Blue Cross annual report and accounts 2024

Reaching out to more pets and people

BLUE CROSS

Pets change lives
We change theirs

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Who we are

Blue Cross is a charity that has been helping sick, injured and homeless pets since 1897.

Every month we help thousands of pets, and their people, with specialist care. We love the way that pets can make such an amazing difference to the people they live with. So we offer lifelong support and advice to help that unique relationship thrive.

Pets change lives. We change theirs.

Vision

A world where all pets enjoy a healthy and happy life with people who love them.

Purpose

To help pets and people thrive together.

Welcome
from our Chair and Chief Executive

This report provides an opportunity to reflect on an extraordinary year for Blue Cross – one marked by remarkable achievements, resilience in the face of challenges, and a focus to our mission. It is also a moment to look ahead, as we continue to deliver on our ambitious three-year strategy, ensuring that even more pets and people across the United Kingdom receive the care and support they need.

The past year was the first in our current three-year strategic plan, and it proved to be a significant 12 months for us, with both unprecedented success and significant investment in the future. Blue Cross achieved highest ever income, allowing us to support more pets and people through our vital services. Our core work – veterinary care, pet rehoming, and the Pet Loss Support service – has been more essential than ever, helping thousands of families and their beloved animals.

Guided by our strategy, we have structured this report around five key goals (see page 6). In 2024, against those goals, we:

- Increased the number of pets helped through our rehoming service by over 30%, finding loving homes for thousands of animals.
- Expanded our veterinary services by 7%, offering life-saving treatments and preventative care to pets in need.
- Grew our Pet Loss Support service to handle over 30,000 requests for support, ensuring more people received compassionate support through grief and loss.
- Distributed over 1.7 million pet meals through our pet food banks, a critical response to the cost-of-living crisis affecting pet owners nationwide.

These achievements would not have been possible without the dedication and compassion of our employees and volunteers. Their commitment to our mission has driven our success, reinforcing the incredible impact that collective action can achieve.

Despite record income, the year also presented financial challenges. Increased demand for our services, coupled with wider economic conditions, led to a rise in operational costs. As a result, Blue Cross ended the year with a financial deficit. However, this had been anticipated, as we made strategic investments in strengthening our brand and improving our databases – critical foundations that will enable us to serve even more pets and owners in the years to come. Looking ahead to 2025, we will continue these investments while ensuring financial sustainability through prudent decision-making and responsible resource allocation.

Beyond direct services, we actively engaged with decision makers in the UK parliaments to fight for the rights and welfare of pets and their owners. The past year saw a shift in government and an influx of new parliamentarians, providing fresh opportunities to influence policy.

The introduction of the XL bully ban in early 2024 placed additional strain on our services, affecting both our frontline teams and public affairs specialists. We worked tirelessly to mitigate its impact, ensuring that affected pets and owners received the support they needed during this difficult and worrying time.

Volunteers are the backbone of Blue Cross and 2024 saw us further strengthen this vital network. Over the past year, we averaged 2,500 volunteers per month, a 7% increase from 2023. Their dedication, time and energy have been instrumental in helping us expand our services and reach more pets in need. Alongside our 800+ staff members, their efforts have reinforced our ethos: "Pets change lives; we change theirs."

As we move forward, our commitment to the goals we have set ourselves within our three-year strategy remains unwavering. We will continue to expand our reach, enhance our services, and continue fighting for the rights and welfare of pets and their owners. Our vision is clear: we will not rest until every pet enjoys a healthy, happy life with people who love them.

Thank you for being part of this journey. Together, we are making a difference.

Beth Brook
Chair

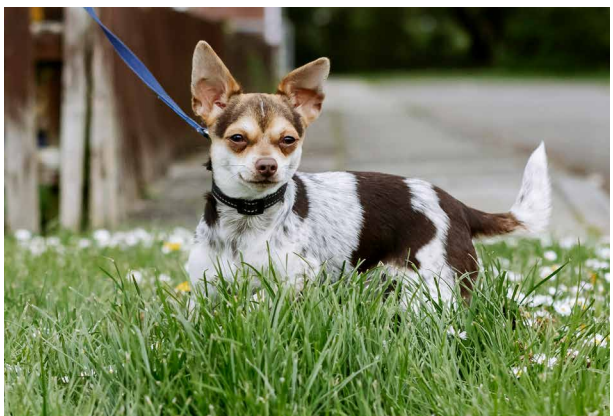
Chris Burghes
Chief Executive

Tim Porter

After over eight years of dedicated service as Chair of Blue Cross, Tim Porter OBE stepped down from his role and the Board of Trustees at the end of June.

Tim joined Blue Cross as a trustee in 2011 and played a pivotal role in the charity's success. Under his leadership, the organisation reached significant milestones, including celebrating its 125th anniversary in 2022, expanding services, and building a strong and diverse Board of Trustees. He was a steadfast advocate for both pets and people, particularly during the cost-of-living crisis, spearheading initiatives such as pet food banks and the Veterinary Care Fund.

Throughout his tenure, Tim embodied the core Blue Cross values of Compassionate, Courageous, and Inclusive. His calm and professional leadership ensured the charity's vision remained central to its mission.
In recognition of his remarkable contributions, Tim was awarded an OBE in the New Year Honours, a fitting reward for the many hours he put into helping others through his role at Blue Cross. All of us at Blue Cross are incredibly grateful for the impact he had on the charity and thank him for all his hard work in ensuring that the charity ran smoothly and continued to move forwards as an organisation, expanding its impact and looking at new ways to deliver its charitable objectives.



