued to be volatile in the year but the resurgence in the stock market gave rise to gains on investments of £386,240 (2023 £553,548).

Capital expenditure for the year totalled £106,396

Overall, the total funds of the Charity have decreased by the deficit of £458,494.

The cash flow statement (page 15) is included to comply with the SORP requirements.

Plans for future periods.

These are outlined in the Reserves Policy Development Fund below.

Investment policy

The investment objectives are:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption.
- The maintenance and, if possible, enhancement of the investment funds whilst they are invested.
- To obtain balance between capital growth and income, so that the Charity can meet future as well as current needs.

The Trustees have agreed on a 'medium' risk profile by investing in a mix of equities, fixed interest and monetary assets.

The Trustees have delegated their investment powers over a proportion of the assets to Rathbones Ltd. The investment manager is responsible for carrying out day to day investment decisions including the acquisition and realisation of investments on behalf of the Trustees.

A further proportion of the Charity's assets are invested with a specialised investment fund, designed for the Charity Sector, managed by CCLA Investment Management Ltd.

Both managers report on the performance of the investments on a regular basis.

Where funds are set aside for future capital expenditure, the policy is normally to invest in fixed term bank deposits.

The market value of investments held at 31 December 2024 amounted to £10,653,009 (2023: £9,139,043) and the income received during 2024 as a result of these investments totalled £302,480. Realised gains on these investments during the year totalled £737,362 with unrealised losses at 31 December 2024 of £221,863.

The Trustees consider that the performance of the investments against objectives for the year has been satisfactory in view of the volatility of the stock market.

Fundraising activity

The charity uses internal appointees to undertake its fundraising activities. It has registered voluntarily with the Fundraising Regulator and monitors all fundraising undertaken on its behalf. It has received no complaints on fundraising activity and does not undertake fundraising in a way that might intrude on any person’s privacy or take advantage of vulnerable people.

Reserves Policy
Our Financial Sustainability and Future Ambitions

Introduction

Our charity's rescue and rehoming operations, as well as our work supporting the physical and mental welfare of the animals we care for, requires us to maintain and refurbish our facilities and create new fit for purpose spaces, as our needs change. We also need to develop and invest in improved systems to underpin our growing operations, reflecting the needs of dog rescue at this time. This requires significant ongoing financial commitment and investment.
Our current challenges include caring for the high numbers of dogs being relinquished or brought to our centres as strays. We have been working at capacity and at times beyond kennel capacity for the last eighteen months. The high number of abandoned dogs we are receiving daily can be attributed to the current "cost of living crisis" with owners facing soaring inflation rates and the rising costs of everyday living in the UK today. This reflects trends across the sector, with dog abandonment increasing with the rising costs of living and the impact of an increase in people buying dogs during 2020 and 2021 according to research by the Association of Dogs and Cats Home.
We are also finding that many more dogs have behavioural issues, which can be ascribed to dogs being purchased during Covid "lockdowns" by inexperienced owners, and therefore not receiving the training nor socialising they needed. This means that the dogs we receive often need to be with us longer and have more support and training before they can be adopted. The increased length of stays, higher return rates and additional behavioural training needs of dogs, compounded by the universal increases of fuel and heating and supporting staff through difficult times, has meant that the cost of care per dog is currently significantly higher than in previous years.

The Charity's Reserves Policy therefore has two objectives:

- A target of 18 months operational running costs which would be £5.04 million, held in free reserves to guard against fluctuations in income and cash flow requirements;
- To have funds to finance planned capital investment in the charity's infrastructure which could be up to £6.8 million over the next 5 years as well as unplanned projects where the need arises including renewals of essential equipment, systems, vehicles and the operational infrastructure of buildings.

On an annual basis the Trustees will review the resources available to the charity to invest in reserves, to achieve the best balance between these objectives.

In setting the Reserves Policy, the Trustees are influenced by strategic risks facing the charity. The risks are kept under regular review. One of the main ones is that the majority of the Charity's income comes from legacies and fundraising, which can be uncertain sources of revenue, subject to large yearly fluctuations and may not always provide the necessary funds to cover essential costs.

However, there will always be animals in need of our welfare and rehoming services and people who need our advice and support. As a Charity we are committed to a comprehensive ongoing service offering. To do this, we need to maintain a level of reserves should there be a short-term fall in income or an exceptional rise in costs. We have therefore designated our funds into the following areas to enable us to continue to operate and plan to meet future demands for our essential services as the largest rescue centre in the West Midlands, providing vital support to local authorities and the general public across the region.

Our Designation of Funds

For Dogs Now

The Operating Fund:

The Charity's reserves policy is to maintain funds to cover up to a maximum of the next 18 month's running costs. This level of reserves would allow for a sufficient period to wind up the business of the Charity should closure be necessary, the length of time that will be necessary to make arrangements to rehome the dogs in our care, some of which can stay with us up to 18 months at the charity's cost.

As at 31st December 2024 the charity had operating fund reserves of £5.04 million. This represents approximately 18 months of planned running costs of the Charity's two rehoming centres and veterinary clinic including investment in fundraising. This represents 27% of the total funds.

The Property Fund:

This is the written down value of the land and buildings and tangible fixed assets used by Birmingham Dogs Home. At 31st December 2024 this was £6.7 million. This represents 36% of the total funds.

For Dogs in the Future

The Development Fund

Working collaboratively with our community and sector partners, it is our aspiration to position ourselves as a central regional hub, providing a range of complementary services and resources to make the most impact to the lives of local dogs in need, at every stage in their journey.

The Charity's reserves policy is to set aside funds for future development of existing facilities and services at both of its centres. To achieve this vision, the Development Fund represents the Trustees' commitment to providing the highest standard of animal welfare for the dogs in our care. At 31st December 2024 this was £6.8 million. This represents 37% of the total funds.

As a progressive organisation, we have exciting ambitions for the future as we look to the next stage in our strategic planning.

We already know that we need to future proof our Wolverhampton rescue centre by refurbishing and modernising our facilities so that we can continue to provide the very best standards of animal welfare, as well as develop a range of complementary services needed by the community. The required investment for this project will be significant and is likely to need the majority of the funds in the Development Fund.

There is also a strong will to support the building of a new indoor training barn at our Solihull site, to enhance our ability to train and care for our dogs (whatever the weather!) and provide vital ongoing support services and resources for the local dog loving community which will require significant investment in the medium term. Investment also needs to be made in our outdoor facilities including creating new exercise paddocks and upgrading existing ones along with extending parking facilities for visitors.

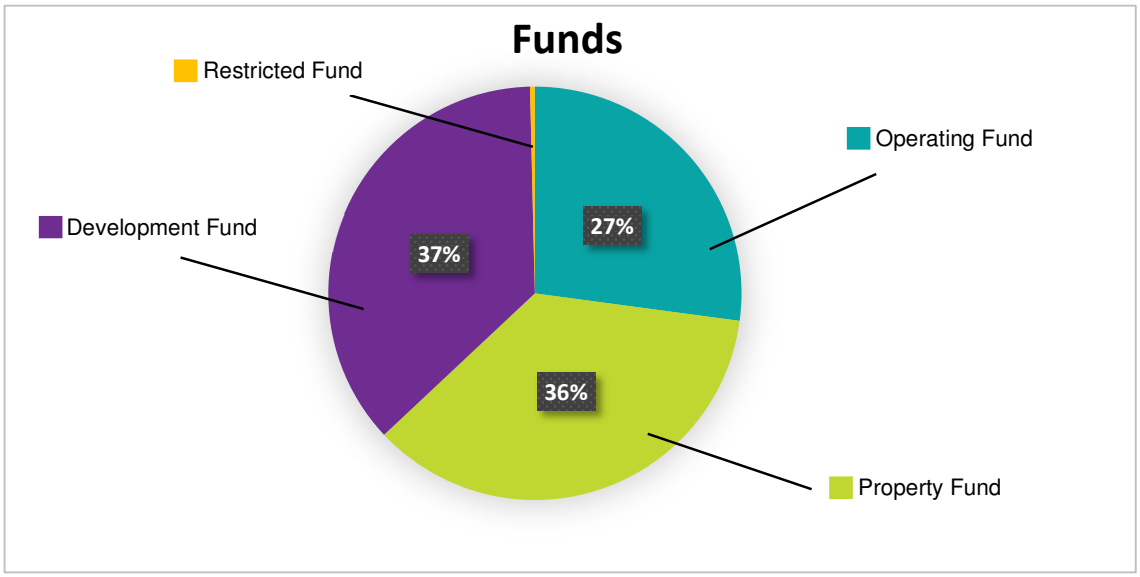
To underpin our growth we need to make a significant financial commitment to upgrading our cross-site and cross-departmental IT systems. As our charity has grown, so have our departments along with the information they need to share. Some of our older systems are no longer fit for purpose and need to be replaced whilst others need to be integrated to reduce duplication of both data and resources. This is a key undertaking and we have prudently set aside a proportion of our development funds accordingly.

To underpin our development ambitions, we need to continue to grow our fundraising and income generation to make the biggest impact we can for every dog and owner who needs us. We are working to a three year, carefully considered fundraising strategy, investing in both staff and resources to bring higher returns and enable us to direct more funds to our charitable activities in the future. We have also earmarked a proportion of our development funds to progress and develop our retail and trading income generating potential which will, in time, generate additional, reliable income streams to fund our work.

To this end our charity's objectives continue to be to maintain an operating fund to provide security for the dogs in our care now, whilst also establishing a development fund to ensure future growth and sustainability, alongside our property fund which represents the land, buildings and tangible fixed assets we need to operate.

Proportional Designation of Funds

Key: **Blue:** For Dogs Now **Purple:** For Dogs in the Future



Structure, governance and management

Group Structure

Members of the charitable group are The Birmingham Dogs Home Limited (a company limited by guarantee, registered in England and Wales and a registered charity) and its wholly owned subsidiary Birmingham Dogs Home (Trading) Limited which commenced trading on 1st October 2019. Since that date the trading activities of the Group have been carried out by Birmingham Dogs Home (Trading) Limited.

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charitable objects and constitution

The Birmingham Dogs Home is a registered charity and is a company limited by guarantee with no share capital. It is governed by its memorandum and articles of association. These state the objects of the charity as being:-

- to provide and maintain a Home for the rescue of lost, unwanted, suffering and ownerless dogs and cats.
- to reunite lost animals with their owners; and
- to find permanent homes for unclaimed animals.

Trustees
The Trustees who served throughout the year and up to the date of this report are named on page 1 of this report.

Recruitment and appointment of new Trustees
The Board of Trustees aims to achieve a balance of skill mix within its numbers representing experience in commerce, business, and the professions, together with a diversity of backgrounds taking full account of gender and a love for the well-being of animals.

As to new Trustees, persons would be sought who help maintain the range and balance of skills as well as being able to contribute towards the effective governance of the Charity. Suitable interested persons, who are required to be members of the Charity, will initially go through a formal interview process with the Chairman and other Trustees where the strengths and other attributes of the person are explored and the role of the Dogs Home and that of a Trustee is explained. Those persons subsequently selected will be proposed and seconded and voted upon at a meeting of the Trustees. After appointment new Trustees will automatically retire at the next AGM and will seek reappointment for a three year term.

Induction and training of new Trustees
A new Trustee is issued with an information pack containing details on the role and responsibilities of a Trustee, the Memorandum and Articles of Association of the Charity, the last year's audited accounts and annual review, the current budget and various relevant policy documents. The Trustee will be expected to have a meeting with the Chief Executive to discuss the Home's procedures and present plans, and to visit the two sites and to be introduced to the manager and other staff. Resources are available for new Trustees to attend courses if it is considered beneficial.

Organisation
The Charity is organised by the Board of Trustees, Management Committee and sub-committees, who are responsible for the strategy, policies and financial plan adopted. The day to day running of the charity is controlled by the Chief Executive.

Risk review
The Trustees review major risks to which the charity is exposed, and systems are established to mitigate those risks. External risks to funding are minimised by the Trustees' policy on reserves where reserves are maintained in order to produce a significant annual income. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures continue to be under review with the help of an external consultant to ensure that they still meet the needs of the charity.

Arrangements for setting pay and remuneration of key management personnel.
The Trustees consider the board of Trustees and the treasurer as comprising the key management personnel of the charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 14 and note 24 to the accounts.

The pay of the charity's treasurer is reviewed annually and normally increased in accordance with average earnings.

Statement of Trustees responsibilities
The Trustees (who are also the directors of The Birmingham Dogs Home for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:-

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The auditors, Prime Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of Trustees ……..and signed on its behalf by:

J Laraway Chair

Report of the Independent Auditors to the Members of The Birmingham Dogs Home

Opinion

We have audited the financial statements of The Birmingham Dogs Home (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2024 which the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including 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 parent charitable company's affairs as at 31 December 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent 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 trustees' annual report[3] , 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

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][4] directors' report.

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

- adequate accounting records have not been kept by the parent charitable company, 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.

Report of the Independent Auditors to the Members of
The Birmingham Dogs Home

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the parent 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.

Auditor 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 the 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meeting of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and other relevant parties.

Report of the Independent Auditors to the Members of
The Birmingham Dogs Home

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Jeremy Kitson BA FCA
Senior Statutory Auditor
Prime Chartered Accountants
Corner Oak
1 Homer Road
Solihull
West Midlands
B91 3QG

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Financial Activities (including income and expenditure account)
For the year ended 31 December 2024

	Note	Unrestricted funds £	Restricted fund £	Total 2024 £	Total 2023 £
Income and endowments from					
Donations and legacies	**2**	**2,190,470**		**2,190,470**	4,982,161
Charitable activities					
Re-homing dogs	**5**	**660,946**	**-**	**660,946**	366,819
Other trading activities	**3**	**159,776**	**22,500**	**182,276**	103,198
Investment income	**4**	**302,480**	**-**	**302,480**	240,037
Other income	**6**	**50,026**	**-**	**50,026**	46,866
Total incoming resources		**3,363,698**	**22,500**	**3,386,198**	5,739,081
Expenditure on					
Raising funds	**8**	**846,653**	**-**	**846,653**	999,360
Charitable activities					
Re-homing dogs	**9**	**3,384,279**		**3,384,279**	2,572,491
Other expenditure		**-**	**-**	**-**	-
Total resources expended		**4,230,932**	**-**	**4,230,932**	3,571,851
Net (expenditure)/income before investment gains/ (losses)		**(867,234)**	**22,500**	**(844,734)**	2,167,230
Net gains/ (losses) on investment	**17**	**386,240**	**-**	**386,240**	553,548
Net income/ (expendiure)		**(480,994)**	**22,500**	**(458,494)**	2,720,778
Transfers between funds		**-**	**-**	**-**	-
Net movement in funds		**(480,994)**	**22,500**	**(458,494)**	2,720,778
Funds brought forward at 1 January 2024		**19,037,673**	**46,900**	**19,084,573**	16,363,795
Funds carried forward at 31 December 2024		**18,556,679**	**69,400**	**18,626,079**	19,084,573

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

THE BIRMINGHAM DOGS HOME

Consolidated and Charity Statement of Financial Position
As at 31 December 2024

	Note	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Fixed Assets					
Tangible fixed assets	**16**	**6,779,356**	**6,779,356**	7,289,847	7,289,847
Investments at market value	**17**	**10,653,009**	**10,653,010**	9,139,043	9,139,044
		17,432,365	**17,432,366**	16,428,890	16,428,891
Current Assets					
Stock	**18**	**48,093**	**48,093**	38,726	38,726
Debtors	**19**	**1,238,405**	**1,238,610**	2,537,402	2,558,481
Cash at bank and in hand		**191,226**	**191,177**	309,578	309,380
		1,477,724	**1,477,880**	2,885,706	2,906,587
Creditors: Amounts falling due within one year	**20**	**(284,010)**	**(317,680)**	(230,023)	(227,365)
Total assets less total liabilities		**18,626,079**	**18,592,566**	19,084,573	19,108,113
Funds					
Unrestricted funds					
Operating fund	**21**	**5,053,918**	**5,020,404**	3,747,826	3,771,366
Designated funds	**21**	**13,480,261**	**13,480,262**	15,289,847	15,289,847
Restricted funds	**21**	**91,900**	**91,900**	46,900	46,900
		18,626,079	**18,592,566**	19,084,573	19,108,113

The charity has prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The deficit generated by the charity for the financial year was £515,547 (2023: £2,744,318 surplus)

Approved by the Board of Trustees on …….. and signed on their behalf by

J Laraway
Chairman

Registered charity in England and Wales - 222436.
Company Registration Number - 00662947

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 £	2023 £
Cash flows from operating activities:	**26**	**684,051**	241,072
Net cash provided by operating activities		**684,051**	241,072
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(106,396)**	(1,407,115)
Purchase of fixed asset investments		**(4,530,553)**	(1,258,595)
Sale of fixed asset investments		**3,532,066**	1,037,822
Interest received		**302,480**	240,037
Net cash (used in) investing activities		**(802,403)**	(1,387,851)
Change in cash and cash equivalents in the reporting period		**(118,352)**	(1,146,779)
Cash and cash equivalents at the beginning of the reporting period		**309,578**	1,456,357
Cash and cash equivalents at the end of the reporting period		**191,226**	309,578

The notes on pages 16 to 25 form part of these financial statements.

1 Accounting Policies

Basis of preparing the financial statements
The Birmingham Dogs Home Limited is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation
These accounts consolidate those of the Charity and its wholly owned trading subsidiary, Birmingham Dogs Home (Trading) Limited. These are adjusted, where appropriate, to conform to group accounting policies. Birmingham Dogs Home (Trading) Limited was incorporated on 21 November 2018 and commenced to trade on 1 October 2019. It's results are consolidated from the date it commenced to trade. Comparatives are presented on a group basis. A separate Statement of Financial Activities and Income an Expenditure Account for the charity have not been presented in accordance with the exemption afforded by section 408 of the Companies Act 2006. The charity deficit for 2024 was £515,547 (2023: £2,744,318 surplus). This is made up of Income of £3,323,672 (2023: £5,759,445), Expenditure of £4,225,459 (2023: £3,568,675) and net gain on investments of £386,240 (2023: £553,548).

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated assets are recognised on the balance sheet and initially measured at their valuation. Fair values for donated assets are estimated by reference to market prices.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

For legacies, receipt must be recognised when it is probable that it will be received. Receipt is normally probable when: there has been a grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.

The charity receives income from local authorities in relation to provision of stray dog services.

Income from trading activities includes income earned from fundraising events and trading activities such as dog boarding to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Other income relates to pet plan commission.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

1 Accounting Policies (continued)

Expenditure
All expenditure is accounted for gross, on an accruals basis and is stated net of Valued Added Tax, where applicable.

Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:
> Costs of raising funds
> Expenditure on charitable activities
No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual

Allocation and apportionment of costs
Resources expended are allocated to the particular activity where the cost relates directly to that activity.

VAT
VAT recoverable by the Charity is shown in debtors. The Birmingham Dogs Home Limited and Birmingham Dogs Home (Trading) Limited are part of a VAT group.

Fixed assets
Fixed assets are included at cost or valuation, items below £1,000 will be normally expensed through the statement of financial activities.

Depreciation
Depreciation is provided to write off the cost or valuation, less estimated residual values of all fixed assets except freehold land, over their expected useful lives. It is calculated at the following rates:

Buildings	-	5% of the cost per annum
Fixtures and fittings	-	10% of the cost per annum
Vehicles	-	25% of the cost per annum
Computer equipment	-	33.33% of the cost per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Stocks
Stocks are valued at the lower of cost or net realisable value. Unsold donated items are not included.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund Accounting
Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

Hire purchase and leasing commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the

Judgements made by the Trustees in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material misstatement in the next year, are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

1 Accounting Policies (continued)

The areas where these judgements and estimates have been made include the following for the group:

a) Depreciation and residual values
The Trustees have reviewed the asset lives and associated residual values of all tangible fixed asset classes, and have concluded that the asset lives and residual values are appropriate.

b) Accrued income
Accrued income includes legacy income amounts. In recognising accrued legacy income, the Trustees have considered the probability of receiving each legacy. Each legacy is assessed to determine an appropriate allowance which reflects the possibility of not subsequently receiving the full income amounts.

2 Donations and legacies

	Total 2024	Total 2023
	£	£
Donations	**544,805**	540,111
Donated assets	**-**	-
Legacies	**1,645,665**	4,442,050
	2,190,470	4,982,161

3 Other trading activities

	Total 2024	Total 2023
	£	£
Fundraising events	**15,090**	31,236
Shop income	**5,383**	4,906
Income of Trading subsidiary (see note 7)	**161,803**	67,056
	182,276	103,198

4 Investment income

	Total 2024	Total 2023
	£	£
Deposit account interest	**59,419**	7,194
Dividends and interest from listed investments	**243,061**	232,843
	302,480	240,037

5 Income from charitable activities

	Activity	**Total 2024**	Total 2023
		£	£
Income from general public	Re-homing dogs	**206,863**	205,870
Local authority contracts	Re-homing dogs	**454,083**	160,949
Government grants		**-**	-
		660,946	366,819

6 Other income

	Total 2024	Total 2023
	£	£
Pet plan commission received	**47,313**	44,193
Miscellaneous income	**84**	501
Feed in tariff	**2,629**	2,172
	50,026	46,866

7 Trading company

The wholly owned trading subsidiary Birmingham Dogs Home (Trading) Limited is incorporated in the United Kingdom (company number 11689015) and pays profits, which are surplus to trading requirements, to the charity under a deed of covenant.

The summary financial performance of the subsidiary is:

	2024	2023
	£	£
Turnover	**161,803**	**70,194**
Administrative expenses	**(104,750)**	**(90,596)**
Operating (Loss)/ Profit	**57,053**	**(20,402)**
Taxation		**-**
(Loss)/ Profit before distribution	**57,053**	**(20,402)**

8 Raising funds

	Total 2024	Total 2023
	£	£
Staff costs	**594,379**	533,380
Veterinary costs	**99,443**	167,568
Investment manager fees	**30,129**	29,091
Publicity	**84,735**	97,585
Show costs	**34,857**	38,016
Office expenses and administrative support	**3,110**	65,215
Vehicle costs	**-**	3,690
Depreciation	**-**	64,815
	846,653	999,360

9 Charitable activity costs

	Direct costs (see note 10)	Support costs (see note 11)	Totals
	£	£	£
Charitable activities	**3,348,947**	**35,332**	**3,384,279**

10 Direct costs of charitable activities

	Total 2024	Total 2023
	£	£
Staff costs	**1,531,956**	1,392,253
Sundries	**61,894**	38,571
Yard and veterinary expenses	**266,825**	201,761
Office expenses	**301,832**	96,910
Rates and insurance	**94,440**	63,929
Light, heat and water	**167,975**	113,838
Van costs	**33,933**	12,785
Repairs and renewals	**273,185**	51,779
Depreciation	**616,907**	567,313
	3,348,947	2,539,139

11 Support costs

	2024	2023
Governance costs	£	£
Auditors' remuneration	**13,650**	13,500
Auditors' remuneration for non audit work	**4,000**	2,650
Legal and professional fees	**17,321**	14,880
AGM, annual report and meeting costs	**361**	2,322
	35,332	33,352

12 Net income/(expenditure)

Net (expenditure)/ income is stated after charging/(crediting):

	2024	2023
	£	£
Fees payable to charity's auditors to the audit of the financial statements	**13,650**	13,500
Profit on disposal of fixed assets	**-**	-
Auditors' remuneration for non audit work	**4,000**	2,650
Depreciation - owned assets	**616,907**	632,128

13 Consolidated Statement of Financial Activities 2023

	Unrestricted funds	Restricted fund	Total 2023
	£	£	£
Income and endowments from			
Donations and legacies	**4,934,961**	**47,200**	**4,982,161**
Charitable activities			
Re-homing dogs	**366,819**	**-**	**366,819**
Other trading activities	**103,198**	**-**	**103,198**
Investment income	**240,037**	**-**	**240,037**
Other income	**46,866**	**-**	**46,866**
Total incoming resources	**5,691,881**	**47,200**	**5,739,081**
Expenditure on			
Raising funds	**999,360**	**-**	**999,360**
Charitable activities			
Re-homing dogs	**2,572,191**	**300**	**2,572,491**
Other expenditure	**-**	**-**	**-**
Total resources expended	**3,571,551**	**300**	**3,571,851**
Net (expenditure)/income before investment gains/(losses)	**2,120,330**	**46,900**	**2,167,230**
Net gains/ (losses) on investment	**553,548**	**-**	**553,548**
Net income	**2,673,878**	**46,900**	**2,720,778**
Transfers between funds	**-**	**-**	**-**
Net movement in funds	**2,673,878**	**46,900**	**2,720,778**
Funds brought forward at 1 January 2023	**16,363,795**	**-**	**16,363,795**
Funds carried forward at 31 December 2023	**19,037,673**	**46,900**	**19,084,573**

14 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor the year ended 31 December 2023.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023.

15 Staff costs

	2024	2023
	£	£
Wages and salaries	**1,904,879**	1,735,467
Social security costs	**143,964**	125,027
Other pension costs	**77,492**	65,139
	2,126,335	1,925,633

The average monthly number of employees during the year was as follows:

	2024	2023
	£	£
Direct charitable expenditure	**62**	60
Fundraising and publicity	**5**	4
Management and administration of charity	**5**	4
	72	68

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2024	2023
	£	£
£110,000 - £120,000	**1**	1

The total amount of employee benefits received by key management personnel is £157,262 (2023: £149,988). The key management personnel of the Charity comprise, the trustees, the Chief Executive Officer and the Treasurer.

16 Tangible fixed assets

Group and Charity

	Freehold property	Fixtures & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
As at 1 January 2024	**11,883,145**	**1,667,503**	**74,156**	**13,624,804**
Additions	**39,992**	**30,977**	**35,427**	**106,396**
Disposals	**-**	**-**	**-**	**-**
As at 31 December 2024	**11,923,137**	**1,698,480**	**109,583**	**13,731,200**
Depreciation				
As at 1 January 2024	**5,006,244**	**1,254,557**	**74,156**	**6,334,957**
Charge for the period	**471,507**	**145,380**	**-**	**616,887**
Elimninated on disposal	**-**	**-**	**-**	**-**
As at 31 December 2024	**5,477,751**	**1,399,937**	**74,156**	**6,951,844**
Net book value				
As at 31 December 2024	**6,445,386**	**298,543**	**35,427**	**6,779,356**
As at 31 December 2023	6,876,901	412,946	-	7,289,847

The net book value as at 31 December 2024 represents fixed assets used for direct charitable purposes .

Freehold property includes £375,257 for the costs of land, which is not depreciated.

17 Fixed asset investments

Group

	Listed shares	Totals
	£	£
Market value at 1 January	**9,139,043**	**9,139,043**
Additions at cost	**4,530,553**	**4,530,553**
Disposals at opening book value	**(3,532,066)**	**(3,532,066)**
Realised (losses)	**737,362**	**737,362**
Net unrealised investment gains	**(221,883)**	**(221,883)**
	10,653,009	**10,653,009**

The market value of investments as at 31 December 2024 can be analysed as:	**2024** £	2023 £
Investment assets in the UK	**7,536,317**	6,598,032
Investment assets outside the UK	**3,116,692**	2,541,011
	10,653,009	9,139,043

The trustees consider individual holdings at 31 December 2024 in excess of 5% of the portfolio value to be material. At 31 December 2024 there were no holdings over 5%:

The market value of investments is made up of:	**2024** £	2023 £
Listed investments	**8,781,423**	8,527,613
Cash	**1,871,586**	611,430
	10,653,009	9,139,043

Charity

In addition to the above managed investments, the Charity holds the following investments in subsidiary undertakings:

	2024 £	2023 £
Birmingham Dogs Home (Trading) Limited	1	1

The above investment represents a 100% holding of the issued share capital of Birmingham Dogs Home Trading Limited, a subsidiary undertaking which was incorporated on 21 November 2018 and commenced to trade on 1 October 2019.

18 Stocks

	Group 2024 £	**Charity 2024** £	Group 2023 £	Charity 2023 £
Goods for resale	**48,093**	**48,093**	38,726	38,726
	48,093	**48,093**	38,726	38,726

The charity receives donations of stock during the year which cannot be valued and has not been included in the stock figure above, this donated stock is considered to be immaterial.

19 Debtors

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade debtors	**45,381**	**45,379**	20,036	14,523
Prepayments and accrued income	**1,151,810**	**1,151,811**	2,461,432	2,461,432
Other debtors	**-**	**-**	250	250
Amounts owed by group undertakings	**-**		-	26,467
VAT recoverable	**41,214**	**41,420**	55,684	55,809
	1,238,405	**1,238,610**	2,537,402	2,558,481

20 Creditors: amounts falling due within one year

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade creditors	**172,960**	**171,294**	88,370	88,212
Social security and other taxes	**54,650**	**54,650**	47,115	47,115
Other creditors	**11,999**	**11,999**	52,142	52,142
Amounts owed to group undertakings	**-**	**39,336**	-	-
Accruals and deferred income	**44,401**	**40,401**	42,396	39,896
	284,010	**317,680**	230,023	227,365

21 Movement in funds

Group

	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
Operating Fund	**3,747,826**	**3,341,198**	**(3,614,045)**	**386,240**	**1,192,699**	**5,053,918**
Designated funds:						
Property fund	**7,289,847**	**-**	**(616,887)**	-		**6,672,960**
Development fund	**8,000,000**	**-**	**-**	**-**	**(1,192,699)**	**6,807,301**
	15,289,847	**-**	**(616,887)**	**-**	**(1,192,699)**	**13,480,261**
Restricted funds						
Vehicle expenditure	**46,900**	**22,500**	**-**	**-**	**-**	**69,400**
Dogs Christmas meals	**-**	**-**	**-**	**-**	**-**	**-**
The Enrichment Paddock	**-**	**22,500**	**-**	**-**	**-**	**22,500**
Total Restricted funds	**46,900**	**45,000**	**-**	**-**	**-**	**91,900**
Total Funds	**19,084,573**	**3,386,198**	**(4,230,932)**	**386,240**	**-**	**18,626,079**

21 Movement in funds (continued)

Charity

	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
Operating Fund	**3,771,366**	**3,278,672**	**(3,608,572)**	**386,240**	**1,192,698**	**5,020,404**
Designated funds:						
Property fund	**7,289,847**	**-**	**(616,887)**	-	**-**	**6,672,960**
Development fund	**8,000,000**	**-**	**-**	**-**	**(1,192,698)**	**6,807,302**
	15,289,847	**-**	**(616,887)**	**-**	**(1,192,698)**	**13,480,262**
Restricted funds						
Vehicle expenditure	**46,900**	**22,500**	**-**	**-**	**-**	**69,400**
Dogs Christmas meals	**-**	**-**	**-**	**-**	**-**	**-**
The Enrichment Paddock		**22,500**				**22,500**
Total Restricted funds	**46,900**	**45,000**	**-**	**-**	**-**	**91,900**
Total Funds	**19,108,113**	**3,323,672**	**(4,225,459)**	**386,240**	**-**	**18,592,566**

The property fund is set aside to cover the cost of freehold property and fixtures and equipment used for charitable purposes. It is represented by the net book value of freehold property and fixtures and equipment already owned.

The development fund has been set aside to cover the cost of the future development plans.

The vehicle expenditure fund is income which has been received specifically for the purchase and fit out of vehicles

The Dogs Christmas meals fund is income received specifically for dogs Christmas meals.

The Enrichment Paddock for the development of the Enrichment Paddock.

22 Analysis of net assets between funds (Group)

Analysis of net assets between funds - current year

	Operating Fund £	Restricted £	Designated £	Total £
Tangible fixed assets	**6,779,356**	**-**		**6,779,356**
Fixed asset investments	**10,653,009**	**-**		**10,653,009**
Net current (liabilities)/ assets	**(12,286,547)**		**13,480,261**	**1,193,714**
Balance as at 31 December 2024	**5,145,818**	**-**	**13,480,261**	**18,626,079**

Analysis of net assets between funds - prior year

	Operating Fund £	Restricted £	Designated £	Total £
Tangible fixed assets	-	-	7,289,847	7,289,847
Fixed asset investments	3,039,043	-	6,100,000	9,139,043
Net current (liabilities)/ assets	708,783	46,900	1,900,000	2,655,683
Balance as at 31 December 2023	3,747,826	46,900	15,289,847	19,084,573

23 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows;

	Group 2024	**Charity 2024**	Group 2023	Charity 2023
	£	**£**	£	£
Within one year	**21,648**	**21,648**	2,016	2,016
Between one and five years	**61,090**	**61,090**	4,536	4,536
Greater than five years	**-**	**-**	-	-
	82,738	**82,738**	6,552	6,552

23 Pension costs

The company operates a defined contribution pension scheme for its employees. The charge to the operating fund for the period was £77,492 (2023: £65,139).

24 Related party disclosures

In the year income, David & Rosie Veterinary Services were paid £27,185 for R Godfrey's work who is a trustees wife.
There was also a £570 invoiced to Corstorphine & Wright. M J Lampard is a trustee of Birmingham dogs home but acts as a director for the company.

Advantage has been taken of the FRS102 exemption for the disclosure of transactions with wholly owned subsidiaries.

25 Ultimate controlling party

The company is under the control of its trustees.

26 Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income for the reporting period (as per the statement of financial activities):	**(458,494)**	2,720,778
Adjustments for:		
Depreciation charges	**616,887**	632,128
Losses/(gains) on investments	**(737,362)**	33,303
Interest received	**(302,480)**	(240,037)
Unrealised loss/ (gain) on investments	**221,883**	(586,851)
(Decrease)/ Increase in stocks	**(9,367)**	14,133
Decrease/ (increase) in debtors	**1,298,997**	(2,281,718)
Increase in creditors	**53,987**	(50,664)
Net cash provided by (used in) operating activities	**684,051**	241,072

27 Analysis of changes in net funds

	At 1/1/2024	**Cash flow**	**At 31/12/2024**
Net cash	**£**	**£**	**£**
Cash at bank	**309,578**	**- 118,352**	**191,226**
Total	**309,578**	**- 118,352**	**191,226**

THE BIRMINGHAM DOGS HOME

England & Wales - Charity number 222436

Accounts

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

REGISTERED COMPANY NUMBER: 00662947
REGISTERED CHARITY NUMBER: 222436

Report of the Trustees and Consolidated Financial Statements for the Year Ended 31 December 2023 for THE BIRMINGHAM DOGS HOME

Cooper Parry Group Limited
Cubo Birmingham, 3rd Floor
Two Chamberlain Square
Birmingham
B3 3AX

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

THE BIRMINGHAM DOGS HOME

Contents of the Financial Statements for the year ended 31 December 2023

	Page
Reference and Administrative Details	1 to 2
Chairman's Statement	3
Report of the Trustees	4 to 10
Report of the Independent Auditor	11 to 13
Consolidated Statement of Financial Activities	14
Consolidated and Charity Statement of Financial Position	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 to 26

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

THE BIRMINGHAM DOGS HOME

Reference and Administrative Details for the Year Ended 31 December 2023

Trustees	J S Wheatley (Chairman, resigned 15th August 2023) Ms J P Laraway (Chair, appointed 15th August 2023) Mrs C H Taylor Mr P D Barnett Mr R J Venner Ms C Powell Mrs S Butler (resigned 28th November 2023) Ms L Millard Mrs C Mawston (resigned 4th March 2024) Mrs N Ahmed Mr D Godfrey (appointed 15th August 2023) Mr A Whelan Mr M Lampard (appointed 30 August 2023)
Patrons	Lord Mayor of Birmingham Chief Constable of West Midlands Police Earl of Aylesford Mayor of Solihull Victoria Vere Nicoll
Officers	S Wynde (Treasurer) G Webber (Chief Executive)
Registered office	Catherine-de-Barnes Lane Catherine-de-Barnes Solihull B92 0DJ
Registered company number	00662947
Registered charity number	222436
Auditors	Cooper Parry Group Limited Cubo Birmingham 3rd Floor 2 Chamberlain Square Birmingham B3 3AX
Bankers	Lloyds Bank PLC 9-11 Poplar Road Solihull B91 3AN Metro Bank 119 High St, Solihull B91 3SR
Solicitors	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

Investment managers	Investec 30 Gresham Street London EC2V 7QP CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

THE BIRMINGHAM DOGS HOME

Chairman's Statement
for the year ended 31 December 2023

It is a privilege to present my report for the year ended 31 December 2023, my first as Chair of Birmingham Dogs Home. I have been a lifelong supporter of this inspirational charity, and I am looking forward to building on the many achievements of my predecessor, John Wheatley, who has devoted many years of loyal service, guiding our organisation forwards with resilience and compassion.
We are a forward-thinking charity, and I am therefore delighted to begin my report by celebrating the completion of another ambitious project, the building of a brand-new Behaviour and Training centre at our site in Solihull.

We had foreseen the need for us to have dedicated facilities for dogs in need of additional behavioural support and unfortunately 2023 saw the continued trend of many more dogs being abandoned or relinquished following the ongoing impact of the surge in dog ownership during the Covid lock downs of 2020 and 2021. More of the dogs coming into our care exhibit behavioural issues because of poor early socialisation which can impact on their chances of future adoption.

This is why our new Behaviour and Training centre has been a vital cornerstone of our strategic plans. We can now provide the ideal environment for our behavioural team to provide such dogs with the one-to-one training and support they need to give them the very best opportunity of adoption and a happy, loved life. We are very proud of this new facility which we were able to complete this year, thanks to the generous support of Pets Foundation.

2023 also saw the opening of our veterinary clinic to the public. Our highly skilled new veterinary team, now provide a full-service general practice to the local community for dogs, cats and “small furries”, as well as providing daily medical care for the many dogs we look after. The additional income we generate from our clinic will help us to fund the ongoing life-changing and life-saving work of our charity.

Financially, 2023 was a positive year for our charity, thanks to a great degree to legacy donations, which many animal welfare charities like ours are reliant upon. In recent years, the number of gifts left to charities within a Will has climbed considerably, however in a volatile financial environment, we need to be able to respond to the unpredictability of this source income. And with an ageing population these gifts in wills cannot be relied upon to the same extent in the future. Our charity is therefore working hard to diversify and develop a range of sustainable future income streams despite the challenges of rising costs for our supporters and donor apathy across the charitable sector.

Our future aspirations are equally ambitious, as we embark on plans to refurbish, modernise and future proof our Wolverhampton rescue centre, so that we can continue to provide the very best standards of animal welfare, as well as a range of complementary services to meet the changing needs of the community we serve.

Finally, this organisation would not be the fantastic place it is without the support, hard work, dedication and compassion of every single one of the staff who work here. The welfare of the dogs in their care is their primary concern which they carry out admirably and I thank them all on behalf of myself and my fellow Trustees.

J Laraway

Chair of Trustees

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and the financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and 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).

Objectives, activities and aims

The primary objective of the charity is to take in and care for stray and abandoned dogs from the West Midlands area, reuniting lost pets with their owners and rehoming abandoned dogs to new loving homes. During the year:

1,994 dogs came into care
1,232 homeless dogs have gone on to have new lives in new homes
Over 145,000 meals were prepared
440 dogs were reunited with their owners
18 litters of puppies were born to homeless mothers at our centres, who have all been successfully adopted
190 dogs were in care at the end of 2023.

The Fundraising department has continued to be very proactive with various new fundraising initiatives and outreach programmes which utilise the improved facilities now available.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning future activities. We believe our work benefits the public in a variety of ways:-

- Providing assistance to local authorities and the general public by taking in and rehoming stray and abandoned dogs.
- Rehoming dogs safely to those who want and are able to provide a good home, providing companionship to individuals and families.
- Reuniting lost and stray dogs with their owners.
- Reducing the number of stray dogs on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- Providing information and advice to owners on the care of dogs and the need for vaccinations and neutering.
- Educating young people in schools and youth groups about the welfare and respect of dogs.

Strategic report

Achievements and performance

The Training and Behavioural Barn was completed in October 2023 and is enabling the Charity to help the more challenging dogs coming into its care.

The financial performance of the Charity is summarised below. Before gains on investments the Charity made a surplus of £2,167,230 which was ahead of budget. The increase was due to a number of very high bequests notified over the last eighteen months which came to fruition during 2023.

The Charity continually reviews its aims and objectives set out in the Public Benefit section above at Staff Management meetings which are held monthly.

The major risks to which the Charity is exposed are considered at meetings of the Risk Sub-committee of the Trustees which are held three times a year. A Risk Register is maintained and reviewed at these meetings. A Disaster Recovery Plan has been formulated and an element of it tested during the year.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

The Financial Statements for the year show a net surplus of £2,720,778 (2022: deficit of £1,198,696). This was after taking into account net gains on investments of £553,548 (2022 losses of: £1,207,196).

Expenditure for the year increased to £3,571,851 (2022: £3,069,191).

The investment market continued to be volatile in the year but the resurgence in the stock market gave rise to gains on investments of £553,548 (2022: losses of £1,207,196).

Capital expenditure for the year totalled £1,407,115. The main feature was the completion of the Behavioural and Training Barn in October 2023.

Overall, the total funds of the Charity have increased by £2,720,778 due to the exceptionally high legacy income and the gains on investments.

The cash flow statement (page 14) is included to comply with the SORP requirements.

Plans for future periods.

These are outlined in the Reserves Policy Development Fund below.

Investment policy

The investment objectives are:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption.
- The maintenance and, if possible, enhancement of the investment funds whilst they are invested.
- To obtain balance between capital growth and income, so that the Charity can meet future as well as current needs.

The Trustees have agreed on a 'medium' risk profile by investing in a mix of equities, fixed interest and monetary assets.

The Trustees have delegated their investment powers over a proportion of the assets to Investec Wealth & Investment Ltd. The investment manager is responsible for carrying out day to day investment decisions including the acquisition and realisation of investments on behalf of the Trustees.

A further proportion of the Charity's assets are invested with a specialised investment fund, designed for the Charity Sector, managed by CCLA Investment Management Ltd.

Both managers report on the performance of the investments on a regular basis.

Where funds are set aside for future capital expenditure, the policy is normally to invest in fixed term bank deposits.

The market value of investments held at 31 December 2023 amounted to £9,139,043 (2022: £8,364,722) and the income received during 2023 as a result of these investments totalled £240,037. Realised losses on these investments during the year totalled £33,303 with unrealised gains at 31 December 2023 of £586,851.

The Trustees consider that the performance of the investments against objectives for the year has been satisfactory in view of the volatility of the stock market.

Fundraising activity

The charity uses internal appointees to undertake its fundraising activities. It has registered voluntarily with the Fundraising Regulator and monitors all fundraising undertaken on its behalf. It has received no complaints on fundraising activity and does not undertake fundraising in a way that might intrude on any person’s privacy or take advantage of vulnerable people.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

Reserves Policy
Our Financial Sustainability and Future Ambitions

Introduction

Our charity's rescue and rehoming operations, as well as our work supporting the physical and mental welfare of the animals we care for, requires us to maintain and refurbish our facilities and create new fit for purpose spaces, as our needs change. We also need to develop and invest in improved systems to underpin our growing operations, reflecting the needs of dog rescue at this time. This requires significant ongoing financial commitment and investment.

Our current challenges include caring for the high numbers of dogs being relinquished or brought to our centres as strays. We have been working at capacity and at times beyond kennel capacity for the last eighteen months. The high number of abandoned dogs we are receiving daily can be attributed to the current "cost of living crisis" with owners facing soaring inflation rates and the rising costs of everyday living in the UK today. This reflects trends across the sector, with dog abandonment increasing with the rising costs of living and the impact of an increase in people buying dogs during 2020 and 2021 according to research by the Association of Dogs and Cats Home.

We are also finding that many more dogs have behavioural issues, which can be ascribed to dogs being purchased during Covid "lockdowns" by inexperienced owners, and therefore not receiving the training nor socialising they needed. This means that the dogs we receive often need to be with us longer and have more support and training before they can be adopted. The increased length of stays, higher return rates and additional behavioural training needs of dogs, compounded by the universal increases of fuel and heating and supporting staff through difficult times, has meant that the cost of care per dog is currently significantly higher than in previous years.

The Charity's Reserves Policy therefore has two objectives:

- A target of 18 months operational running costs which would be £3.86 million, held in free reserves to guard against fluctuations in income and cash flow requirements;
- To have funds to finance planned capital investment in the charity's infrastructure which could be up to £8 million over the next 5 years as well as unplanned projects where the need arises including renewals of essential equipment, systems, vehicles and the operational infrastructure of buildings.

On an annual basis the Trustees will review the resources available to the charity to invest in reserves, to achieve the best balance between these objectives.

In setting the Reserves Policy, the Trustees are influenced by strategic risks facing the charity. The risks are kept under regular review. One of the main ones is that the majority of the Charity's income comes from legacies and fundraising, which can be uncertain sources of revenue, subject to large yearly fluctuations and may not always provide the necessary funds to cover essential costs.

However, there will always be animals in need of our welfare and rehoming services and people who need our advice and support. As a Charity we are committed to a comprehensive ongoing service offering. To do this, we need to maintain a level of reserves should there be a short-term fall in income or an exceptional rise in costs. We have therefore designated our funds into the following areas to enable us to continue to operate and plan to meet future demands for our essential services as the largest rescue centre in the West Midlands, providing vital support to local authorities and the general public across the region.

Our Designation of Funds

For Dogs Now

The Operating Fund:

The Charity's reserves policy is to maintain funds to cover up to a maximum of the next 18 month's running costs. This level of reserves would allow for a sufficient period to wind up the business of the Charity should closure be necessary, the length of time that will be necessary to make arrangements to rehome the dogs in our care, some of which can stay with us up to 18 months at the charity's cost.

As at 31st December 2023 the charity had operating fund reserves of £3.75 million. This represents approximately18 months of planned running costs of the Charity's two rehoming centres and veterinary clinic including investment in fundraising. This represents 20% of the total funds.

The Property Fund:

This is the written down value of the land and buildings and tangible fixed assets used by Birmingham Dogs Home. At 31st December 2023 this was £7.3 million. This represents 38% of the total funds.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

The Development Fund

Working collaboratively with our community and sector partners, it is our aspiration to position ourselves as a central regional hub, providing a range of complementary services and resources to make the most impact to the lives of local dogs in need, at every stage in their journey.

The Charity's reserves policy is to set aside funds for future development of existing facilities and services at both of its centres. To achieve this vision, the Development Fund represents the Trustees' commitment to providing the highest standard of animal welfare for the dogs in our care. At 31st December 2023 this was £8 million. This represents 42% of the total funds.

We have already made significant advances towards our goals, with the opening of our veterinary clinic in 2022 which has enabled us to provide the best levels of medical treatment to the dogs in our care. In addition, the opening of our Behaviour and Training centre in 2023 now means that we can provide a more nurturing and calmer environment where dogs that exhibit signs of stress and anxiety can thrive in a more peaceful setting, away from the busy, noisy kennels, and receive the dedicated behavioural support, enrichment and focussed training they need, to give them the best chance of successful long-term adoption.

As a progressive organisation, we have exciting ambitions for the future as we look to the next stage in our strategic planning.

We already know that we need to future proof our Wolverhampton rescue centre by refurbishing and modernising our facilities so that we can continue to provide the very best standards of animal welfare, as well as develop a range of complementary services needed by the community. This will require significant investment which we have earmarked for this project.

There is also a strong will to support the building of a new indoor training barn at our Solihull site, to enhance our ability to train and care for our dogs (whatever the weather!) and provide vital ongoing support services and resources for the local dog loving community which will require significant investment in the medium term. Investment also needs to be made in our outdoor facilities including creating new exercise paddocks and upgrading existing ones along with extending parking facilities for visitors.

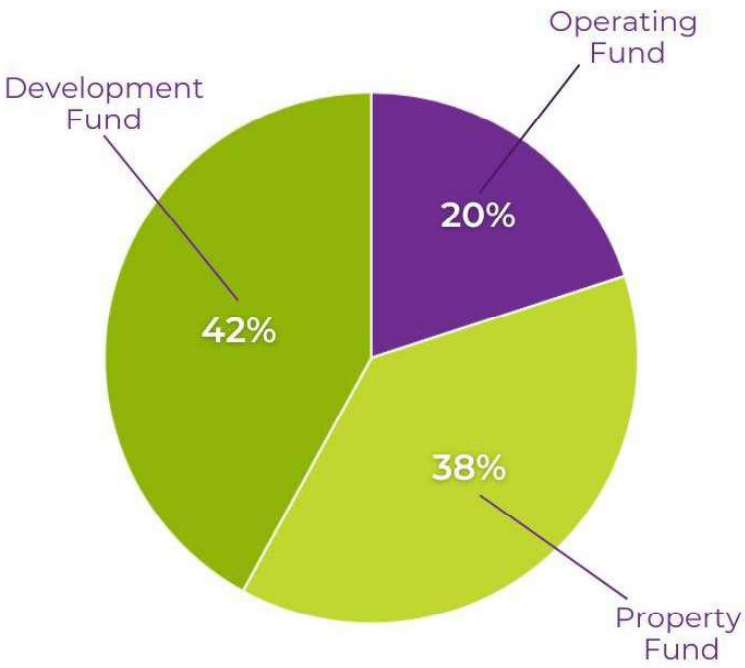
To underpin our growth we need to make a significant financial commitment to upgrading our cross-site and cross-departmental IT systems. As our charity has grown, so have our departments along with the information they need to share. Some of our older systems are no longer fit for purpose and need to be replaced whilst others need to be integrated to reduce duplication of both data and resources. This is a key undertaking and we have prudently set aside a proportion of our development funds accordingly.

To underpin our development ambitions, we need to continue to grow our fundraising and income generation to make the biggest impact we can for every dog and owner who needs us. We are working to a three year, carefully considered fundraising strategy, investing in both staff and resources to bring higher returns and enable us to direct more funds to our charitable activities in the future. We have also earmarked a proportion of our development funds to progress and develop our retail and trading income generating potential which will, in time, generate additional, reliable income streams to fund our work.

To this end our charity's objectives continue to be to maintain an operating fund to provide security for the dogs in our care now, whilst also establishing a development fund to ensure future growth and sustainability, alongside our property fund which represents the land, buildings and tangible fixed assets we need to operate.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

Proportional Designation of Funds



Key:
Green: For Dogs Now
Purple: For Dogs in the Future

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

Structure, governance and management

Group Structure

Members of the charitable group are The Birmingham Dogs Home Limited (a company limited by guarantee, registered in England and Wales and a registered charity) and its wholly owned subsidiary Birmingham Dogs Home (Trading) Limited which commenced trading on 1st October 2019. Since that date the trading activities of the Group have been carried out by Birmingham Dogs Home (Trading) Limited.

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charitable objects and constitution

The Birmingham Dogs Home is a registered charity and is a company limited by guarantee with no share capital. It is governed by its memorandum and articles of association. These state the objects of the charity as being:-

- to provide and maintain a Home for the rescue of lost, unwanted, suffering and ownerless dogs and cats.
- to reunite lost animals with their owners; and
- to find permanent homes for unclaimed animals.

Trustees
The Trustees who served throughout the year and up to the date of this report are named on page 1 of this report.

Recruitment and appointment of new Trustees
The Board of Trustees aims to achieve a balance of skill mix within its numbers representing experience in commerce, business, and the professions, together with a diversity of backgrounds taking full account of gender and a love for the well-being of animals.

As to new Trustees, persons would be sought who help maintain the range and balance of skills as well as being able to contribute towards the effective governance of the Charity. Suitable interested persons, who are required to be members of the Charity, will initially go through a formal interview process with the Chairman and other Trustees where the strengths and other attributes of the person are explored and the role of the Dogs Home and that of a Trustee is explained. Those persons subsequently selected will be proposed and seconded and voted upon at a meeting of the Trustees. After appointment new Trustees will automatically retire at the next AGM and will seek reappointment for a three year term.

Induction and training of new Trustees
A new Trustee is issued with an information pack containing details on the role and responsibilities of a Trustee, the Memorandum and Articles of Association of the Charity, the last year's audited accounts and annual review, the current budget and various relevant policy documents. The Trustee will be expected to have a meeting with the Chief Executive to discuss the Home's procedures and present plans, and to visit the two sites and to be introduced to the manager and other staff. Resources are available for new Trustees to attend courses if it is considered beneficial.

Organisation
The Charity is organised by the Board of Trustees, Management Committee and sub-committees, who are responsible for the strategy, policies and financial plan adopted. The day to day running of the charity is controlled by the Chief Executive.

Risk review
The Trustees review major risks to which the charity is exposed, and systems are established to mitigate those risks. External risks to funding are minimised by the Trustees' policy on reserves where reserves are maintained in order to produce a significant annual income. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures continue to be under review with the help of an external consultant to ensure that they still meet the needs of the charity.

Arrangements for setting pay and remuneration of key management personnel.
The Trustees consider the board of Trustees and the treasurer as comprising the key management personnel of the charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 14 and note 24 to the accounts.

The pay of the charity's treasurer is reviewed annually and normally increased in accordance with average earnings.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

Statement of Trustees responsibilities
The Trustees (who are also the directors of The Birmingham Dogs Home for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:-

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The auditors, Cooper Parry Group Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of Trustees Janice Laraway ..... and signed on its behalf by:

Signed by:
J Laraway
5EAEC140CFAC40E...
20 August 2024

J Laraway Chair

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

Report of the Independent Auditors to the Members of THE BIRMINGHAM DOGS HOME

Opinion
We have audited the financial statements of The Birmingham Dogs Home (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including 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 parent charitable company's affairs as at 31 December 2023 and of its 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 group and parent 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 group's or parent 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, 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 groups 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.

Our 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 a Report of the Independent Auditors 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 the 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:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Ltd.

Glenn Bott (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited
Cubo Birmingham
3rd Floor
Two Chamberlain Square
B3 3AX

Date: 20 August 2024

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Financial Activities (including income and expenditure account)
For the year ended 31 December 2023

	Note	Unrestricted funds	Restricted fund	Total 2023	Total 2022
		£	£	£	£
Income and endowments from					
Donations and legacies	2	4,934,961	47,200	4,982,161	2,327,407
Charitable activities					
Re-homing dogs	5	366,819	-	366,819	243,767
Other trading activities	3	103,198	-	103,198	216,299
Investment income	4	240,037	-	240,037	244,300
Other income	6	46,866	-	46,866	45,918
Total incoming resources		5,691,881	47,200	5,739,081	3,077,691
Expenditure on					
Raising funds	8	999,360	-	999,360	706,208
Charitable activities					
Re-homing dogs	9	2,572,191	300	2,572,491	2,362,983
Other expenditure		-	-	-	-
Total resources expended		3,571,551	300	3,571,851	3,069,191
Net (expenditure)/income before investment gains/ (losses)		2,120,330	46,900	2,167,230	8,500
Net gains/ (losses) on investment	17	553,548	-	553,548	(1,207,196)
Net income/ (expendiure)		2,673,878	46,900	2,720,778	(1,198,696)
Transfers between funds		-	-	-	-
Net movement in funds		2,673,878	46,900	2,720,778	(1,198,696)
Funds brought forward at 1 January 2023		16,363,795	-	16,363,795	17,562,491
Funds carried forward at 31 December 2023		19,037,673	46,900	19,084,573	16,363,795

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 17 to 26 form part of these financial statements.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

THE BIRMINGHAM DOGS HOME

Consolidated and Charity Statement of Financial Position
As at 31 December 2023

	Note	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed Assets					
Tangible fixed assets	16	**7,289,847**	**7,289,847**	6,514,860	6,514,860
Investments at market value	17	**9,139,043**	**9,139,044**	8,364,722	8,364,723
		16,428,890	**16,428,891**	14,879,582	14,879,583
Current Assets					
Stock	18	**38,726**	**38,726**	52,859	52,859
Debtors	19	**2,537,402**	**2,558,481**	255,684	256,769
Cash at bank and in hand		**309,578**	**309,380**	1,456,357	1,456,023
		2,885,706	**2,906,587**	1,764,900	1,765,651
Creditors: Amounts falling due within one year	20	**(230,023)**	**(227,365)**	(280,687)	(281,439)
Total assets less total liabilities		**19,084,573**	**19,108,113**	16,363,795	16,363,795
Funds					
Unrestricted funds					
Operating fund	21	**3,747,826**	**3,771,366**	3,348,935	3,348,935
Designated funds	21	**15,289,847**	**15,289,847**	13,014,860	13,014,860
Restricted funds	21	**46,900**	**46,900**	-	-
		19,084,573	**19,108,113**	16,363,795	16,363,795

The charity has prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The surplus generated by the charity for the financial year was £2,744,318 (2022: £(1,198,696) deficit)

Approved by the Board of Trustees on 20 August 2024 and signed on their behalf by

Signed by:
5EAEC140CFAC46E...
J Laraway
Chairman

Registered charity in England and Wales - 222436.
Company Registration Number - 00662947

The notes on pages 17 to 26 form part of these financial statements.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Cash Flows
For the year ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities:	**26**	**241,072**	758,751
Net cash provided by operating activities		**241,072**	758,751
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(1,407,115)**	(389,415)
Purchase of fixed asset investments		**(1,258,595)**	(1,278,794)
Sale of fixed asset investments		**1,037,822**	1,309,567
Interest received		**240,037**	244,300
Net cash (used in) investing activities		**(1,387,851)**	(114,342)
Change in cash and cash equivalents in the reporting period		**(1,146,779)**	644,409
Cash and cash equivalents at the beginning of the reporting period		**1,456,357**	811,948
Cash and cash equivalents at the end of the reporting period		**309,578**	1,456,357

The notes on pages 17 to 26 form part of these financial statements.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

1 Accounting Policies

Basis of preparing the financial statements
The Birmingham Dogs Home Limited is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation
These accounts consolidate those of the Charity and its wholly owned trading subsidiary, Birmingham Dogs Home (Trading) Limited. These are adjusted, where appropriate, to conform to group accounting policies. Birmingham Dogs Home (Trading) Limited was incorporated on 21 November 2018 and commenced to trade on 1 October 2019. It's results are consolidated from the date it commenced to trade. Comparatives are presented on a group basis. A separate Statement of Financial Activities and Income an Expenditure Account for the charity have not been presented in accordance with the exemption afforded by section 408 of the Companies Act 2006. The charity surplus for 2023 was £2,744,318 (2022: £(1,198,696) deficit). This is made up of Income of £5,759,445 (2022: £3,074,998), Expenditure of £3,568,675 (2022: £3,066,498) and net gains on investments of £553,548 (2022: £1,207,196 net losses).

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated assets are recognised on the balance sheet and initially measured at their valuation. Fair values for donated assets are estimated by reference to market prices.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

For legacies, receipt must be recognised when it is probable that it will be received. Receipt is normally probable when: there has been a grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.

The charity receives income from local authorities in relation to provision of stray dog services.

Income from trading activities includes income earned from fundraising events and trading activities such as dog boarding to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Other income relates to pet plan commission.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure
All expenditure is accounted for gross, on an accruals basis and is stated net of Valued Added Tax, where applicable.

Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

> Costs of raising funds
> Expenditure on charitable activities

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual

Allocation and apportionment of costs
Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

1 **Accounting Policies (continued)**

VAT
VAT recoverable by the Charity is shown in debtors. The Birmingham Dogs Home Limited and Birmingham Dogs Home (Trading) Limited are part of a VAT group.

Fixed assets
Fixed assets are included at cost or valuation, items below £1,000 will be normally expensed through the statement of financial activities.

Depreciation
Depreciation is provided to write off the cost or valuation, less estimated residual values of all fixed assets except freehold land, over their expected useful lives. It is calculated at the following rates:

Buildings	-	5% of the cost per annum
Fixtures and fittings	-	10% of the cost per annum
Vehicles	-	25% of the cost per annum
Computer equipment	-	33.33% of the cost per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Stocks
Stocks are valued at the lower of cost or net realisable value. Unsold donated items are not included.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund Accounting
Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

Hire purchase and leasing commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the

Judgements made by the Trustees in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material misstatement in the next year, are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

The areas where these judgements and estimates have been made include the following for the group:

a) Depreciation and residual values
The Trustees have reviewed the asset lives and associated residual values of all tangible fixed asset classes, and have concluded that the asset lives and residual values are appropriate.

b) Accrued income
Accrued income includes legacy income amounts. In recognising accrued legacy income, the Trustees have considered the probability of receiving each legacy. Each legacy is assessed to determine an appropriate allowance which reflects the possibility of not subsequently receiving the full income amounts.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

2 Donations and legacies

	Total 2023	Total 2022
	£	£
Donations	**540,111**	717,955
Donated assets	**-**	50,000
Legacies	**4,442,050**	1,559,452
	4,982,161	2,327,407

3 Other trading activities

	Total 2023	Total 2022
	£	£
Fundraising events	**31,236**	50,016
Shop income	**4,906**	3,245
Income of Trading subsidiary (see note 7)	**67,056**	163,038
	103,198	216,299

4 Investment income

	Total 2023	Total 2022
	£	£
Deposit account interest	**7,194**	3,482
Dividends and interest from listed investments	**232,843**	240,818
	240,037	244,300

5 Income from charitable activities

	Activity	Total 2023	Total 2022
		£	£
Income from general public	Re-homing dogs	**205,870**	138,200
Local authority contracts	Re-homing dogs	**160,949**	105,305
Government grants		**-**	262
		366,819	243,767

6 Other income

	Total 2023	Total 2022
	£	£
Pet plan commission received	**44,193**	43,601
Miscellaneous income	**501**	198
Feed in tariff	**2,172**	2,119
	46,866	45,918

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

7 Trading company

The wholly owned trading subsidiary Birmingham Dogs Home (Trading) Limited is incorporated in the United Kingdom (company number 11689015) and pays profits, which are surplus to trading requirements, to the charity under a deed of covenant.

The summary financial performance of the subsidiary is:	2023	As restated 2022
	£	£
Turnover	**70,194**	**159,899**
Administrative expenses	**(90,596)**	**(112,915)**
Operating (Loss)/ Profit	**(20,402)**	**46,984**
Taxation	**-**	**-**
(Loss)/ Profit before distribution	**(20,402)**	**46,984**

The prior year financial statements of Birmingham Dogs Home (Trading) Limited were restated by £3,139 as a result of deposits for boarding being received in advance in the year ended 31 December 2022 but not being deferred. However, this adjustment is immaterial to the group and has not been adjusted in these consolidated financial statements

8 Raising funds

	Total 2023	Total 2022
	£	£
Staff costs	**533,380**	282,064
Veterinary costs	**167,568**	133,178
Investment manager fees	**29,091**	30,022
Publicity	**97,585**	88,647
Show costs	**38,016**	49,014
Office expenses and administrative support	**65,215**	54,212
Vehicle costs	**3,690**	3,286
Depreciation	**64,815**	65,785
	999,360	706,208

9 Charitable activity costs

	Direct costs (see note 10)	Support costs (see note 11)	Totals
	£	£	£
Charitable activities	**2,539,139**	**33,352**	**2,572,491**

10 Direct costs of charitable activities

	Total 2023	Total 2022
	£	£
Staff costs	**1,392,253**	1,252,730
Sundries	**38,571**	33,032
Yard and veterinary expenses	**201,761**	195,268
Office expenses	**96,910**	83,566
Rates and insurance	**63,929**	56,294
Light, heat and water	**113,838**	73,055
Van costs	**12,785**	11,612
Repairs and renewals	**51,779**	45,670
Depreciation	**567,313**	573,883
	2,539,139	2,325,110

11 Support costs

	2023	2022
Governance costs	£	£
Auditors' remuneration	**13,500**	13,500
Auditors' remuneration for non audit work	**2,650**	2,650
Legal and professional fees	**14,880**	17,207
AGM, annual report and meeting costs	**2,322**	4,516
	33,352	37,873

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

12 Net income/(expenditure)

Net (expenditure)/ income is stated after charging/(crediting):

	2023	2022
	£	£
Fees payable to charity's auditors to the audit of the financial statements	13,500	13,500
Profit on disposal of fixed assets	-	300
Auditors' remuneration for non audit work	2,650	2,650
Depreciation - owned assets	632,128	573,883

13 Consolidated Statement of Financial Activities 2022

	Unrestricted funds	Restricted fund	Total 2022
	£	£	£
Income and endowments from			
Donations and legacies	2,031,657	295,750	2,327,407
Charitable activities			
Re-homing dogs	243,767	-	243,767
Other trading activities	216,299	-	216,299
Investment income	244,300	-	244,300
Other income	45,918	-	45,918
Total incoming resources	2,781,941	295,750	3,077,691
Expenditure on			
Raising funds	706,208	-	706,208
Charitable activities			
Re-homing dogs	2,067,233	295,750	2,362,983
Other expenditure	-	-	-
Total resources expended	2,773,441	295,750	3,069,191
Net (expenditure)/income before investment gains/(losses)	8,500	-	8,500
Net gains/ (losses) on investment	(1,207,196)	-	(1,207,196)
Net income	(1,198,696)	-	(1,198,696)
Transfers between funds	-	-	-
Net movement in funds	(1,198,696)	-	(1,198,696)
Funds brought forward at 1 January 2022	17,562,491	-	17,562,491
Funds carried forward at 31 December 2022	16,363,795	-	16,363,795

14 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor the year ended 31 December 2022.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

15 Staff costs

	2023	2022
	£	£
Wages and salaries	1,735,467	1,363,885
Social security costs	125,027	94,456
Other pension costs	65,139	76,453
	1,925,633	1,534,794

The average monthly number of employees during the year was as follows:

	2023	2022
	£	£
Direct charitable expenditure	60	55
Fundraising and publicity	4	3
Management and administration of charity	4	4
	68	62

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2023	2022
	£	£
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-

The total amount of employee benefits received by key management personnel is £149,988 (2022: £141,642). The key management personnel of the Charity comprise, the trustees, the Chief Executive Officer and the Treasurer.

16 Tangible fixed assets

Group and Charity

	Freehold property	Fixtures & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
As at 1 January 2023	10,484,298	1,659,235	74,156	12,217,689
Additions	1,398,847	8,268	-	1,407,115
Disposals	-	-	-	-
As at 31 December 2023	11,883,145	1,667,503	74,156	13,624,804
Depreciation				
As at 1 January 2023	4,520,109	1,108,564	74,156	5,702,829
Charge for the period	486,135	145,993	-	632,128
Elimninated on disposal	-	-	-	-
As at 31 December 2023	5,006,244	1,254,557	74,156	6,334,957
Net book value				
As at 31 December 2023	6,876,901	412,946	-	7,289,847
As at 31 December 2022	5,964,189	550,671	-	6,514,860

The net book value as at 31 December 2023 represents fixed assets used for direct charitable purposes .

Freehold property includes £375,257 for the costs of land, which is not depreciated.

Freehold property also includes £1,663,003 of assets under construction, which are not depreciated until bought into use.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

17 Fixed asset investments

Group

	Listed shares	Totals
	£	£
Market value at 1 January	**8,364,722**	**8,364,722**
Additions at cost	**1,258,595**	**1,258,595**
Disposals at opening book value	**(1,037,822)**	**(1,037,822)**
Realised (losses)	**(33,303)**	**(33,303)**
Net unrealised investment gains	**586,851**	**586,851**
	9,139,043	**9,139,043**

	2023	2022
The market value of investments as at 31 December 2023 can be analysed as:	**£**	£
Investment assets in the UK	**6,598,032**	5,894,201
Investment assets outside the UK	**2,541,011**	2,470,521
	9,139,043	8,364,722

The trustees consider individual holdings at 31 December 2023 in excess of 5% of the portfolio value to be material. At 31 December 2023 there were the following holdings over 5%:

	2023 Value	2023 % of
	£	portfolio
Spdr S&P500 Etf Tr S&P 500 Etf USD Dis	560,044	6.13%

	2023	2022
The market value of investments is made up of:	**£**	£
Listed investments	**8,527,613**	8,313,889
Cash	**611,430**	50,833
	9,139,043	8,364,722

Charity

In addition to the above managed investments, the Charity holds the following investments in subsidiary undertakings:

	2023	2022
	£	£
Birmingham Dogs Home (Trading) Limited	1	1

The above investment represents a 100% holding of the issued share capital of Birmingham Dogs Home Trading Limited, a subsidiary undertaking which was incorporated on 21 November 2018 and commenced to trade on 1 October 2019.

18 Stocks

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Goods for resale	**38,726**	**38,726**	52,859	52,859
	38,726	**38,726**	52,859	52,859

The charity receives donations of stock during the year which cannot be valued and has not been included in the stock figure above, this donated stock is considered to be immaterial.

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

19 Debtors

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Trade debtors	20,036	14,523	10,279	11,364
Prepayments and accrued income	2,461,432	2,461,432	166,229	166,229
Other debtors	250	250	250	250
Amounts owed by group undertakings	-	26,467	-	-
VAT recoverable	55,684	55,809	78,926	78,926
	2,537,402	2,558,481	255,684	256,769

20 Creditors: amounts falling due within one year

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Trade creditors	88,370	88,212	183,645	183,645
Social security and other taxes	47,115	47,115	35,207	35,207
Other creditors	52,142	52,142	25,892	25,892
Amounts owed to group undertakings	-	-	-	3,252
Accruals and deferred income	42,396	39,896	35,943	33,443
	230,023	227,365	280,687	281,439

21 Movement in funds

Group

	Opening balance	Incoming resources	Outgoing resources	Investment gains	Transfers	Closing balance
	£	£	£	£	£	£
Operating Fund	3,348,935	5,691,881	(2,939,423)	553,548	(2,907,115)	3,747,826
Designated funds:						
Property fund	6,514,860	-	(632,128)	-	1,407,115	7,289,847
Development fund	6,500,000	-	-	-	1,500,000	8,000,000
	13,014,860	-	(632,128)	-	2,907,115	15,289,847
Restricted funds						
Vehicle expenditure	-	46,900	-	-	-	46,900
Dogs Christmas meals		300	(300)	-	-	-
Total Restricted funds	-	47,200	(300)	-	-	46,900
Total Funds	16,363,795	5,739,081	(3,571,851)	553,548	-	19,084,573

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

21 Movement in funds (continued)

Charity

	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
Operating Fund	**3,348,935**	**5,712,245**	**(2,936,247)**	**553,548**	**(2,907,115)**	**3,771,366**
Designated funds:						
Property fund	**6,514,860**	**-**	**(632,128)**	**-**	**1,407,115**	**7,289,847**
Development fund	**6,500,000**	**-**	**-**	**-**	**1,500,000**	**8,000,000**
	13,014,860	**-**	**(632,128)**	**-**	**2,907,115**	**15,289,847**
Restricted funds						
Vehicle expenditure	**-**	**46,900**	**-**	**-**	**-**	**46,900**
Dogs Christmas meals		**300**	**(300)**	**-**	**-**	**-**
Total Restricted funds	**-**	**47,200**	**(300)**	**-**	**-**	**46,900**
Total Funds	**16,363,795**	**5,759,445**	**(3,568,675)**	**553,548**	**-**	**19,108,113**

The property fund is set aside to cover the cost of freehold property and fixtures and equipment used for charitable purposes. It is represented by the net book value of freehold property and fixtures and equipment already owned.

The development fund has been set aside to cover the cost of the future development plans.

The vehicle expenditure fund is income which has been received specifically for the purchase and fit out of vehicles

The Dogs Christmas meals fund is income received specifically for dogs Christmas meals.

22 Analysis of net assets between funds (Group)

Analysis of net assets between funds - current year

	Operating Fund £	Restricted £	Designated £	Total £
Tangible fixed assets	**-**	**-**	**7,289,847**	**7,289,847**
Fixed asset investments	**3,039,043**	**-**	**6,100,000**	**9,139,043**
Net current (liabilities)/ assets	**708,783**	**46,900**	**1,900,000**	**2,655,683**
Balance as at 31 December 2023	**3,747,826**	**46,900**	**15,289,847**	**19,084,573**

Analysis of net assets between funds - prior year

	Operating Fund £	Restricted £	Designated £	Total £
Tangible fixed assets	-	-	6,514,860	6,514,860
Fixed asset investments	3,764,722	-	4,600,000	8,364,722
Net current (liabilities)/ assets	(415,787)	-	1,900,000	1,484,213
Balance as at 31 December 2022	3,348,935	-	13,014,860	16,363,795

Docusign Envelope ID: 1F5214A2-06C4-490F-90E7-782EF8B4FC06

23 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows;

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Within one year	**2,016**	**2,016**	2,016	2,016
Between one and five years	**4,536**	**4,536**	6,552	6,552
Greater than five years	**-**	**-**	-	-
	6,552	**6,552**	8,568	8,568

23 Pension costs

The company operates a defined contribution pension scheme for its employees. The charge to the operating fund for the period was £65,139 (2022: £76,453).

24 Related party disclosures

In the year income of £20 was received from Wag & Woof Ltd (2022: £nil), a company of which a trustee of The Birmingham Dogs Home is a director.

Advantage has been taken of the FRS102 exemption for the disclosure of transactions with wholly owned subsidiaries.

25 Ultimate controlling party

The company is under the control of its trustees.

26 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities):	**2,720,778**	(1,198,696)
Adjustments for:		
Depreciation charges	**632,128**	645,622
Losses/(gains) on investments	**33,303**	145,713
Interest received	**(240,037)**	(244,300)
Unrealised loss/ (gain) on investments	**(586,851)**	1,061,483
(Decrease)/ Increase in stocks	**14,133**	(28,628)
Decrease/ (increase) in debtors	**(2,281,718)**	320,798
Increase in creditors	**(50,664)**	56,759
Net cash provided by (used in) operating activities	**241,072**	758,751

27 Analysis of changes in net funds

	At 1/1/2023 £	Cash flow £	At 31/12/2023 £
Net cash			
Cash at bank	**1,456,357**	**1,146,779**	**309,578**
Total	**1,456,357**	**1,146,779**	**309,578**

THE BIRMINGHAM DOGS HOME

England & Wales - Charity number 222436

Accounts

REGISTERED COMPANY NUMBER: 00662947
REGISTERED CHARITY NUMBER: 222436

Report of the Trustees and Consolidated Financial Statements for the Year Ended 31 December 2022 for THE BIRMINGHAM DOGS HOME

Haines Watts Birmingham LLP
5 – 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

THE BIRMINGHAM DOGS HOME

Contents of the Financial Statements
for the year ended 31 December 2022

	Page
Reference and Administrative Details	1 to 2
Chairman's Statement	3
Report of the Trustees	4 to 8
Report of the Independent Auditors	9 to 11
Consolidated Statement of Financial Activities	12
Consolidated and Charity Statement of Financial Position	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 to 23

THE BIRMINGHAM DOGS HOME

Reference and Administrative Details for the Year Ended 31 December 2022

Trustees	J S Wheatley (Chairman) Mrs C H Taylor P D Barnett Mrs G Wilyman (resigned 23rd August 2022) R J Venner Ms C Powell Ms J P Laraway Mrs S Butler Mr A Whelan (appointed 23rd August 2022) Ms L Millard Mrs C Mawston Mrs N Ahmed
Patrons	Lord Mayor of Birmingham Chief Constable of West Midlands Police Earl of Aylesford Mayor of Solihull Victoria Vere Nicholl (appointed 23rd August 20220
Officers	S Wynde (Treasurer) G Webber (Chief Executive)
Registered office	Catherine-de-Barnes Lane Catherine-de-Barnes Solihull B92 0DJ
Registered company number	00662947
Registered charity number	222436
Auditors	Haines Watts Birmingham LLP 5 - 6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers	Lloyds Bank PLC 9-11 Poplar Road Solihull B91 3AN Metro Bank plc 0ne Southampton Row London WC1B 5HA
Solicitors	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX
Investment managers	Investec 30 Gresham Street London EC2V 7QP CCLA Investment Management Limited I Angel Lane London EC4R 3AB

THE BIRMINGHAM DOGS HOME

Chairman's Statement
for the year ended 31 December 2022

I am pleased to present my report for the year ended 31 December 2022 which was the first year for some time that was not impacted by significant restrictions.

Whist the government announced that the lockdown rules had ended on 19th July 2021, it was not until 2022 that we really started to return to a degree of normality, with many people who had been working from home going back to their offices.

This had the inevitable impact as many people who had acquired a pet dog during lockdown suddenly found that whilst they were back in the office the dog, unused to being left alone, became bored and started to do what dogs are prone to do which is to play a chewing game. The consequence of this was a massive uplift in the numbers of dogs being relinquished as their owners coudn't cope. We had anticipated that this would be an inevitability but the sheer rise in numbers was even greater that we had expected. As a result, we had to stop offering boarding facilities for dogs whose owners were going on holiday.

During the year we opened our new vetinary practice with our own staff primarily treating our own dogs, before offering vetinary services to the general public. As you will, no doubt, be aware Birmingham Dogs Home has a number of contracts with local authorities to take in strays from the dog wardens, unfortunately we were subjected to an outbreak of parvovirus which was brought in by a stray, it is a particularly infectious illness which causes death in dogs. I am extremely grateful to our staff who had to deal with this horrendous problem and to our suppliers of disinfectants and other cleaning materials which helped to bring it undrer control. We also reeived support from the vets at Battersea Dogs Home as they had past experience of this issue.

Turning to our finances, the stock market was hit by the general economic situation and our investments showed a loss in the year of over £1.2m, fortunately this loss was only a paper loss as we did not need to sell any of our investments. In the year we were lucky enough to receive a grant from Pets at Home for £295,750 towards a new Behaviour Unit, this was received with the proviso that the Behaviour Unit project must be started during 2022, I am pleased to report that our chosen contractors, Mantons, moved onto site last year and are now nearing substantial completion of the building.

2022 saw us receive the magnificent sum of £1.5m of legacies, which was twice the amount we received in 2021. We are most grateful to those many people who so kindly remember us in their wills.

Finally, I would like to pay tribute to all our staff who show the utmost dedication in carrying out their work and so often go the extra mile to look after the dogs whic come into our care. This will be my last report as Chairman as I will be standing down at the Annual General Meeting in August, some eight years after I became Chairman. I will be followed by Janice Laraway who I am sure will see the organisation through to many acheivements.

John Wheatley

Chairman of Trustees

Report of the Trustees
for the year ended 31 December 2022

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and the financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and 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).

Objectives, activities and aims.
The primary objective of the charity is to take in and care for stray and abandoned dogs from the West Midlands area, reuniting lost pets with their owners and rehoming abandoned dogs to new loving homes.

In 2022 the charity cared for 492 dogs between our two rehoming centres. Of these, 229 were strays brought to us by local authorities, 28 re-homed dogs were brought back to us under our re-home policy and 120 were owned pets needing a new home. Our rehoming staff found 250 new homes for dogs in our care and also managed to re-unite 86 lost pets with their original owners.

The Fundraising department has continued to be very proactive with various new fundraising initiatives and outreach programmes which utilise the improved facilities now available.

Public benefit
The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning future activities. We believe our work benefits the public in a variety of ways:-

- Providing assistance to local authorities and the general public by taking in and rehoming stray and abandoned dogs.
- Rehoming dogs safely to those who want and are able to provide a good home, providing companionship to individuals and families.
- Reuniting lost and stray dogs with their owners.
- Reducing the number of stray dogs on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- Providing information and advice to owners on the care of dogs and the need for vaccinations and neutering.
- Educating young people in schools and youth groups about the welfare and respect of dogs.

Strategic report

Achievements and performance

The principal achievement in the year was the completion of the veterinary surgery which commenced treating dogs coming into the Charity's care. This has also enabled cost savings to be made on the purchase of drugs by direct buying through a consortium.

In October work commenced on the construction of a Training and Behavioural Barn which is planned to be completed in the late summer of 2023.

The financial performance of the Charity is summarised below. Before charging losses on investments the Charity made a small surplus which was ahead of budget. This was against the background of difficult fundraising conditions and the negative effect of the parvovirus which restricted boarding and rehoming income and increased veterinary costs.

The Charity continually reviews its aims and objectives set out in the Public Benefit section above at Staff Management meetings which are held monthly.

The major risks to which the Charity is exposed are considered at meetings of the Risk Sub-committee of the Trustees which are held three times a year. A Risk Register is maintained and reviewed at these meetings. A Disaster Recovery Plan has been formulated and an element of it tested during the year.

Financial review
The Financial Statements for the year show net deficit of £1,198,696 (2021: surplus £429,542). This was after taking into account net losses on investments of £1,207,196 (2021 gains of: £990,566).

Expenditure for the year increased to £3,069,191 (2021: £2,671,971).

The investment market was highly volatile in the year leading to losses on investments of £1,207,196 (2021: gains of £990,566). During the first quarter of 2023 the market has recovered.

Capital expenditure for the year totalled £389,415. The main features were the completion of the fitting out of Veterinary Surgery and the commencement of the construction of the Behavioural and Training Barn which is due for completion in August 2023.

Overall, the total funds of the Charity have decreased by £1,198,696 due to the losses on investments.

The cash flow statement (page 14) is included to comply with the SORP requirements.

Plans for future periods.
The construction of a Behaviour and Training Unit commenced in October 2022 and is planned to be completed in the late summer of 2023.

Investment policy
The investment objectives are:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption.
- The maintenance and, if possible, enhancement of the investment funds whilst they are invested.
- To obtain balance between capital growth and income, so that the Charity can meet future as well as current needs.

The Trustees have agreed on a 'medium' risk profile by investing in a mix of equities, fixed interest and monetary assets.

The Trustees have delegated their investment powers over a proportion of the assets to Investec Wealth & Investment Ltd. The investment manager is responsible for carrying out day to day investment decisions including the acquisition and realisation of investments on behalf of the Trustees.

A further proportion of the Charity's assets are invested with a specialised investment fund, designed for the Charity Sector, managed by CCLA Investment Management Ltd.

Both managers report on the performance of the investments on a regular basis.

Where funds are set aside for future capital expenditure, the policy is normally to invest in fixed term bank deposits.

The market value of investments held at 31 December 2022 amounted to £8,364,722 (2021: £9,602,690) and the income received during 2022 as a result of these investments totalled £240,818. Realised losses on these investments during the year totalled £145,713 with unrealised losses at 31 December 2022 of £1,061,483.

The Trustees consider that the performance of the investments against objectives for the year has been satisfactory in view of the volatility of the stock market.

Fundraising activity
The charity uses internal appointees to undertake its fundraising activities. It has registered voluntarily with the Fundraising Regulator and monitors all fundraising undertaken on its behalf. It has received no complaints on fundraising activity and does not undertake fundraising in a way that might intrude on any person's privacy or take advantage of vulnerable people.

Reserves policy

Our charity's rescue and rehoming operations, as well as our work supporting the physical and mental welfare of the animals we care for, requires us to maintain and refurbish our facilities and create new fit for purpose spaces, as our needs change. We also need to develop and invest in improved systems to underpin our growing operations, reflecting the needs of dog rescue at this time. This requires significant ongoing financial commitment and investment.

Our current challenges include caring for the high numbers of dogs being relinquished or brought to our centres as strays. We have been working at capacity and at times beyond kennel capacity for the first six months of 2023. The high number of abandoned dogs we are receiving daily can be attributed to the current "cost of living crisis" with owners facing soaring inflation rates and the rising costs of everyday living in the UK today. This reflects trends across the sector, with dog abandonment increasing with the rising costs of living and the impact of an increase in people buying dogs during 2020 and 2021 according to research by the Association of Dogs and Cats Home.

We are also finding that many more dogs have behavioural issues, which can be ascribed to dogs being purchased during Covid "lockdowns" by inexperienced owners and therefore not receiving the training nor socialising they needed. This means that the dogs we receive often need to be with us longer and have more support and training before they can be adopted. The increased length of stays, higher return rates and additional behavioural training needs of dogs, compounded by the universal increases of fuel and heating and supporting staff through difficult times, has meant that the cost of care per dog is currently significantly higher than in previous years.

The Charity's Reserves Policy therefore has two objectives:

- A target of 18 months operational running costs which would be £3.74 million, held in free reserves to guard against fluctuations in income and cash flow requirement
- To have funds to finance planned capital investment in the charity's infrastructure which could be up to £6.5 million over the next 5 years as well as unplanned projects where the need arises including renewals of essential equipment, systems, vehicles and the operational infrastructure of buildings.

On an annual basis the Trustees will review the resources available to the charity to invest in reserves, to achieve the best balance between these objectives.

In setting the Reserves Policy, the Trustees are influenced by strategic risks facing the charity. The risks are kept under regular review. One of the main ones is that the majority of the Charity's income comes from legacies and fundraising, which can be uncertain sources of revenue, subject to large yearly fluctuations and may not always provide the necessary funds to cover essential costs. However, there will always be animals in need of our welfare and rehoming services and people who need our advice and support. As a Charity we are committed to a comprehensive ongoing service offering. To do this, we need to maintain a level of reserves should there be a short-term fall in income or an exceptional rise in costs. We have therefore designated our funds into the following areas to enable us to continue to operate and plan to meet future demands for our essential services as the largest rescue centre in the West Midlands, providing vital support to local authorities and the general public across the region.

Our Designation of Funds
For Dogs Now

The Operating Fund:

The Charity's reserves policy is to maintain funds to cover up to a maximum of the next 18 month's running costs. This level of reserves would allow for a sufficient period to wind up the business of the Charity should closure be necessary, the length of time that will be necessary to make arrangements to rehome the dogs in our care, some of which can stay with us up to 18 months at the charity's cost.

As at 31st December 2022 the charity had operating fund reserves of £3,348,935 This represents 16 months of planned running costs of the Charity's two rehoming centres and veterinary clinic including investment in fundraising. This represents 20% of the total funds.

The Property Fund:

This is the written down value of the land and buildings and tangible fixed assets used by Birmingham Dogs Home. At 31st December 2022 this was £6,514,860. This represents 40% of the total fund.

For Dogs in the Future

The Development Fund

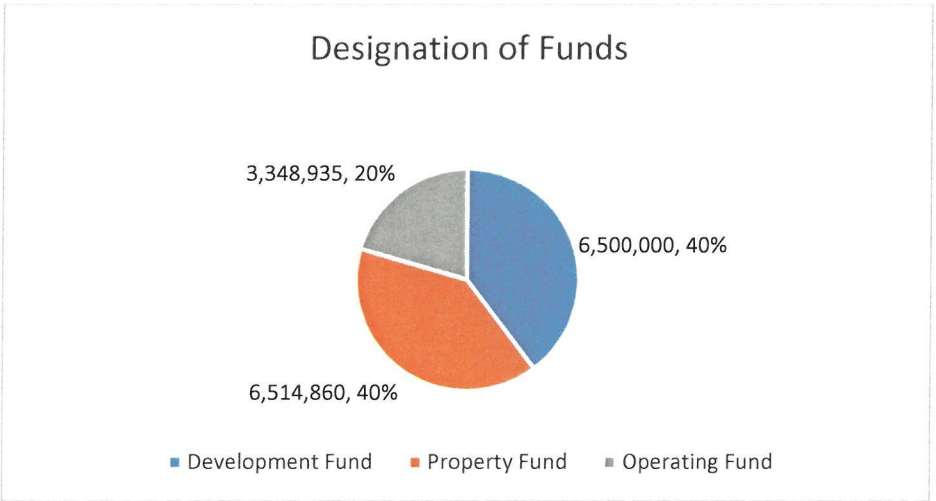
The Charity's reserves policy is to set aside funds for future development of existing facilities and services at both of its centres. To achieve this vision, the Development Fund represents the Trustees' commitment to providing the highest standard of animal welfare for the dogs in our care.

As at 31st December 2022 the following amounts have been invested in development projects. We have invested £1.2 million to build and equip our own on-site veterinary clinic which has transformed the way we are able to care for the medical needs of residents, many of whom come to us through local authority channels, having suffered neglect or mistreatment or with untreated medical issues. We have also invested £750,000 to develop a new wing at our rescue centre near Solihull with eight new larger kennels with their own large outdoor runs. This space will provide a more nurturing and calmer environment where dogs that exhibit signs of stress and anxiety can thrive in a more peaceful setting, away from the busy, noisy kennels, and receive the dedicated behavioural support, enrichment and focussed training they need, to give them the best chance of successful long-term adoption.

Our Trustees have further committed to a programme of essential refurbishment of outdated facilities at our Wolverhampton centre and therefore to maintain a development fund of £6.5 million for this purpose. This represents 40% of the total funds.

To underpin our development ambitions, we need to continue to grow our fundraising to make the biggest impact we can for every dog and owner who needs us. We are working to a three year, carefully considered strategy, investing in both staff and resources to bring higher returns and enable us to direct more funds to our charitable activities in the future.

Proportional Designation of Funds



Structure, governance and management

Group Structure
Members of the charitable group are The Birmingham Dogs Home Limited (a company limited by guarantee, registered in England and Wales and a registered charity) and its wholly owned subsidiary Birmingham Dogs Home (Trading) Limited which commenced trading on 1st October 2019. Since that date the trading activities of the Group have been carried out by Birmingham Dogs Home (Trading) Limited.

Governing document
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charitable objects and constitution
The Birmingham Dogs Home is a registered charity and is a company limited by guarantee with no share capital. It is governed by its memorandum and articles of association. These state the objects of the charity as being:-

- to provide and maintain a Home for the rescue of lost, unwanted, suffering and ownerless dogs and cats.
- to reunite lost animals with their owners; and
- to find permanent homes for unclaimed animals.

Trustees
The Trustees who served throughout the year and up to the date of this report are named on page 1 of this report.

Recruitment and appointment of new Trustees
The Board of Trustees aims to achieve a balance of skill mix within its numbers representing experience in commerce, business, and the professions, together with a diversity of backgrounds taking full account of gender and a love for the well-being of animals.

As to new Trustees, persons would be sought who help maintain the range and balance of skills as well as being able to contribute towards the effective governance of the Charity. Suitable interested persons, who are required to be members of the Charity, will initially go through a formal interview process with the Chairman and other Trustees where the strengths and other attributes of the person are explored and the role of the Dogs Home and that of a Trustee is explained. Those persons subsequently selected will be proposed and seconded and voted upon at a meeting of the Trustees. After appointment new Trustees will automatically retire at the next AGM and will seek reappointment for a three year term.

Induction and training of new Trustees
A new Trustee is issued with an information pack containing details on the role and responsibilities of a Trustee, the Memorandum and Articles of Association of the Charity, the last year's audited accounts and annual review, the current budget and various relevant policy documents. The Trustee will be expected to have a meeting with the Chief Executive to discuss the Home's procedures and present plans, and to visit the two sites and to be introduced to the manager and other staff. Resources are available for new Trustees to attend courses if it is considered beneficial.

Organisation
The Charity is organised by the Board of Trustees, Management Committee and sub-committees, who are responsible for the strategy, policies and financial plan adopted. The day to day running of the charity is controlled by the Chief Executive.

Risk review
The Trustees review major risks to which the charity is exposed and systems are established to mitigate those risks. External risks to funding are minimised by the Trustees' policy on reserves where reserves are maintained in order to produce a significant annual income. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures continue to be under review with the help of an external consultant to ensure that they still meet the needs of the charity.

Arrangements for setting pay and remuneration of key management personnel.
The Trustees consider the board of Trustees and the treasurer as comprising the key management personnel of the charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 14 and note 24 to the accounts.

The pay of the charity's treasurer is reviewed annually and normally increased in accordance with average earnings.

Statement of Trustees responsibilities
The Trustees (who are also the directors of The Birmingham Dogs Home for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:-

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The auditors, Haines Watts Birmingham LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of Trustees ..... 15th August 2023 ..... and signed on its behalf by:

J S Wheatley - Chairman

Opinion
We have audited the financial statements of The Birmingham Dogs Home (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including 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 parent charitable company's affairs as at 31 December 2022 and of its 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 group and parent 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 group's or parent 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, 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 groups 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.

Our 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 a Report of the Independent Auditors 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 the 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:

We obtained an understanding of the legal and regulatory framework applicable to both the group itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nichola Venables (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5 - 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Date: 15 August 2023

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Financial Activities
For the year ended 31 December 2022

	Note	Unrestricted funds	Restricted fund	Total 2022	Total 2021
		£	£	£	£
Income and endowments from					
Donations and legacies	2	**2,031,657**	**295,750**	**2,327,407**	1,329,856
Charitable activities					
Re-homing dogs	5	**243,767**	**-**	**243,767**	276,442
Other trading activities	3	**216,299**	**-**	**216,299**	227,568
Investment income	4	**244,300**	**-**	**244,300**	231,177
Other income	6	**45,918**	**-**	**45,918**	45,904
Total incoming resources		**2,781,941**	**295,750**	**3,077,691**	2,110,947
Expenditure on					
Raising funds	8	**706,208**	**-**	**706,208**	335,952
Charitable activities					
Re-homing dogs	9	**2,067,233**	**295,750**	**2,362,983**	2,333,328
Other expenditure		**-**	**-**	**-**	2,691
Total resources expended		**2,773,441**	**295,750**	**3,069,191**	2,671,971
Net income/(expenditure) before investment (losses)/ gains		**8,500**	**-**	**8,500**	(561,024)
Net (losses)/gains on investment		**(1,207,196)**	**-**	**(1,207,196)**	990,566
Net (expenditure)/ income		**(1,198,696)**	**-**	**(1,198,696)**	429,542
Transfers between funds		**-**	**-**	**-**	-
Net movement in funds		**(1,198,696)**	**-**	**(1,198,696)**	429,542
Funds brought forward at 1 January 2022		**17,562,491**	**-**	**17,562,491**	17,132,949
Funds carried forward at 31 December 2022		**16,363,795**	**-**	**16,363,795**	17,562,491

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 15 to 23 form part of these financial statements.

THE BIRMINGHAM DOGS HOME

Consolidated and Charity Statement of Financial Position
As at 31 December 2022

	Note	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Fixed Assets					
Tangible fixed assets	16	**6,514,860**	**6,514,860**	6,771,067	6,771,067
Investments at market value	17	**8,364,722**	**8,364,723**	9,602,690	9,602,691
		14,879,582	**14,879,583**	16,373,757	16,373,758
Current Assets					
Stock	18	**52,859**	**52,859**	24,231	24,231
Debtors	19	**255,684**	**256,769**	575,397	576,482
Cash at bank and in hand		**1,456,357**	**1,456,023**	811,948	811,917
		1,764,900	**1,765,651**	1,411,576	1,412,630
Creditors: Amounts falling due within one year	20	**(280,687)**	**(281,439)**	(222,842)	(223,897)
Total assets less total liabilities		**16,363,795**	**16,363,795**	17,562,491	17,562,491
Funds					
Unrestricted funds					
General fund	21	**3,348,935**	**3,348,935**	3,276,438	3,276,438
Designated funds	21	**13,014,860**	**13,014,860**	14,286,053	14,286,053
Restricted funds	21	**-**	**-**	-	-
		16,363,795	**16,363,795**	17,562,491	17,562,491

The charity has prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The deficit generated by the charity for the financial year was £(1,198,696) (2021: £423,035 surplus)

Approved by the Board of Trustees on 15th August 2023 and signed on their behalf by

J S Wheatley
Chairman

Registered charity in England and Wales - 222436.
Company Registration Number - 00662947

The notes on pages 15 to 23 form part of these financial statements.

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities:	**26**	**758,751**	(454,550)
Net cash provided by (used in) operating activities		**758,751**	(454,550)
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(389,415)**	(929,444)
Purchase of fixed asset investments		**(1,278,794)**	(863,634)
Sale of fixed asset investments		**1,309,567**	895,068
Interest received		**244,300**	231,177
Net cash provided by (used in) investing activities		**(114,342)**	(666,833)
Change in cash and cash equivalents in the reporting period		**644,409**	(1,121,383)
Cash and cash equivalents at the beginning of the reporting period		**811,948**	1,933,331
Cash and cash equivalents at the end of the reporting period		**1,456,357**	811,948

The notes on pages 15 to 23 form part of these financial statements.

1 Accounting Policies

Basis of preparing the financial statements
The Birmingham Dogs Home Limited is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation
These accounts consolidate those of the Charity and its wholly owned trading subsidiary, Birmingham Dogs Home (Trading) Limited. These are adjusted, where appropriate, to conform to group accounting policies. Birmingham Dogs Home (Trading) Limited was incorporated on 21 November 2018 and commenced to trade on 1 October 2019. It's results are consolidated from the date it commenced to trade. Comparatives are presented on a group basis. A separate Statement of Financial Activities and Income an Expenditure Account for the charity have not been presented in accordance with the exemption afforded by section 408 of the Companies Act 2006. The charity deficit for 2022 was £(1,198,696) (2021: new surplus £423,035). This is made up of Income of £3,074,998 (2021: £2,015,237), Expenditure of £3,066,498 (2021: £2,652,768) and net losses on investments of £1,207,196 (2021: £990,566 net gains).

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated assets are recognised on the balance sheet and initially measured at their valuation. Fair values for donated assets are estimated by reference to market prices.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

For legacies, receipt must be recognised when it is probable that it will be received. Receipt is normally probable when: there has been a grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.

The charity receives income from local authorities in relation to provision of stray dog services.

Income from trading activities includes income earned from fundraising events and trading activities such as dog boarding to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Other income relates to pet plan commission.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure
All expenditure is accounted for gross, on an accruals basis and is stated net of Valued Added Tax, where applicable.

Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

> Costs of raising funds
> Expenditure on charitable activities

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual

Allocation and apportionment of costs
Resources expended are allocated to the particular activity where the cost relates directly to that activity.

1 **Accounting Policies (continued)**

VAT
VAT recoverable by the Charity is shown in debtors. The Birmingham Dogs Home Limited and Birmingham Dogs Home (Trading) Limited are part of a VAT group.

Fixed assets
Fixed assets are included at cost or valuation, items below £500 will be normally expensed through the statement of financial activities.

Depreciation
Depreciation is provided to write off the cost or valuation, less estimated residual values of all fixed assets except freehold land, over their expected useful lives. It is calculated at the following rates:

Buildings	- 5% of the cost per annum
Fixtures and fittings	- 10% of the cost per annum
Vehicles	- 25% of the cost per annum
Computer equipment	- 33.33% of the cost per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Stocks
Stocks are valued at the lower of cost or net realisable value. Unsold donated items are not included.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund Accounting
Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

Hire purchase and leasing commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the

Judgements made by the Trustees in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material misstatement in the next year, are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

The areas where these judgements and estimates have been made include the following for the group:

a) Depreciation and residual values
The Trustees have reviewed the asset lives and associated residual values of all tangible fixed asset classes, and have concluded that the asset lives and residual values are appropriate.

b) Accrued income
Accrued income includes legacy income amounts. In recognising accrued legacy income, the Trustees have considered the probability of receiving each legacy. Each legacy is assessed to determine an appropriate allowance which reflects the possibility of not subsequently receiving the full income amounts.

2 Donations and legacies

	Total 2022 £	Total 2021 £
Donations	**717,955**	399,808
Donated assets	**50,000**	-
Legacies	**1,559,452**	930,048
	2,327,407	1,329,856

Included in donations above is £295,570 (2021: £50,000) of restricted donations.

3 Other trading activities

	Total 2022 £	Total 2021 £
Fundraising events	**50,016**	123,498
Shop income	**3,245**	1,677
Income of Trading subsidiary (see note 7)	**163,038**	102,393
	216,299	227,568

4 Investment income

	Total 2022 £	Total 2021 £
Deposit account interest	**3,482**	351
Dividends and interest from listed investments	**240,818**	230,826
	244,300	231,177

5 Income from charitable activities

	Activity	Total 2022 £	Total 2021 £
Income from general public	Re-homing dogs	**138,200**	102,555
Local authority contracts	Re-homing dogs	**105,305**	72,319
Government grants		**262**	101,568
		243,767	276,442

6 Other income

	Total 2022 £	Total 2021 £
Pet plan commission received	**43,601**	43,012
Miscellaneous income	**198**	1,109
Feed in tariff	**2,119**	1,783
	45,918	45,904

7 Trading company

The wholly owned trading subsidiary Birmingham Dogs Home (Trading) Limited is incorporated in the United Kingdom (company number 11689015) and pays profits, which are surplus to trading requirements, to the charity under a deed of covenant.

The summary financial performance of the subsidiary is:

	2022 £	2021 £
Turnover	**163,038**	**102,393**
Cost of sales	**-**	**-**
Gross profit	**163,038**	**102,393**
Administrative expenses	**(112,915)**	**(89,203)**
Operating Profit	**50,123**	**13,190**
Taxation	**-**	**-**
Profit before distribution	**50,123**	**13,190**

8 Raising funds

	Total 2022	Total 2021
	£	£
Staff costs	**282,064**	118,896
Veterinary costs	**133,178**	25,424
Investment manager fees	**30,022**	31,870
Publicity	**88,647**	64,068
Show costs	**49,014**	25,397
Office expenses and administrative support	**54,212**	60,601
Vehicle costs	**3,286**	4,699
Depreciation	**65,785**	4,997
	706,208	335,952

9 Charitable activity costs

	Direct costs (see note 10)	Support costs (see note 11)	Totals
	£	£	£
Charitable activities	**2,325,110**	**37,873**	**2,362,983**

10 Direct costs of charitable activities

	Total 2022	Total 2021
	£	£
Staff costs	**1,252,730**	1,161,206
Sundries	**33,032**	33,143
Yard and veterinary expenses	**195,268**	307,834
Office expenses	**83,566**	72,885
Rates and insurance	**56,294**	54,056
Light, heat and water	**73,055**	73,362
Van costs	**11,612**	10,283
Repairs and renewals	**45,670**	28,829
Depreciation	**573,883**	573,361
	2,325,110	2,314,959

11 Support costs

	2022	2021
Governance costs	£	£
Auditors' remuneration	**13,500**	10,792
Auditors' remuneration for non audit work	**2,650**	2,500
Legal and professional fees	**17,207**	2,802
AGM, annual report and meeting costs	**4,516**	2,275
	37,873	18,369

12 Net income/(expenditure)

Net (expenditure)/ income is stated after charging/(crediting):

	2022	2021
	£	£
Fees payable to charity's auditors to the audit of the financial statements	**13,500**	12,450
Profit on disposal of fixed assets	**300**	-
Auditors' remuneration for non audit work	**2,650**	2,500
Depreciation - owned assets	**573,883**	573,361

13 Consolidated Statement of Financial Activities 2021

	Unrestricted funds £	Restricted fund £	Total 2021 £
Income and endowments from			
Donations and legacies	**1,279,856**	**50,000**	**1,329,856**
Charitable activities			
Re-homing dogs	**276,442**	**-**	**276,442**
Other trading activities	**227,568**	**-**	**227,568**
Investment income	**231,177**	**-**	**231,177**
Other income	**45,904**	**-**	**45,904**
Total incoming resources	**2,060,947**	**50,000**	**2,110,947**
Expenditure on			
Raising funds	**335,952**	**-**	**335,952**
Charitable activities			
Re-homing dogs	**2,283,328**	**50,000**	**2,333,328**
Other expenditure	**2,691**	**-**	**2,691**
Total resources expended	**2,621,971**	**50,000**	**2,671,971**
Net (expenditure)/income before investment gains/(losses)	**(561,024)**	**-**	**(561,024)**
Net gains/ (losses) on investment	**990,566**	**-**	**990,566**
Net income	**429,542**	**-**	**429,542**
Transfers between funds	**-**	**-**	**-**
Net movement in funds	**429,542**	**-**	**429,542**
Funds brought forward at 1 January 2021	**17,132,949**	**-**	**17,132,949**
Funds carried forward at 31 December 2021	**17,562,491**	**-**	**17,562,491**

14 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor the year ended 31 December 2021.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

15 Staff costs

	2022 £	2021 £
Wages and salaries	**1,363,885**	1,153,151
Social security costs	**94,456**	66,170
Other pension costs	**76,453**	60,781
	1,534,794	1,280,102

The average monthly number of employees during the year was as follows:

	2022 £	2021 £
Direct charitable expenditure	**55**	50
Fundraising and publicity	**3**	3
Management and administration of charity	**4**	3
	62	56

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2022 £	2021 £
£90,000 - £100,000	1	1

The total amount of employee benefits received by key management personnel is £141,642 (2021: £135,024). The key management personnel of the Charity comprise, the trustees, the Chief Executive Officer and the Treasurer.

16 Tangible fixed assets

Group

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Total £
Cost				
As at 1 January 2022	**10,218,226**	**1,535,892**	**79,156**	**11,833,274**
Additions	**266,072**	**123,343**	**-**	**389,415**
Disposals	**-**	**-**	**(5,000)**	**(5,000)**
As at 31 December 2022	**10,484,298**	**1,659,235**	**74,156**	**12,217,689**
Depreciation				
As at 1 January 2022	**4,032,173**	**950,878**	**79,156**	**5,062,207**
Charge for the period	**487,936**	**157,686**	**-**	**645,622**
Elimninated on disposal	**-**	**-**	**(5,000)**	**(5,000)**
As at 31 December 2022	**4,520,109**	**1,108,564**	**74,156**	**5,702,829**
Net book value				
As at 31 December 2022	**5,964,189**	**550,671**	**-**	**6,514,860**
As at 31 December 2021	6,186,053	585,014	-	6,771,067

Charity

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Total £
Cost				
As at 1 January 2022	**10,218,226**	**1,535,892**	**79,156**	**11,833,274**
Additions	**266,072**	**123,343**	**-**	**389,415**
Disposals	**-**	**-**	**(5,000)**	**(5,000)**
As at 31 December 2022	**10,484,298**	**1,659,235**	**74,156**	**12,217,689**
Depreciation				
As at 1 January 2022	**4,032,173**	**950,878**	**79,156**	**5,062,207**
Charge for the period	**487,936**	**157,686**	**-**	**645,622**
Elimninated on disposal	**-**	**-**	**(5,000)**	**(5,000)**
As at 31 December 2022	**4,520,109**	**1,108,564**	**74,156**	**5,702,829**
Net book value	**-**	**-**	**-**	**-**
As at 31 December 2022	**5,964,189**	**550,671**	**-**	**6,514,860**
As at 31 December 2021	6,186,053	585,014	-	6,771,067

The net book value as at 31 December 2022 represents fixed assets used for direct charitable purposes .

Freehold property includes £375,257 for the costs of land, which is not depreciated.

Freehold property also includes £nil of assets under construction, which are not depreciated until bought into use.

17 Fixed asset investments

Group

	Listed shares £	Totals £
Market value at 1 January	**9,602,691**	**9,602,691**
Additions at cost	**1,278,794**	**1,278,794**
Disposals at opening book value	**(1,309,567)**	**(1,309,567)**
Realised (losses)	**(145,713)**	**(145,713)**
Net unrealised investment gains	**(1,061,483)**	**(1,061,483)**
	8,364,722	**8,364,722**

The market value of investments as at 31 December 2022 can be analysed as:	**2022 £**	2021 £
Investment assets in the UK	**5,894,201**	7,043,671
Investment assets outside the UK	**2,470,521**	2,559,019
	8,364,722	9,602,690

17 Fixed asset investments - continued

	2022	2021
The market value of investments is made up of:	£	£
Listed investments	**8,313,889**	9,577,272
Cash	**50,833**	25,418
	8,364,722	9,602,690

Charity

In addition to the above managed investments, the Charity holds the following investments in subsidiary undertakings:

	2022	2021
	£	£
Birmingham Dogs Home (Trading) Limited	1	1

The above investment represents a 100% holding of the issued share capital of Birmingham Dogs Home Trading Limited, a subsidiary undertaking which was incorporated on 21 November 2018 and commenced to trade on 1 October 2019.

18 Stocks

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Goods for resale	**52,859**	**52,859**	24,231	24,231
	52,859	**52,859**	24,231	24,231

19 Debtors

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Trade debtors	**10,279**	**11,364**	7,609	8,694
Prepayments and accrued income	**166,229**	**166,229**	464,629	464,629
Other debtors	**250**	**250**	250	250
Amounts owed to group undertakings	**-**	**-**	-	-
VAT recoverable	**78,926**	**78,926**	102,909	102,909
	255,684	**256,769**	575,397	576,482

20 Creditors: amounts falling due within one year

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Trade creditors	**183,645**	**183,645**	135,528	135,513
Social security and other taxes	**35,207**	**35,207**	31,381	31,381
Other creditors	**25,892**	**25,892**	24,697	24,697
Amounts owed by group undertakings	**-**	**3,252**	-	3,571
Accruals and deferred income	**35,943**	**33,443**	31,236	28,735
	280,687	**281,439**	222,842	223,897

21 Movement in funds

Group

	Opening balance	Incoming resources	Outgoing resources	Investment gains	Transfers	Closing balance
	£	£	£	£	£	£
General fund	**3,276,438**	**2,781,941**	**(2,127,819)**	**(1,207,196)**	**625,571**	**3,348,935**
Designated funds:						
Property fund	**6,186,053**	**-**	**(645,622)**	**-**	**974,429**	**6,514,860**
Development fund	**8,100,000**	**-**	**-**	**-**	**(1,600,000)**	**6,500,000**
	14,286,053	**-**	**(645,622)**	**-**	**(625,571)**	**13,014,860**
Restricted funds						
Pets At Home	**-**	**295,750**	**(295,750)**	**-**	**-**	**-**
Total Restricted funds	**-**	**295,750**	**(295,750)**	**-**	**-**	**-**
Total Funds	**17,562,491**	**3,077,691**	**(3,069,191)**	**(1,207,196)**	**-**	**16,363,795**

21 Movement in funds - continued

Charity

	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
General fund	**3,276,438**	**2,779,248**	**(2,125,126)**	**(1,207,196)**	**625,571**	**3,348,935**
Designated funds:						
Property fund	**6,186,053**	**-**	**(645,622)**	**-**	**974,429**	**6,514,860**
Development fund	**8,100,000**	**-**	**-**	**-**	**(1,600,000)**	**6,500,000**
	14,286,053	**-**	**(645,622)**	**-**	**(625,571)**	**13,014,860**
Restricted funds						
Pets At Home	**-**	**295,750**	**(295,750)**	**-**	**-**	**-**
Total Restricted funds	**-**	**295,750**	**(295,750)**	**-**	**-**	**-**
Total Funds	**17,562,491**	**3,074,998**	**(3,066,498)**	**(1,207,196)**	**-**	**16,363,795**

The property fund is set aside to cover the cost of freehold property and fixtures and equipment used for charitable purposes. It is represented by the net book value of freehold property and fixtures and equipment already owned.

The development fund has been set aside to cover the cost of the future development plans.

22 Analysis of net assets between funds

	General £	Restricted £	Designated £	Total £
Tangible fixed assets	**-**	**-**	**6,514,860**	**6,514,860**
Fixed asset investments	**3,764,722**	**-**	**4,600,000**	**8,364,722**
Net current (liabilities)/ assets	**(415,787)**	**-**	**1,900,000**	**1,484,213**
Balance as at 31 December 2022	**3,348,935**	**-**	**13,014,860**	**16,363,795**

23 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows;

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Within one year	**2,016**	**2,016**	2,016	2,016
Between one and five years	**6,552**	**6,552**	6,048	6,048
Greater than five years	**-**	**-**	2,520	2,520
	8,568	**8,568**	10,584	10,584

23 Pension costs

The company operates a defined contribution pension scheme for its employees. The charge to the general fund for the period was £76,453 (2021: £60,781).

24 Related party disclosures

There were no related partiy transactions during the current of previous period other than those disclosed in note 14.

Advantage has been taken of the FRS102 exemption for the disclosure of transactions with wholly owned subsidiaries.

25 Ultimate controlling party

The company is under the control of its trustees.

26 Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£	£
Net income for the reporting period (as per the statement of financial activities):	**(1,198,696)**	429,542
Adjustments for:		
Depreciation charges	**645,622**	568,951
Losses/(gains) on investments	**145,713**	(41,537)
Interest received	**(244,300)**	(231,177)
Unrealised loss/ (gain) on investments	**1,061,483**	(949,029)
(Decrease)/ Increase in stocks	**(28,628)**	1,284
Decrease/ (increase) in debtors	**320,798**	(294,169)
Increase in creditors	**56,759**	61,585
Net cash provided by (used in) operating activities	**758,751**	(454,550)

27 Analysis of changes in net funds

	At 1/1/2022	Cash flow	At 31/12/2022
Net cash	£	£	£
Cash at bank	**811,948**	**644,409**	**1,456,357**
Total	**811,948**	**644,409**	**1,456,357**

THE BIRMINGHAM DOGS HOME

England & Wales - Charity number 222436

Accounts

REGISTERED COMPANY NUMBER: 00662947
REGISTERED CHARITY NUMBER: 222436

Report of the Trustees and Consolidated Financial Statements for the Year Ended 31 December 2021 for THE BIRMINGHAM DOGS HOME

Haines Watts Birmingham LLP
5 – 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

THE BIRMINGHAM DOGS HOME

Contents of the Financial Statements
for the year ended 31 December 2021

	Page
Reference and Administrative Details	1 to 2
Chairman's Statement	3
Report of the Trustees	4 to 8
Report of the Independent Auditors	9 to 11
Consolidated Statement of Financial Activities	12
Consolidated and Charity Statement of Financial Position	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 to 25

THE BIRMINGHAM DOGS HOME

Reference and Administrative Details for the Year Ended 31 December 2021

Trustees	J S Wheatley (Chairman) Mrs C H Taylor P D Barnett Mrs G Wilyman R J Venner Ms C Powell Ms J P Laraway Mrs S Butler Mr A Whelan (resigned 1st October 2021) Ms L Millard Mrs C Mawston Mrs N Ahmed (appointed 18th August 2021)
Patrons	Lord Mayor of Birmingham Chief Constable of West Midlands Police Earl of Aylesford Mayor of Solihull
Officers	S Wynde (Treasurer) G Webber (Chief Executive)
Registered office	Catherine-de-Barnes Lane Catherine-de-Barnes Solihull B92 0DJ
Registered company number	00662947
Registered charity number	222436
Auditors	Haines Watts Birmingham LLP 5 - 6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers	Lloyds Bank PLC 9-11 Poplar Road Solihull B91 3AN
Solicitors	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX

Investment managers	Investec 30 Gresham Street London EC2V 7QP CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET

THE BIRMINGHAM DOGS HOME

Chairman's Statement
for the year ended 31 December 2021

The year ended 31 December 2021 was another very challenging one for the teams at both Catherine de Barnes and Wolverhampton, the start of the year saw the national lockdown continuing but on the positive side the vaccination roll out started and developed at a pace.

By April there were some more positive signs with hospitality establishments beginning to reopen, however, our ability to accept dogs and effect rehoming was seriously compromised.

As many people were continuing to work from home the anticipated increase in numbers of dogs being cared for did not materialise until much later on and rehoming was still at lower than normal levels.

Gradually as we came to July Covid restrictions were starting to be relaxed and the world was beginning to return to a more normal situation.

Alongside our normal operations the main project was the development of our state of the art new veterinary suite, which was carried out by our contractors, Mantons, This project inevitably involved a significant level of disruption for staff at Catherine de Barnes, on a day to day basis, I am most grateful for their forbearance during the building phase of the development.

A visit to our Catherine de Barnes home will show that we have further enhanced the, already fantastic, facilities available for dogs in our care and is also available for dogs belonging to our supporters.

Whilst this development was well under way by the end of December we did not open it fully until the New Year.

I am pleased to report that our finances held up reasonably well during the year and that the veterinary project came in broadly on time and within budget. The value of our investments showed a marked improvement during the year after the fall at the start of the pandemic. The situation for 2022 remains very stressed and it means that we will need to take a very cautious approach to further major capital projects.

I would like to thank all our staff and management at both locations for their continued selfless commitment and enthusiasm throughout an unbelievably difficult and stressful year.

John Wheatley

Chairman of Trustees

Report of the Trustees
for the year ended 31 December 2021

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and the financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and 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).

Objectives, activities and aims
The primary objective of the charity is to take in and care for stray and abandoned dogs from the West Midlands area, reuniting lost pets with their owners and rehoming abandoned dogs to new loving homes.

In 2021 the charity cared for 1386 dogs between our two rehoming centres. Of these, 776 were strays brought to us by local authorities, 102 re-homed dogs were brought back to us under our re-home policy and 411 were owned pets needing a new home. Our rehoming staff found 836 new homes for dogs in our care and also managed to re-unite 371 lost pets with their original owners. The pandemic continued to affect overall dogs numbers.

The Fundraising department has continued to be very proactive with various new fundraising initiatives and outreach programmes which utilise the improved facilities now available.

Public benefit
The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning future activities. We believe our work benefits the public in a variety of ways:-

- Providing assistance to local authorities and the general public by taking in and rehoming stray and abandoned dogs.
- Rehoming dogs safely to those who want and are able to provide a good home, providing companionship to individuals and families.
- Reuniting lost and stray dogs with their owners.
- Reducing the number of stray dogs on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- Providing information and advice to owners on the care of dogs and the need for vaccinations and neutering.
- Educating young people in schools and youth groups about the welfare and respect of dogs.

Strategic report

Financial review

The Financial Statements for the year show net surplus of £429,542, (2020: deficit £581,600). This was after taking into account net gains on investments of £990,566 (2020 gains of: £440,804).

Income from Charitable Activities and Fundraising continued to be affected by the pandemic.

Expenditure for the year increased to £2,671,971 (2020: £2,667,925)

The investment market sustained losses in the first quarter of the year but recovered strongly in the second half of the year resulting in net gains of £990,556 (2020: gains of £440,804). During the first half of 2022 the market has fallen sharply which has resulted in unrealised losses of £1.2m.

Capital expenditure for the year totalled £929,444. The main feature was the completion of the Veterinary Surgery which opened in December 2021.

Overall, the total funds of the Charity have increased by £429,542 during the year to £17,562,491 which is a satisfactory position for the Dogs Home.

The cash flow statement (page 14) is included to comply with the SORP requirements.

Plans for future periods

The construction of a Behaviour and Training Unit is under consideration for the second half of 2022.

Investment policy
The investment objectives are:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption.
- The maintenance and, if possible, enhancement of the investment funds whilst they are invested.
- To obtain a reasonable balance between capital growth and income, so that the Charity can meet future as well as current needs.

The Trustees have agreed on a 'medium' risk profile by investing in a mix of equities, fixed interest and monetary assets.

The Trustees have delegated their investment powers over a proportion of the assets to Investec Wealth & Investment Ltd. The investment manager is responsible for carrying out day to day investment decisions including the acquisition and realisation of investments on behalf of the Trustees.

A further proportion of the Charity's assets are invested with a specialised investment fund, designed for the Charity Sector, managed by CCLA Investment Management Ltd.

Both managers report on the performance of the investments on a regular basis.

Where funds are set aside for future capital expenditure, the policy is normally to invest in fixed term bank deposits.

The market value of investments held at 31 December 2021 amounted to £9,602,690 (2020: £8,643,558) and the income received during 2021 as a result of these investments totalled £231,177. Realised gains on these investments during the year totalled £41,537 with unrealised gains at 31 December 2021 of £949,029.

The Trustees consider that the performance of the investments against objectives for the year has been satisfactory.

Fundraising activity
The charity uses internal appointees to undertake its fundraising activities. It has registered voluntarily with the Fundraising Regulator and monitors all fundraising undertaken on its behalf. It has received no complaints on fundraising activity and does not undertake fundraising in a way that might intrude on any person's privacy or take advantage of vulnerable people.

Reserves policy

The aim of Birmingham Dogs Home's Reserves Policy is to ensure that the Charity's ongoing activities are safeguarded from unexpected fluctuations in its income and expenditure.

In setting the Reserves Policy, the Trustees are influenced by strategic risks facing the charity. The risks are kept under regular review. One of the main ones is that the majority of the Charity's income comes from legacies and fundraising, which are uncertain sources of revenue, subject to large yearly fluctuations and may not always provide the necessary funds to cover essential costs.

However, there will always be animals in need of our rehoming services and people who need our advice and education services. As a Charity we are committed to a comprehensive ongoing service offering. To do this, we need to maintain a level of reserves should there be a short-term fall in come or an exceptional rise in costs.

Trustees balance the need to safeguard the Charity's future operations to maintain an appropriate level of free reserves with investing in the future by reserving funds for key strategic initiatives such as investment in the Charity's infrastructure and facilities.

At 31st December 2021 the Charity's consolidated total funds stood at £17,562,491.

The Charity maintains the following funds:-

General fund

The Charity's reserves policy is to maintain funds ("the free reserve") to cover up to a maximum of the next two year's planned Rehoming Centre running costs. This level of reserves would allow for a sufficient period of time to wind up the business of the charity should closure be necessary, in particular the length of time that will be necessary to make arrangements to rehome the dogs in our care, some of which can stay with us up to 18 months at the charity's cost.

As at 31st December 2021 the Charity had free reserves of £2,691,425 (2020: £2,628,948) representing 11 months planned running costs of the Charity's two rehoming centres. This amount is within the permitted range of the reserves policy.

Rehoming capital development fund
The Charity's reserves policy is to set aside funds for future development of existing facilities at both of its centres. To achieve this vision, the Rehoming Centre Development Fund represents the Trustee's commitment to providing the highest standard of animal welfare for the dogs in our care, namely through the building of a veterinary centre, behavioural and training unit at the Birmingham centre and a programme of essential refurbishment of outdated facilities at our Wolverhampton centre.

To achieve this, in 2018 Trustees authorised £3.5M to spend on developing both centres. As at 31st December 2021 the fund stands at £3.5m.

Investment & Reserve fund
The Trustees recognize that the Charity is heavily dependent on voluntary income that is legacies and donations to match the difference between resources expended and incoming resources from charitable activities. Legacy income can vary considerably from year to year, as has been seen in recent years. It is not practical to reduce expenditure levels to compensate for temporary falls in income, and the Trustees consider that this fund of £4,600,000 is justifiable to provide a buffer in order that activities can continue as normal in hard times.

This threshold has been set by the Trustees following an assessment of the following factors:

- The need to provide long-term strategic financial support to both centres including for regular and emergency maintenance work
- The need to finance planned and unplanned projects where the need arises such as repairs and renewals of essential equipment, vehicles and operational infrastructure of buildings
- The need to provide a financial cushion in the event of extreme circumstances affecting the Charity's ability to operate
- The need to protect the Charity from investment market fluctuations and pensions risk
- The ability to respond to opportunities and needs from strategic investments.

The continuing impact of the pandemic has demonstrated how vital the financial cushion of reserve funds is for a charity like ours in order that we can continue operating under extreme circumstances.

Normal rehoming income and fundraising income has been curtailed for several months, whereas operational costs have continued. We are expecting the number of dogs in our care to increase as the return to office working gathers momentum.

The Charity's reserves have allowed us to continue to operate without this having a detrimental effect on the level of care we can provide and has meant that we can continue to provide our vital services to local authorities and general public across the region.

Planning and strategy are still the fundamental building blocks for the Charity and the reserves thresholds will be re-assessed regularly as part of the Charity's strategic planning process. The need to strengthen and maintain reserves will be considered in the annual planning and budgeting process.

Freehold Property Fund

This is the written down value of the land and buildings used by Birmingham Dogs Home. At 31st December 2021 this was £6,186,053.

Assessing the impact of COVID-19

The Trustees continued to monitor the impact of Covid 19 upon the operations and finances of the charity. The welfare operations continued despite some staff being placed on flexible furlough from February 2021 until restrictions were eased during the summer. Rehoming, trading income and fundraising activities have been severely affected but income from boarding recovered strongly as travel restrictions were eased.

Structure, governance and management

Group Structure
Members of the charitable group are The Birmingham Dogs Home Limited (a company limited by guarantee, registered in England and Wales and a registered charity) and its wholly owned subsidiary Birmingham Dogs Home (Trading) Limited which commenced trading on 1st October 2019. Since that date the trading activities of the Group have been carried out by Birmingham Dogs Home (Trading) Limited.

Governing document
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charitable objects and constitution
The Birmingham Dogs Home is a registered charity and is a company limited by guarantee with no share capital. It is governed by its memorandum and articles of association. These state the objects of the charity as being:-

- to provide and maintain a Home for the rescue of lost, unwanted, suffering and ownerless dogs and cats;
- to reunite lost animals with their owners; and
- to find permanent homes for unclaimed animals.

Trustees
The Trustees who served throughout the year and up to the date of this report are named on page 1 of this report.

Recruitment and appointment of new Trustees
The Board of Trustees aims to achieve a balance of skill mix within its numbers representing experience in commerce, business, and the professions, together with a diversity of backgrounds taking full account of gender and a love for the well-being of animals.

As to new Trustees, persons would be sought who help maintain the range and balance of skills as well as being able to contribute towards the effective governance of the Charity. Suitable interested persons, who are required to be members of the Charity, will initially go through a formal interview process with the Chairman and other Trustees where the strengths and other attributes of the person are explored and the role of the Dogs Home and that of a Trustee is explained. Those persons subsequently selected will be proposed and seconded and voted upon at a meeting of the Trustees. After appointment new Trustees will automatically retire at the next AGM and will seek reappointment for a three year term.

Induction and training of new Trustees
A new Trustee is issued with an information pack containing details on the role and responsibilities of a Trustee, the Memorandum and Articles of Association of the Charity, the last year's audited accounts and annual review, the current budget and various relevant policy documents. The Trustee will be expected to have a meeting with the Chief Executive to discuss the Home's procedures and present plans, and to visit the two sites and to be introduced to the manager and other staff. Resources are available for new Trustees to attend courses if it is considered beneficial.

Organisation
The Charity is organised by the Board of Trustees, Management Committee and sub-committees, who are responsible for the strategy, policies and financial plan adopted. The day to day running of the charity is controlled by the Chief Executive.

Risk review
The Trustees review major risks to which the charity is exposed and systems are established to mitigate those risks. External risks to funding are minimised by the Trustees' policy on reserves where reserves are maintained in order to produce a significant annual income. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures continue to be under review with the help of an external consultant to ensure that they still meet the needs of the charity.

The impact of COVID-19 has caused a financial and operational risk to the charity. Contingency plans were put in place and with the utilisation of the reserves policy this has ensured that the charity will continue to operate effectively and will enable it to deliver on its future development plans.

Arrangements for setting pay and remuneration of key management personnel
The Trustees consider the board of Trustees and the treasurer as comprising the key management personnel of the charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 14 and note 24 to the accounts.

The pay of the charity's treasurer is reviewed annually and normally increased in accordance with average earnings.

Statement of Trustees responsibilities
The Trustees (who are also the directors of The Birmingham Dogs Home for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:-

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The auditors, Haines Watts Birmingham LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of Trustees .....23 August 2022.....and signed on its behalf by:

J S Wheatley - Chairman

Opinion
We have audited the financial statements of The Birmingham Dogs Home (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including 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 parent charitable company's affairs as at 31 December 2021 and of its 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 group and parent 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 group's or parent 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Trustees Responsibilities, 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 groups 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.

Our 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 a Report of the Independent Auditors 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 the 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:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nichola Venables (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5 - 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

Date: 15 September 2022

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Financial Activities
For the year ended 31 December 2021

	Note	Unrestricted funds £	Restricted fund £	Total 2021 £	Total 2020 £
Income and endowments from					
Donations and legacies	2	1,279,856	50,000	1,329,856	1,088,946
Charitable activities					
Re-homing dogs	5	276,442	-	276,442	202,984
Other trading activities	3	227,568	-	227,568	87,691
Investment income	4	231,177	-	231,177	216,846
Other income	6	45,904	-	45,904	49,054
Total incoming resources		2,060,947	50,000	2,110,947	1,645,521
Expenditure on					
Raising funds	8	335,952	-	335,952	238,597
Charitable activities					
Re-homing dogs	9	2,283,328	50,000	2,333,328	2,426,707
Other expenditure		2,691	-	2,691	2,621
Total resources expended		2,621,971	50,000	2,671,971	2,667,925
Net (expenditure) before investment gains/(losses)		(561,024)	-	(561,024)	(1,022,404)
Net gains on investment		990,566	-	990,566	440,804
Net income/ (expenditure)		429,542	-	429,542	(581,600)
Transfers between funds		-	-	-	-
Net movement in funds		429,542	-	429,542	(581,600)
Funds brought forward at 1 January 2021		17,562,491	-	17,132,949	17,714,549
Funds carried forward at 31 December 2021		17,992,033	-	17,562,491	17,132,949

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 15 to 23 form part of these financial statements.

THE BIRMINGHAM DOGS HOME

Consolidated and Charity Statement of Financial Position
As at 31 December 2021

	Note	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Fixed Assets					
Tangible fixed assets	16	**6,771,067**	**6,771,067**	6,410,574	6,410,574
Investments at market value	17	**9,602,690**	**9,602,691**	8,643,558	8,643,559
		16,373,757	**16,373,758**	15,054,132	15,054,133
Current Assets					
Stock	18	**24,231**	**24,231**	25,515	25,515
Debtors	19	**575,397**	**576,482**	281,228	283,666
Cash at bank and in hand		**811,948**	**811,917**	1,933,331	1,933,311
		1,411,576	**1,412,630**	2,240,074	2,242,492
Creditors: Amounts falling due within one year	20	**(222,842)**	**(223,897)**	(161,257)	(157,169)
Total assets less total liabilities		**17,562,491**	**17,562,491**	17,132,949	17,139,456
Funds					
Unrestricted funds					
General fund	21	**3,276,438**	**3,276,438**	3,245,323	3,251,830
Designated funds	21	**14,286,053**	**14,286,053**	13,887,626	13,887,626
Restricted funds	21	**-**	**-**	-	-
		17,562,491	**17,562,491**	17,132,949	17,139,456

The charity has prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The surplus generated by the charity for the financial year was £423,035 (2020: £576,939 deficit)

Approved by the Board of Trustees on ..... 23 August 2022 ..... and signed on their behalf by

J S Wheatley
Chairman

Registered charity in England and Wales - 222436.
Company Registration Number - 00662947

The notes on pages 15 to 23 form part of these financial statements.

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities:	26	**(454,550)**	(617,439)
Net cash provided by (used in) operating activities		**(454,550)**	(617,439)
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(929,444)**	(134,789)
Purchase of fixed asset investments		**(863,634)**	(1,019,678)
Sale of fixed asset investments		**895,068**	1,046,423
Interest received		**231,177**	216,846
Net cash provided by (used in) investing activities		**(666,833)**	108,802
Change in cash and cash equivalents in the reporting period		**(1,121,383)**	(508,637)
Cash and cash equivalents at the beginning of the reporting period		**1,933,331**	2,441,968
Cash and cash equivalents at the end of the reporting period		**811,948**	1,933,331

The notes on pages 15 to 23 form part of these financial statements.

1 Accounting Policies

Basis of preparing the financial statements
The Birmingham Dogs Home Limited is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation
These accounts consolidate those of the Charity and its wholly owned trading subsidiary, Birmingham Dogs Home (Trading) Limited. These are adjusted, where appropriate, to conform to group accounting policies. Birmingham Dogs Home (Trading) Limited was incorporated on 21 November 2018 and commenced to trade on 1 October 2019. It's results are consolidated from the date it commenced to trade. Comparatives are presented on a group basis. A separate Statement of Financial Activities and Income an Expenditure Account for the charity have not been presented in accordance with the exemption afforded by section 408 of the Companies Act 2006. The charity surplus for 2021 was £416,352 (2020: £576,939). This is made up of Income of £2,008,551 (2020: £1,584,381), Expenditure of £2,669,284 (2020: £2,602,124) and net gains on investments of £990,566 (2020: £440,804).

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 company to continue as a going concern, including the impact of COVID-19 . The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

For legacies, receipt must be recognised when it is probable that it will be received. Receipt is normally probable when: there has been a grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.

The charity receives income from local authorities in relation to provision of stray dog services.

Income from trading activities includes income earned from fundraising events and trading activities such as dog boarding to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Other income relates to pet plan commission.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure
All expenditure is accounted for gross, on an accruals basis and is stated net of Valued Added Tax, where applicable.

Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

> Costs of raising funds
> Expenditure on charitable activities

Allocation and apportionment of costs
Resources expended are allocated to the particular activity where the cost relates directly to that activity.

1 **Accounting Policies (continued)**

VAT
VAT recoverable by the Charity is shown in debtors. The Birmingham Dogs Home Limited and Birmingham Dogs Home (Trading) Limited are part of a VAT group.

Fixed assets
Fixed assets are included at cost or valuation, items below £500 will be normally expensed through the statement of financial activities.

Depreciation
Depreciation is provided to write off the cost or valuation, less estimated residual values of all fixed assets except freehold land, over their expected useful lives. It is calculated at the following rates:

Buildings	-	5% of the cost per annum
Fixtures and fittings	-	10% of the cost per annum
Vehicles	-	25% of the cost per annum
Computer equipment	-	33.33% of the cost per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Stocks
Stocks are valued at the lower of cost or net realisable value. Unsold donated items are not included.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund Accounting
Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

Hire purchase and leasing commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the

Judgements made by the Trustees in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material misstatement in the next year, are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

The areas where these judgements and estimates have been made include the following for the group:

a) Depreciation and residual values
The Trustees have reviewed the asset lives and associated residual values of all tangible fixed asset classes, and have concluded that the asset lives and residual values are appropriate.

b) Accrued income
Accrued income includes legacy income amounts. In recognising accrued legacy income, the Trustees have considered the probability of receiving each legacy. Each legacy is assessed to determine an appropriate allowance which reflects the possibility of not subsequently receiving the full income amounts.

2 Donations and legacies

	Total 2021	Total 2020
	£	£
Donations	**399,808**	347,453
Legacies	**930,048**	741,493
	1,329,856	1,088,946

Included in donations above is £50,000 of restricted donations.

3 Other trading activities

	Total 2021	Total 2020
	£	£
Fundraising events	**123,498**	24,463
Shop income	**1,677**	2,088
Income of Trading subsidiary (see note 7)	**102,393**	61,140
	227,568	87,691

4 Investment income

	Total 2021	Total 2020
	£	£
Deposit account interest	**351**	4,421
Dividends and interest from listed investments	**230,826**	212,425
	231,177	216,846

5 Income from charitable activities

	Activity	Total 2021	Total 2020
		£	£
Income from general public	Re-homing dogs	**102,555**	115,874
Local authority contracts	Re-homing dogs	**72,319**	87,110
Government grants		**101,568**	-
		276,442	202,984

Included in the above is £50,000 of restricted income. All other funds are restricted.

6 Other income

	Total 2021	Total 2020
	£	£
Pet plan commission received	**43,012**	46,003
Miscellaneous income	**1,109**	711
Feed in tariff	**1,783**	2,340
	45,904	49,054

7 Trading company

The wholly owned trading subsidiary Birmingham Dogs Home (Trading) Limited is incorporated in the United Kingdom (company number 11689015) and pays profits, which are surplus to trading requirements, to the charity under a deed of covenant.

The summary financial performance of the subsidiary is:

	2021	2020
	£	£
Turnover	**102,393**	**61,140**
Cost of sales	**-**	**-**
Gross profit	**102,393**	**61,140**
Administrative expenses	**(89,203)**	**(65,801)**
Operating Profit/(losses)	**13,190**	**(4,661)**
Taxation	**-**	**-**
Retained profit/(losses)	**13,190**	**(4,661)**

8 Raising funds

	Total 2021	Total 2020
	£	£
Staff costs	**118,896**	102,394
Investment manager fees	**31,870**	28,903
Publicity	**64,068**	50,833
Show costs	**25,397**	19,014
Office expenses and administrative support	**60,601**	28,901
Vehicle costs	**4,699**	3,778
Depreciation	**4,997**	4,774
Veterinary costs	**25,424**	-
	335,952	238,597

9 Charitable activity costs

	Direct costs (see note 10)	Support costs (see note 11)	Totals
	£	£	£
Charitable activities	**2,314,959**	**18,369**	**2,333,328**

10 Direct costs of charitable activities

	Total 2021	Total 2020
	£	£
Staff costs	**1,161,206**	1,214,502
Sundries	**33,143**	39,749
Yard and veterinary expenses	**307,834**	329,868
Office expenses	**72,885**	63,037
Rates and insurance	**54,056**	53,883
Light, heat and water	**73,362**	74,253
Van costs	**10,283**	9,762
Repairs and renewals	**28,829**	34,354
Depreciation	**573,361**	576,184
	2,314,959	2,395,592

11 Support costs

	2021	2020
Governance costs	£	£
Auditors' remuneration	**10,792**	10,750
Auditors' remuneration for non audit work	**-**	6,533
Legal and professional fees	**5,302**	9,466
AGM, annual report and meeting costs	**2,275**	4,366
	18,369	31,115

12 Net income/(expenditure)

Net (expenditure)/ income is stated after charging/(crediting):

	2021	2020
	£	£
Fees payable to charity's auditors to the audit of the financial statements	**10,792**	10,750
Auditors' remuneration for non audit work	**2,500**	6,533
Depreciation - owned assets	**573,361**	576,184

13 Consolidated Statement of Financial Activities 2020

	Total funds 2020 £
Income and endowments from	
Donations and legacies	1,088,946
Charitable activities	
Re-homing dogs	202,984
Other trading activities	87,691
Investment income	216,846
Other income	49,054
Total incoming resources	1,645,521
Expenditure on	
Raising funds	238,597
Charitable activities	
Re-homing dogs	2,426,707
Other expenditure	2,621
Total resources expended	2,667,925
Net income/(expenditure) before investment gains/(losses)	(1,022,404)
Net gains/ (losses) on investment	440,804
Net income/(expenditure)	(581,600)
Transfers between funds	-
Net movement in funds	(581,600)
Funds brought forward at 1 January 2020	17,714,549
Funds carried forward at 31 December 2020	17,132,949

14 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor the year ended 31 December 2020.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

15 Staff costs

	2021 £	2020 £
Wages and salaries	**1,153,151**	1,167,911
Social security costs	**66,170**	79,429
Other pension costs	**60,781**	69,556
	1,280,102	1,316,896

The average monthly number of employees during the year was as follows:

	2021 £	2020 £
Direct charitable expenditure	**50**	50
Fundraising and publicity	**3**	3
Management and administration of charity	**3**	3
	56	56

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2021 £	2020 £
£90,000 - £100,000	1	1

The total amount of employee benefits received by key management personnel is £135,024 (2020: £157,869). The key management personnel of the Charity comprise, the trustees, the Chief Executive Officer and the Treasurer.

16 Tangible fixed assets

Group

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Total £
Cost				
As at 1 January 2021	9,385,907	1,438,767	79,156	10,903,830
Additions	832,319	97,125	-	929,444
As at 31 December 2021	10,218,226	1,535,892	79,156	11,833,274
Depreciation				
As at 1 January 2021	3,598,281	815,819	79,156	4,493,256
Charge for the period	433,892	135,059	-	568,951
As at 31 December 2021	4,032,173	950,878	79,156	5,062,207
Net book value				
As at 31 December 2021	6,186,053	585,014	-	6,771,067
As at 31 December 2020	5,787,626	622,948	-	6,410,574

Charity

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Total £
Cost				
As at 1 January 2021	9,385,907	1,438,767	79,156	10,903,830
Additions	832,319	97,125	-	929,444
As at 31 December 2021	10,218,226	1,535,892	79,156	11,833,274
Depreciation	-	-	-	-
As at 1 January 2021	3,598,281	815,819	79,156	4,493,256
Charge for the period	433,892	135,059	-	568,951
As at 31 December 2021	4,032,173	950,878	79,156	5,062,207
Net book value	-	-	-	-
As at 31 December 2021	6,186,053	585,014	-	6,771,067
As at 31 December 2020	5,787,626	622,948	-	6,410,574

The net book value as at 31 December 2021 represents fixed assets used for direct charitable purposes .

Freehold property includes £375,257 for the costs of land, which is not depreciated.

Freehold property also includes £nil of assets under construction, which are not depreciated until bought into use.

17 Fixed asset investments

Group

	Listed shares £	Totals £
Market value at 1 January	8,643,558	8,643,558
Additions at cost	863,634	863,634
Disposals at opening book value	(895,068)	(895,068)
Realised gains/ (losses)	41,537	41,537
Net unrealised investment gains	949,029	949,029
	9,602,690	9,602,690

The market value of investments as at 31 December 2021 can be analysed as:	2021 £	2020 £
Investment assets in the UK	7,043,671	3,630,973
Investment assets outside the UK	2,559,019	5,012,585
	9,602,690	8,643,558

17 Fixed asset investments - continued

	2021	2020
The market value of investments is made up of:	£	£
Listed investments	**9,577,272**	8,618,140
Cash	**25,418**	25,418
	9,602,690	8,643,558

Charity

In addition to the above managed investments, the Charity holds the following investments in subsidiary undertakings:

	2021	2020
	£	£
Birmingham Dogs Home (Trading) Limited	1	1

The above investment represents a 100% holding of the issued share capital of Birmingham Dogs Home Trading Limited, a subsidiary undertaking which was incorporated on 21 November 2018 and commenced to trade on 1 October 2019.

18 Stocks

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Goods for resale	**24,231**	**24,231**	25,515	25,515
	24,231	**24,231**	25,515	25,515

19 Debtors

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Trade debtors	**7,609**	**8,694**	19,044	19,044
Prepayments and accrued income	**464,629**	**464,629**	240,184	240,184
Other debtors	**250**	**250**	250	250
Amounts owed to group undertakings	**-**	**-**	-	2,438
VAT recoverable	**102,909**	**102,909**	21,750	21,750
	575,397	**576,482**	281,228	283,666

20 Creditors: amounts falling due within one year

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Trade creditors	**135,528**	**135,513**	89,656	89,648
Social security and other taxes	**31,381**	**31,381**	32,033	32,033
Other creditors	**24,697**	**24,697**	6,544	6,544
Amounts owed by group undertakings	**-**	**3,571**	-	-
Accruals and deferred income	**31,236**	**28,735**	33,024	28,944
	222,842	**223,897**	161,257	157,169

21 Movement in funds

Group

	Opening balance	Incoming resources	Outgoing resources	Investment gains	Transfers	Closing balance
	£	£	£	£	£	£
General fund	**3,245,323**	**2,060,947**	**(2,188,079)**	**990,566**	**(832,319)**	**3,276,438**
Designated funds:						
Freehold property	**5,787,626**	**-**	**(433,892)**	**-**	**832,319**	**6,186,053**
Capital development	**3,500,000**	**-**	**-**	**-**	**-**	**3,500,000**
Investment and reserve	**4,600,000**	**-**	**-**	**-**	**-**	**4,600,000**
	13,887,626	**-**	**(433,892)**	**-**	**832,319**	**14,286,053**
Restricted funds						
Animal friends Insurance	**-**	**50,000**	**(50,000)**	**-**	**-**	**-**
Total Restricted funds	**-**	**50,000**	**(50,000)**	**-**	**-**	**-**
Total Funds	**17,132,949**	**2,110,947**	**(2,671,971)**	**990,566**	**-**	**17,562,491**

21 Movement in funds - continued

Charity

	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
General fund	**3,251,830**	**2,051,749**	**(2,185,388)**	**990,566**	**(832,319)**	**3,276,438**
Designated funds:						
Freehold property	**5,787,626**	**-**	**(433,892)**	**-**	**832,319**	**6,186,053**
Capital development	**3,500,000**	**-**	**-**	**-**	**-**	**3,500,000**
Investment and reserve fund	**4,600,000**	**-**	**-**	**-**	**-**	**4,600,000**
	13,887,626	**-**	**(433,892)**	**-**	**832,319**	**14,286,053**
Restricted funds						
Animal friends Insurance	**-**	**50,000**	**(50,000)**	**-**	**-**	**-**
Total Restricted funds	**-**	**50,000**	**(50,000)**	**-**	**-**	**-**
Total Funds	**17,139,456**	**2,101,749**	**(2,669,280)**	**990,566**	**-**	**17,562,491**

The freehold property fund is set aside to cover the cost of freehold property used for charitable purposes. It is represented by the net book value of freehold property already owned.

The Capital development fund has been set aside to cover the cost of the future development plans.

The investment and reserve fund is maintained at approximately five times the difference between income and expenditure, before legacy and investment income, to guard against the uncertain nature of legacy income.

22 Analysis of net assets between funds

	General £	Designated £	Total £
Tangible fixed assets	**585,014**	**6,186,053**	**6,771,067**
Fixed asset investments	**5,002,690**	**4,600,000**	**9,602,690**
Net current (liabilities)/ assets	**(2,311,266)**	**3,500,000**	**1,188,734**
Balance as at 31 December 2021	**3,276,438**	**14,286,053**	**17,562,491**

23 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows;

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Within one year	**2,016**	**2,016**	-	-
Between one and five years	**6,048**	**6,048**	-	-
Greater than five years	**2,520**	**2,520**	-	-
	10,584	**10,584**	-	-

23 Pension costs

The company operates a defined contribution pension scheme for its employees. The charge to the general fund for the period was £60,781 (2020: £69,557).

24 Related party disclosures

There were no related party transactions during the current and previous period other than those disclosed in note 14.

Advantage has been taken of the FRS102 exemption for the disclosure of transactions with wholly owned subsidiaries.

25 Ultimate controlling party

The company is under the control of its trustees.

26 Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities):	**429,542**	(581,600)
Adjustments for:		
Depreciation charges	**568,951**	580,958
Realised gains/ (losses) on investments	**(41,537)**	100,928
Interest received	**(231,177)**	(216,846)
Unrealised (gain)/loss on investments	**(949,029)**	(541,732)
Increase in stocks	**1,284**	-
(Increase)/ decrease in debtors	**(294,169)**	2,438
Increase in creditors	**61,585**	4,088
Net cash provided by (used in) operating activities	**(454,550)**	(651,766)

27 Analysis of changes in net funds

	At 1/1/2021	Cash flow	At 31/12/2021
Net cash	£	£	£
Cash at bank	**1,933,331**	**1,121,383**	**811,948**
Total	**1,933,331**	**1,121,383**	**811,948**

THE BIRMINGHAM DOGS HOME

England & Wales - Charity number 222436

Accounts

REGISTERED COMPANY NUMBER: 00662947
REGISTERED CHARITY NUMBER: 222436

Report of the Trustees and Consolidated Financial Statements for the Year Ended 31 December 2020 for THE BIRMINGHAM DOGS HOME

Haines Watts Birmingham LLP
5 – 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

THE BIRMINGHAM DOGS HOME

Contents of the Financial Statements
for the year ended 31 December 2020

	Page
Reference and Administrative Details	1 to 2
Chairman's Statement	3
Report of the Trustees	4 to 8
Report of the Independent Auditors	9 to 10
Consolidated Statement of Financial Activities	12
Consolidated and Charity Statement of Financial Position	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 to 22

THE BIRMINGHAM DOGS HOME

Reference and Administrative Details
for the Year Ended 31 December 2020

Trustees	J S Wheatley (Chairman) D Johnson (resigned 19th August 2020) Mrs C H Taylor P D Barnett Mrs G Wilyman R J Venner Ms C Powell Ms J P Laraway Mrs S Butler Mr A Whelan (appointed 19th August 2020) Ms L Millard (appointed 19th August 20200 Mrs C Mawston (appointed 19th August 2020)
Patrons	Lord Mayor of Birmingham Chief Constable of West Midlands Police Earl of Aylesford Mayor of Solihull
Officers	S Wynde (Treasurer) G Webber (Chief Executive)
Registered office	Catherine-de-Barnes Lane Catherine-de-Barnes Solihull B92 0DJ
Registered company number	00662947
Registered charity number	222436
Auditors	Haines Watts Birmingham LLP 5 - 6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers	Lloyds Bank PLC 9-11 Poplar Road Solihull B91 3AN
Solicitors	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX

Investment managers	Investec 30 Gresham Street London EC2V 7QP CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET

THE BIRMINGHAM DOGS HOME

Chairman's Statement
for the year ended 31 December 2020

The year just ended has been dominated by the Covid pandemic which has given rise to many challenges for the teams at Catherine de Barnes and our other home at Coven near Wolverhampton.

My last report stated that we had deferred the second major phase of development work at Catherine de Barnes due to the decline in investment markets. I am pleased to say that we are now underway with the building of a veterinary centre to enable us to give even better care to the dogs that come into our care. Our contractors have assured us that the new building will be ready for us by the autumn of this year, this will enable us to reduce our expenditure on veterinary services as we develop our own practice.

Our staff under the leadership of Giles Webber responded magnificently to the challenges of lockdown and continued to care for and rehome dogs under our control.

David Johnson retired from the Board in August; he was chairman of our risk committee and he has done a great amount of work in developing our risk register. Sharon Butler has now taken over the leadership of the risk committee and is ensuring that issues of risk are fully embedded in all committees' terms of reference.

I am pleased to welcome Andy Whelan, Catherine Mawston and Lisa Millard to the Board; I am sure they will be a positive influence going forward.

The development committee has worked very hard to develop the final plans for the veterinary centre and to carry out a cost appraisal so that we can have a suitable facility at an affordable cost.

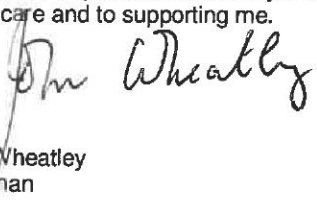
Under the guidance of Fi Harrison, our new head of marketing, the team are looking at a variety of ways to generate sustainable income so that we can reduce our dependence on investment income which is not expected to achieve its pre Covid levels for some time.

We are expecting an influx of dogs once people start to return to work and the novelty of dog ownership wears off. I am pleased to report that we do have sufficient facilities to cope with any increased demand.

We will continue to develop services such as dog grooming, boarding and training to maximise the potential of our facilities at both sites.

The other project which is nearing completion is the "Long Walk" situated on the Catherine de Barnes site; this will give a significant enhancement to facilities there and will be enjoyed by visitors for many years.

I would like to place on record my thanks to all our staff and to my fellow Trustees for their unflagging devotion the dogs in our care and to supporting me.



John Wheatley
Chairman

Report of the Trustees
for the year ended 31 December 2020

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and the financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and 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).

Objectives, activities and aims
The primary objective of the charity is to take in and care for stray and abandoned dogs from the West Midlands area, reuniting lost pets with their owners and rehoming abandoned dogs to new loving homes.

In 2020 the charity cared for 1,563 dogs between our two rehoming centres. Of these, 902 were strays brought to us by local authorities, 119 re-homed dogs were brought back to us under our re-home policy and 392 were owned pets needing a new home. Our rehoming staff found 901 new homes for dogs in our care and also managed to re-unite 471 lost pets with their original owners. The overall reduction in dog numbers compared with previous years was primarily due to enforced restrictions arising from the pandemic.

The Fundraising department has continued to be very proactive with various new fundraising initiatives and outreach programmes which utilise the improved facilities now available.

Public benefit
The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning future activities. We believe our work benefits the public in a variety of ways:-

- Providing assistance to local authorities and the general public by taking in and rehoming stray and abandoned dogs.
- Rehoming dogs safely to those who want and are able to provide a good home, providing companionship to individuals and families.
- Reuniting lost and stray dogs with their owners.
- Reducing the number of stray dogs on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- Providing information and advice to owners on the care of dogs and the need for vaccinations and neutering.
- Educating young people in schools and youth groups about the welfare and respect of dogs.

Financial review

The Financial Statements for the year show net deficit of £581,600 (2019: income £1,232,144). This was after taking into account net gains on investments of £440,804 (2019 gains of: £1,039,903).

Expenditure for the year increased to £2,667,925 (2019: £2,643,269). Employment costs increased due to the additional staff required for seven day opening. This was offset by reductions in veterinary and kennel costs arising from the reduction in dog numbers.

The investment market sustained losses in the first quarter of the year but recovered strongly in the second half of the year resulting in net gains of £440,804 (2019: gain £1,039,903).

Capital expenditure for the year totalled £134,789. The main items were professional fees for the design of the new development.

Overall, the total funds of the Charity have decreased by £581,600 during the year to £17,132,949 which remains a satisfactory position for the Dogs Home.

The cash flow statement (page 13) is included to comply with the SORP requirements.

Plans for future periods
The development plans summarised in last year's report were progressed and planning consent was obtained for phase 1 of the redevelopment. The construction work for the Veterinary Surgery and associated infrastructure commenced in April 2021.

Investment policy
The investment objectives are:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption.
- The maintenance and, if possible, enhancement of the investment funds whilst they are invested.
- To obtain a reasonable balance between capital growth and income, so that the Charity can meet future as well as current needs.

The Trustees have agreed on a 'medium' risk profile by investing in a mix of equities, fixed interest and monetary assets.

The Trustees have delegated their investment powers over a proportion of the assets to Investec Wealth & Investment Ltd. The investment manager is responsible for carrying out day to day investment decisions including the acquisition and realisation of investments on behalf of the Trustees.

A further proportion of the Charity's assets are invested with a specialised investment fund, designed for the Charity Sector, managed by CCLA Investment Management Ltd.

Both managers report on the performance of the investments on a regular basis.

Where funds are set aside for future capital expenditure, the policy is normally to invest in fixed term bank deposits.

The market value of investments held at 31 December 2020 amounted to £8,643,558 (2019: £8,231,385) and the income received during 2020 as a result of these investments totalled £216,846. Realised losses on these investments during the year totalled £100,928 and unrealised gains at 31 December 2020 totalled £ 541,757.

The Trustees consider that the performance of the investments against objectives for the year has been satisfactory.

Fundraising activity
The charity uses internal appointees to undertake its fundraising activities. It has registered voluntarily with the Fundraising Regulator and monitors all fundraising undertaken on its behalf. It has received no complaints on fundraising activity and does not undertake fundraising in a way that might intrude on any person's privacy or take advantage of vulnerable people.

Reserves policy
The aim of Birmingham Dogs Home's Reserves Policy is to ensure that the Charity's ongoing activities are safeguarded from unexpected fluctuations in its income and expenditure.

In setting the Reserves Policy, the Trustees are influenced by strategic risks facing the charity. The risks are kept under regular review. One of the main ones is that the majority of the Charity's income comes from legacies and fundraising, which are uncertain sources of revenue, subject to large yearly fluctuations and may not always provide the necessary funds to cover essential costs.

However, there will always be animals in need of our rehoming services and people who need our advice and education services. As a Charity we are committed to a comprehensive ongoing service offering. To do this, we need to maintain a level of reserves should there be a short-term fall in come or an exceptional rise in costs.

Trustees balance the need to safeguard the Charity's future operations to maintain an appropriate level of free reserves with investing in the future by reserving funds for key strategic initiatives such as investment in the Charity's infrastructure and facilities.

At 31st December 2020 the Charity's consolidated total funds stood at £17,132,949.

The Charity maintains the following funds:-

General fund
The Charity's reserves policy is to maintain funds ("the free reserve") to cover up to a maximum of the next two year's planned Rehoming Centre running costs. This level of reserves would allow for a sufficient period of time to wind up the business of the charity should closure be necessary, in particular the length of time that will be necessary to make arrangements to rehome the dogs in our care, some of which can stay with us up to 18 months at the charity's cost.

As at 31st December 2020 the Charity had free reserves of £2,628,948 (2019: £2,982,725) representing 16 months planned running costs of the Charity's two rehoming centres. This amount is within the permitted range of the reserves policy.

Rehoming capital development fund
The Charity's reserves policy is to set aside funds for future development of existing facilities at both of its centres. To achieve this vision, the Rehoming Centre Development Fund represents the Trustee's commitment to providing the highest standard of animal welfare for the dogs in our care, namely through the building of a veterinary centre, behavioural and training unit at the Birmingham centre and a programme of essential refurbishment of outdated facilities at our Wolverhampton centre.

To achieve this, in 2018 Trustees authorised £3.5M to spend on developing both centres. As at 31 December 2020 the fund stands at £3.5m.

Investment & Reserve fund
The Trustees recognize that the Charity is heavily dependent on voluntary income that is legacies and donations to match the difference between resources expended and incoming resources from charitable activities. Legacy income can vary considerably from year to year, as has been seen in recent years. It is not practical to reduce expenditure levels to compensate for temporary falls in income, and the Trustees consider that this fund of £4,600,000 is justifiable to provide a buffer in order that activities can continue as normal in hard times.

This threshold has been set by the Trustees following an assessment of the following factors:

- The need to provide long-term strategic financial support to both centres including for regular and emergency maintenance work
- The need to finance planned and unplanned projects where the need arises such as repairs and renewals of essential equipment, vehicles and operational infrastructure of buildings
- The need to provide a financial cushion in the event of extreme circumstances affecting the Charity's ability to operate
- The need to protect the Charity from investment market fluctuations and pensions risk
- The ability to respond to opportunities and needs from strategic investments.

The impact of the 2020 coronavirus pandemic has demonstrated how vital the financial cushion of reserve funds is for a charity like ours in order that we can continue operating under extreme circumstances.

Normal rehoming income and fundraising income has been curtailed for several months, whereas operational costs have continued, in some cases increased as we have seen more dogs coming into our care and the cost of keeping them for longer has increased.

The Charity's reserves have allowed us to continue to operate without this having a detrimental effect on the level of care we can provide and has meant that we can continue to provide our vital services to local authorities and general public across the region.

Going forward, both centre operations and the public's response to fundraising is moving into challenging unchartered territory reflecting the changed external landscape of 2020 and beyond.

Planning and strategy are still the fundamental building blocks for the Charity and the reserves thresholds will be re-assessed regularly as part of the Charity's strategic planning process and in the light of the "new normal" for the animal welfare and charity sector as a whole. The need to strengthen and maintain reserves will be considered in the annual planning and budgeting process.

Freehold Property Fund
This is the written down value of the land and buildings used by Birmingham Dogs Home. At 31 December 2020 this was £5,787,626.

Assessing the impact of COVID-19
The Trustees continually monitor the impact of Covid 19 upon the operations and finances of the charity. The welfare operations have continued despite it being necessary to place staff on flexible furlough in February 2021. Rehoming, trading income and fundraising activities have been severely affected and this will continue until restrictions are eased during the middle of 2021. The Trustees have concluded that the Charity's liquid funds are sufficient to maintain its operations for the likely duration of the crisis.

Structure, governance and management

Group Structure
Members of the charitable group are The Birmingham Dogs Home Limited (a company limited by guarantee, registered in England and Wales and a registered charity) and its wholly owned subsidiary Birmingham Dogs Home (Trading) Limited which commenced trading on 1st October 2019. Since that date the trading activities of the Group have been carried out by Birmingham Dogs Home (Trading) Limited.

Governing document
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charitable objects and constitution
The Birmingham Dogs Home is a registered charity and is a company limited by guarantee with no share capital. It is governed by its memorandum and articles of association. These state the objects of the charity as being:-

- to provide and maintain a Home for the rescue of lost, unwanted, suffering and ownerless dogs and cats;
- to reunite lost animals with their owners; and
- to find permanent homes for unclaimed animals.

Trustees
The Trustees who served throughout the year and up to the date of this report are named on page 1 of this report.

Recruitment and appointment of new Trustees
The Board of Trustees aims to achieve a balance of skill mix within its numbers representing experience in commerce, business, and the professions, together with a diversity of backgrounds taking full account of gender and a love for the well-being of animals.

As to new Trustees, persons would be sought who help maintain the range and balance of skills as well as being able to contribute towards the effective governance of the Charity. Suitable interested persons, who are required to be members of the Charity, will initially go through a formal interview process with the Chairman and other Trustees where the strengths and other attributes of the person are explored and the role of the Dogs Home and that of a Trustee is explained. Those persons subsequently selected will be proposed and seconded and voted upon at a meeting of the Trustees. After appointment new Trustees will automatically retire at the next AGM and will seek reappointment for a three year term.

Induction and training of new Trustees
A new Trustee is issued with an information pack containing details on the role and responsibilities of a Trustee, the Memorandum and Articles of Association of the Charity, the last year's audited accounts and annual review, the current budget and various relevant policy documents. The Trustee will be expected to have a meeting with the Chief Executive to discuss the Home's procedures and present plans, and to visit the two sites and to be introduced to the manager and other staff. Resources are available for new Trustees to attend courses if it is considered beneficial.

Organisation
The Charity is organised by the Board of Trustees, Management Committee and sub-committees, who are responsible for the strategy, policies and financial plan adopted. The day to day running of the charity is controlled by the Chief Executive.

Risk review
The Trustees review major risks to which the charity is exposed and systems are established to mitigate those risks. External risks to funding are minimised by the Trustees' policy on reserves where reserves are maintained in order to produce a significant annual income. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures continue to be under review with the help of an external consultant to ensure that they still meet the needs of the charity.

The impact of COVID-19 has caused a financial and operational risk to the charity. Contingency plans were put in place and with the utilisation of the reserves policy this has ensured the charity will continue to operate effectively and will enable it to deliver on its future development plans.

Arrangements for setting pay and remuneration of key management personnel
The Trustees consider the board of Trustees and the treasurer as comprising the key management personnel of the charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 14 and note 25 to the accounts.

The pay of the charity's treasurer is reviewed annually and normally increased in accordance with average earnings.

Statement of Trustees responsibilities
The Trustees (who are also the directors of The Birmingham Dogs Home for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:-

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors
The auditors, Haines Watts Birmingham LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of Trustees .....17.05.21.....and signed on its behalf by:

J S Wheatley - Chairman

Opinion
We have audited the financial statements of The Birmingham Dogs Home (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including 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 parent charitable company's affairs as at 31 December 2020 and of its 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 group and parent 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 group's or parent 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the entity's activities, funders, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Report of the Trustees and in the Accounting Policies Note.

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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

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.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, 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 groups 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.

Our 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 a Report of the Independent Auditors 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 the 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:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nichola Venables (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5 - 6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

13 September 2021

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Financial Activities
For the Year ended 31 December 2020

	Note	Total 2020 £	Total 2019 £
Income and endowments from			
Donations and legacies	2	**1,088,946**	1,572,613
Charitable activities			
Re-homing dogs	5	**202,984**	330,531
Other trading activities	3	**87,691**	225,993
Investment income	4	**216,846**	258,268
Other income	6	**49,054**	448,105
Total incoming resources		**1,645,521**	2,835,510
Expenditure on			
Raising funds	8	**238,597**	238,143
Charitable activities			
Re-homing dogs	9	**2,426,707**	2,404,059
Other expenditure		**2,621**	1,067
Total resources expended		**2,667,925**	2,643,269
Net (expenditure)/ income before investment gains/(losses)		**(1,022,404)**	192,241
Net gains/ (losses) on investment		**440,804**	1,039,903
Net (expenditure)/ income		**(581,600)**	1,232,144
Transfers between funds		-	-
Net movement in funds		**(581,600)**	1,232,144
Funds brought forward at 1 January 2020		**17,714,549**	16,482,405
Funds carried forward at 31 December 2020		**17,132,949**	17,714,549

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 15 to 22 form part of these financial statements.

THE BIRMINGHAM DOGS HOME

Consolidated and Charity Statement of Financial Position
As at 31 December 2020

	Note	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Fixed Assets					
Tangible fixed assets	16	**6,410,574**	**6,410,574**	6,856,743	6,856,743
Investments at market value	17	**8,643,558**	**8,643,559**	8,231,385	8,231,386
		15,054,132	**15,054,133**	15,088,128	15,088,129
Current Assets					
Stock	18	**25,515**	**25,515**	23,543	23,543
Debtors	19	**281,228**	**283,666**	380,294	381,172
Cash at bank and in hand		**1,933,331**	**1,933,311**	2,441,968	2,441,927
		2,240,074	**2,242,492**	2,845,805	2,846,642
Creditors: Amounts falling due within one year	20	**(161,257)**	**(157,169)**	(219,384)	(218,376)
Total assets less total liabilities		**17,132,949**	**17,139,456**	17,714,549	17,716,395
Funds					
Unrestricted funds					
General fund	21	**3,245,323**	**3,251,830**	3,746,963	3,748,809
Designated funds	21	**13,887,626**	**13,887,626**	13,967,586	13,967,586
		17,132,949	**17,139,456**	17,714,549	17,716,395

The charity has prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The deficit generated by the charity for the financial year was £576,939 (2019: £1,233,990 surplus)

Approved by the Board of Trustees on 17.05.21 and signed on their behalf by

J S Wheatley
Chairman

Registered charity in England and Wales - 222436.
Company Registration Number - 00662947

The notes on pages 15 to 22 form part of these financial statements.

THE BIRMINGHAM DOGS HOME

Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities:	26	**(617,439)**	517,241
Net cash provided by (used in) operating activities		**(617,439)**	517,241
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(134,789)**	(98,310)
Purchase of fixed asset investments		**(1,019,678)**	(318,428)
Sale of fixed asset investments		**1,046,423**	347,511
Sale of investment property		-	(660)
Interest received		**216,846**	258,268
Net cash provided by (used in) investing activities		**108,802**	188,381
Change in cash and cash equivalents in the reporting period		**(508,637)**	705,622
Cash and cash equivalents at the beginning of the reporting period		**2,441,968**	1,736,346
Cash and cash equivalents at the end of the reporting period		**1,933,331**	2,441,968

The notes on pages 15 to 22 form part of these financial statements.

1 Accounting Policies

Basis of preparing the financial statements
The Birmingham Dogs Home Limited is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation
These accounts consolidate those of the Charity and its wholly owned trading subsidiary, Birmingham Dogs Home (Trading) Limited. These are adjusted, where appropriate, to conform to group accounting policies. Birmingham Dogs Home (Trading) Limited was incorporated on 21 November 2018 and commenced to trade on 1 October 2019. It's results are consolidated from the date it commenced to trade. Comparatives are presented on a group basis. A separate Statement of Financial Activities and Income an Expenditure Account for the charity have not been presented in accordance with the exemption afforded by section 408 of the Companies Act 2006. The charity surplus for 2020 was £576,939 (2019: £1,233,990). This is made up of Income of £1,584,381 (2019: £2,836,287), Expenditure of £2,602,124 (2019: £2,642,199) and net gains on investments of £440,804 (2019: £1,039,903).

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 company to continue as a going concern, including the impact of COVID-19 . The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income
All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

For legacies, receipt must be recognised when it is probable that it will be received. Receipt is normally probable when: there has been a grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.

The charity receives income from local authorities in relation to provision of stray dog services.

Income from trading activities includes income earned from fundraising events and trading activities such as dog boarding to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Other income relates to pet plan commission.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Expenditure
All expenditure is accounted for gross, on an accruals basis and is stated net of Valued Added Tax, where applicable.

Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

> Costs of raising funds
> Expenditure on charitable activities

Allocation and apportionment of costs
Resources expended are allocated to the particular activity where the cost relates directly to that activity.

1 **Accounting Policies (continued)**

VAT
VAT recoverable by the Charity is shown in debtors. The Birmingham Dogs Home Limited and Birmingham Dogs Home (Trading) Limited are part of a VAT group.

Fixed assets
Fixed assets are included at cost or valuation, items below £500 will be normally expensed through the statement of financial activities.

Depreciation
Depreciation is provided to write off the cost or valuation, less estimated residual values of all fixed assets except freehold land, over their expected useful lives. It is calculated at the following rates:

Buildings	- 5% of the cost per annum
Fixtures and fittings	- 10% of the cost per annum
Vehicles	- 25% of the cost per annum
Computer equipment	- 33.33% of the cost per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Stocks
Stocks are valued at the lower of cost or net realisable value. Unsold donated items are not included.

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund Accounting
Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension costs and other post-retirement benefits
The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

Hire purchase and leasing commitments
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Debtors and creditors receivable/payable within one year
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the accounting policies, trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the

Judgements made by the Trustees in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material misstatement in the next year, are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

The areas where these judgements and estimates have been made include the following for the group:

a) Depreciation and residual values
The Trustees have reviewed the asset lives and associated residual values of all tangible fixed asset classes, and have concluded that the asset lives and residual values are appropriate.

b) Accrued income
Accrued income includes legacy income amounts. In recognising accrued legacy income, the Trustees have considered the probability of receiving each legacy. Each legacy is assessed to determine an appropriate allowance which reflects the possibility of not subsequently receiving the full income amounts.

2 Donations and legacies

	Total 2020 £	Total 2019 £
Donations	**347,453**	268,540
Legacies	**741,493**	1,304,073
	1,088,946	1,572,613

3 Other trading activities

	Total 2020 £	Total 2019 £
Fundraising events	**24,463**	81,123
Dog boarding	**-**	105,863
Shop income	**2,088**	3,268
Income of Trading subsidiary (see note 7)	**61,140**	35,739
	87,691	225,993

4 Investment income

	Total 2020 £	Total 2019 £
Deposit account interest	**4,421**	11,890
Dividends and interest from listed investments	**212,425**	246,378
	216,846	258,268

5 Income from charitable activities

	Activity	Total 2020 £	Total 2019 £
Income from general public	Re-homing dogs	**115,874**	220,281
Local authority contracts	Re-homing dogs	**87,110**	110,250
		202,984	330,531

6 Other income

	Total 2020 £	Total 2019 £
Pet plan commission received	**46,003**	42,197
Miscellaneous income	**711**	7,839
Feed in tariff	**2,340**	2,181
Recovery of losses	**-**	328,888
VAT recovered	**-**	67,000
	49,054	448,105

In the year £nil (2019: £328,888) was recovered in relation to fraudulent losses previously suffered.

7 Trading company

The wholly owned trading subsidiary Birmingham Dogs Home (Trading) Limited is incorporated in the United Kingdom (company number 11689015) and pays profits, which are surplus to trading requirements, to the charity under a deed of covenant. Trading commenced on 1 October 2019 so only 3 months of activity are consolidated in the comparative.

The summary financial performance of the subsidiary is:

	2020 £	2019 £
Turnover	**61,140**	**35,739**
Cost of sales	**-**	**-**
Gross profit	**61,140**	**35,739**
Administrative expenses	**(65,801)**	**(37,585)**
Operating losses	**(4,661)**	**(1,846)**
Taxation	**-**	**-**
Retained losses	**(4,661)**	**(1,846)**

8 Raising funds

	Total 2020	Total 2019
	£	£
Staff costs	102,394	85,005
Investment manager fees	28,903	27,036
Publicity	50,833	43,942
Show costs	19,014	37,156
Office expenses and administrative support	28,901	34,506
Vehicle costs	3,778	5,088
Depreciation	4,774	5,410
	238,597	238,143

9 Charitable activity costs

	Direct costs (see note 10)	Support costs (see note 11)	Totals
	£	£	£
Charitable activities	2,395,592	31,115	2,426,707

10 Direct costs of charitable activities

	Total 2020	Total 2019
	£	£
Staff costs	1,214,502	1,058,334
Sundries	39,749	55,522
Food	-	485
Yard and veterinary expenses	329,868	433,876
Office expenses	63,037	59,243
Rates and insurance	53,883	46,217
Light, heat and water	74,253	81,507
Van costs	9,762	9,994
Repairs and renewals	34,354	35,732
Depreciation	576,184	579,389
	2,395,592	2,360,299

11 Support costs

	2020	2019
Governance costs	£	£
Auditors' remuneration	10,750	9,800
Auditors' remuneration for non audit work	6,533	4,121
Legal and professional fees	9,466	23,908
AGM, annual report and meeting costs	4,366	5,931
	31,115	43,760

12 Net income/(expenditure)

Net (expenditure)/ income is stated after charging/(crediting):

	2020	2019
	£	£
Fees payable to charity's auditors to the audit of the financial statements	10,750	9,800
Auditors' remuneration for non audit work	6,533	4,121
Taxation advisory services	-	1,071
Depreciation - owned assets	576,184	579,389

13 Consolidated Statement of Financial Activities 2019

	Total funds 2019 £
Income and endowments from	
Donations and legacies	1,572,613
Charitable activities	
Re-homing dogs	330,531
Other trading activities	225,993
Investment income	258,268
Other income	448,105
Total incoming resources	2,835,510
Expenditure on	
Raising funds	238,143
Charitable activities	
Re-homing dogs	2,404,059
Other expenditure	1,067
Total resources expended	2,643,269
Net income/(expenditure) before investment gains/(losses)	192,241
Net gains/ (losses) on investment	1,039,903
Net income/(expenditure)	1,232,144
Transfers between funds	-
Net movement in funds	1,232,144
Funds brought forward at 1 January 2019	16,482,405
Funds carried forward at 31 December 2019	17,714,549

14 Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor the year ended 31 December 2019.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

15 Staff costs

	2020 £	2019 £
Wages and salaries	**1,167,911**	1,002,990
Social security costs	**79,429**	73,119
Other pension costs	**69,556**	67,230
	1,316,896	1,143,339

The average monthly number of employees during the year was as follows:

	2020 £	2019 £
Direct charitable expenditure	**50**	42
Fundraising and publicity	**3**	3
Management and administration of charity	**3**	3
	56	48

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	2020 £	2019 £
£90,000 - £100,000	1	1

The total amount of employee benefits received by key management personnel is £157,869 (2019: £136,239). The key management personnel of the Charity comprise, the trustees, the Chief Executive Officer and the Treasurer.

16 Tangible fixed assets

Group

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Total £
Cost				
As at 1 January 2020	9,256,894	1,432,991	79,156	10,769,041
Additions	129,013	5,776	-	134,789
As at 31 December 2020	9,385,907	1,438,767	79,156	10,903,830
Depreciation				
As at 1 January 2020	3,164,389	668,753	79,156	3,912,298
Charge for the period	433,892	147,066	-	580,958
As at 31 December 2020	3,598,281	815,819	79,156	4,493,256
Net book value				
As at 31 December 2020	5,787,626	622,948	-	6,410,574
As at 31 December 2019	6,092,505	764,238	-	6,856,743

Charity

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Total £
Cost				
As at 1 January 2020	9,256,894	1,432,991	79,156	10,769,041
Additions	129,013	5,776	-	134,789
As at 31 December 2020	9,385,907	1,438,767	79,156	10,903,830
Depreciation	-	-	-	-
As at 1 January 2020	3,164,389	668,753	79,156	3,912,298
Charge for the period	433,892	147,066	-	580,958
As at 31 December 2020	3,598,281	815,819	79,156	4,493,256
Net book value	-	-	-	-
As at 31 December 2020	5,787,626	622,948	-	6,410,574
As at 31 December 2019	6,092,505	764,238	-	6,856,743

The net book value as at 31 December 2020 represents fixed assets used for direct charitable purposes .

Freehold property includes £373,257 for the costs of land, which is not depreciated.

Freehold property also includes £129,013 of assets under construction, which are not depreciated until bought into use.

17 Fixed asset investments

Group

	Listed shares £	Totals £
Market value at 1 January	8,231,385	8,231,385
Additions at cost	1,019,678	1,019,678
Disposals at opening book value	(1,048,309)	(1,048,309)
Realised losses	(100,928)	(100,928)
Net unrealised investment gains	541,732	541,732
	8,643,558	8,643,558

The market value of investments as at 31 December 2020 can be analysed as:	2020 £	2019 £
Investment assets in the UK	3,630,973	4,488,794
Investment assets outside the UK	5,012,585	3,742,591
	8,643,558	8,231,385

17 Fixed asset investments - continued

The market value of investments is made up of:	2020 £	2019 £
Listed investments	8,618,140	8,065,363
Cash	25,418	166,022
	8,643,558	8,231,385

Charity

In addition to the above managed investments, the Charity holds the following investments in subsidiary undertakings:

	2020 £	2019 £
Birmingham Dogs Home (Trading) Limited	1	1

The above investment represents a 100% holding of the issued share capital of Birmingham Dogs Home Trading Limited, a subsidiary undertaking which was incorporated on 21 November 2018 and commenced to trade on 1 October 2019.

18 Stocks

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Goods for resale	25,515	25,515	23,543	23,543
	25,515	25,515	23,543	23,543

19 Debtors

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Trade debtors	19,044	19,044	6,787	6,787
Prepayments and accrued income	240,184	240,184	330,136	330,136
Other debtors	250	250	-	-
Amounts owed to group undertakings	-	2,438	-	878
VAT recoverable	21,750	21,750	43,371	43,371
	281,228	283,666	380,294	381,172

20 Creditors: amounts falling due within one year

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Trade creditors	89,656	89,648	144,484	144,476
Social security and other taxes	32,033	32,033	29,143	29,143
Other creditors	6,544	6,544	5,932	5,932
Accruals and deferred income	33,024	28,944	39,825	38,825
	161,257	157,169	219,384	218,376

21 Movement in funds

Group

	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
General fund	3,746,963	1,645,521	(2,234,033)	440,804	(353,932)	3,245,323
Designated funds:						
Freehold property	5,867,586	-	(433,892)	-	353,932	5,787,626
Capital development	3,500,000	-	-	-	-	3,500,000
Investment and reserve	4,600,000	-	-	-	-	4,600,000
	13,967,586	-	(433,892)	-	353,932	13,887,626
Total Funds	17,714,549	1,645,521	(2,667,925)	440,804	-	17,132,949

21 Movement in funds - continued

Charity

	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
General fund	3,748,809	1,647,561	(2,231,412)	440,804	(353,932)	3,251,830
Designated funds:						
Freehold property	5,867,586	-	(433,892)	-	353,932	5,787,626
Capital development	3,500,000	-	-	-	-	3,500,000
Investment and reserve fund	4,600,000	-	-	-	-	4,600,000
	13,967,586	-	(433,892)	-	353,932	13,887,626
Total Funds	17,716,395	1,647,561	(2,665,304)	440,804	-	17,139,456

The freehold property fund is set aside to cover the cost of freehold property used for charitable purposes. It is represented by the net book value of freehold property already owned.

The Capital development fund has been set aside to cover the cost of the future development plans.

The investment and reserve fund is maintained at approximately five times the difference between income and expenditure, before legacy and investment income, to guard against the uncertain nature of legacy income.

22 Analysis of net assets between funds

	General £	Designated £	Total £
Tangible fixed assets	622,948	5,787,626	6,410,574
Fixed asset investments	4,043,558	4,600,000	8,643,558
Net current (liabilities)/ assets	(1,421,183)	3,500,000	2,078,817
Balance as at 31 December 2020	3,245,323	13,887,626	17,132,949

23 Pension costs

The company operates a defined contribution pension scheme for its employees. The charge to the general fund for the period was £69,557 (2019: £67,230).

24 Related party disclosures

There were no related party transactions during the current and previous period other than those disclosed in note 14.

Advantage has been taken of the FRS102 exemption for the disclosure of transactions with wholly owned subsidiaries.

25 Ultimate controlling party

The company is under the control of its trustees.

26 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities):	(581,600)	1,232,144
Adjustments for:		
Depreciation charges	580,958	584,800
Losses/(gains) on investments	100,928	26,686
Interest received	(216,846)	(258,268)
Unrealised (gain)/loss on investments	(541,732)	(1,066,589)
(Decrease)/ Increase in stocks	(1,972)	3,685
Decrease/ (increase) in debtors	99,944	(13,380)
(Decrease)/ Increase in creditors	(57,119)	8,163
Net cash provided by (used in) operating activities	(617,439)	517,241

27 Analysis of changes in net funds

	At 1/1/2020 £	Cash flow £	At 31/12/2020 £
Net cash			
Cash at bank	2,441,968	- 508,637	1,933,331
Total	2,441,968	- 508,637	1,933,331