Trustees' report

The Trustees are proud to present their annual report for 2024. The Trustees' report includes the Strategic report as required by the Companies Act 2006.

The Strategic report is made up of the following sections:

- Our achievements and progress
- Our plans for the future
- The challenges we face
- Financial review and outturn
- Risk management

We produce a separate impact report alongside our annual report. The impact report contains more details and case studies of our work and the impact we have made in 2024. The impact report can be downloaded from **bluecross.org.uk/publications**.

Public benefit

As with all charities Blue Cross exists to serve a public benefit and the Trustees regularly review the charitable objectives and activities of the charity to ensure that it is continuing to serve the public as intended. As laid out in our Memorandum and Articles of Association, our charitable activities aim to "encourage and promote kindness to and the protection of animals and to educate the public in responsible animal ownership".

We aim to achieve these objectives through a wide range of activities by ensuring that:

- Knowledge and understanding of a pet's needs are widespread
- Pets are valued for the benefits they bring to society
- Pets (and their owners) have access to help when they need it

The Trustees have given due regard to the charity Commission's guidance on public benefit when exercising relevant powers and duties, and this report gives details of how we have helped pets and people during 2024 in fulfilling our charitable objectives.

Strategic report

Our achievements and progress

While our impact framework continues to underpin all our work, we have adjusted the structure of the report this year to focus on our strategic objectives included in our 2024 – 2026 strategy, which we launched at the start of 2024.

As a charity we continue to deliver a wide range of services to a variety of species and have also included sections on our other key achievements during the year, both from our frontline teams and those who work hard behind the scenes.

Goal: Sustainably expand our veterinary services

Against a backdrop of national workforce shortages and rising costs, we made significant strides towards achieving our strategic goal of helping 28,000 pets each year by 2026.

During 2024 we increased the number of pets helped by over 1,700, which was in no small part due to the phenomenal growth of the Veterinary Care Fund. We are focused on delivering pragmatic, low cost veterinary care, which we believe is very important for our clients, with cost of veterinary care generally rising considerably in recent years.

While the total number of pets helped by our veterinary services was up on 2023, the number of pets helped by our hospitals decreased very slightly. This was due to the staffing crisis at our Grimsby hospital, which meant we had to stop new registrations for a time. This had a significant impact on the overall figure despite the strong performance of the other three sites. Our consultation figures were also impacted by the resourcing challenges at Grimsby.

We are incredibly proud of the collective efforts of our teams during what has been another turbulent year in the veterinary sector.

Achievements from our veterinary services	2024	2023
Pets helped overall	**27,184**	**25,416**
- At our hospitals	21,822	22,384
- Via our pet care clinics*	556	1,719
- Via our Veterinary Care Fund	3,122	1,313
- XL Bully Scheme	1,684	**
Total hospital consultations	**54,195**	**65,350**

*Pet care registrations were discontinued in 2024, although we continued to support pets that had already been registered for the year.

**This scheme ran in 2024 only.

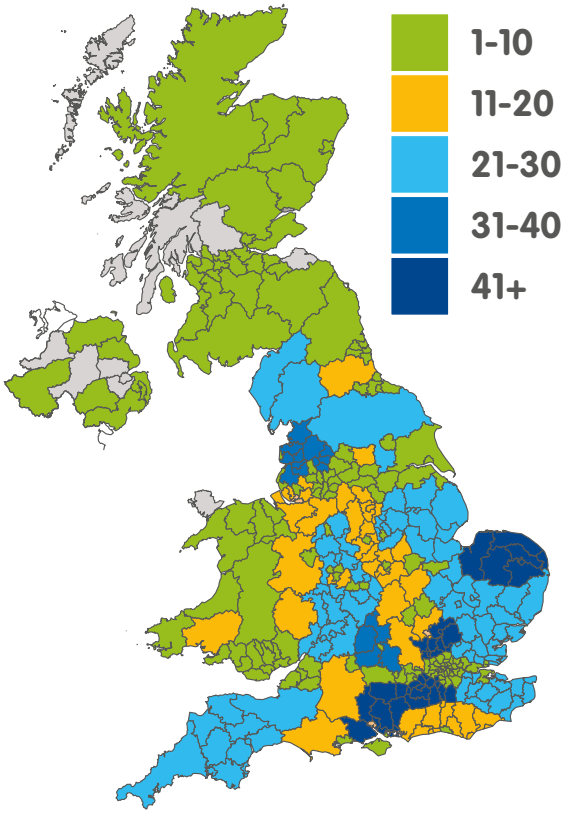
Veterinary Care Fund (VCF) expansion

An increasing number of people turned to the VCF for support in 2024, reflecting the growing number of people struggling to find affordable veterinary care in the UK. We responded to this need by expanding the VCF to support more low-income families.

In 2024, the VCF helped 3,122 pets (a significant increase from the 1,313 pets we helped in 2023). We also utilised our extensive network of veterinary practices to support the 'XL Bully Scheme', a collaboration with RSPCA and Battersea Dogs and Cats Home, to help the owners of 1,684 dogs meet the mandatory neutering deadlines of the new legislation.

To meet rising demand, the number of participating veterinary practices expanded from 465 in December 2023 to 1,621 in December 2024. This means, based on the post code of the practices, we currently cover over 92% of the UK. We will be looking into the areas without VCF to understand if they are areas of deprivation and, where that is the case, we'll be reaching out to practices in those areas to get them onboard.

VCF postcode group



This huge level of growth created workload pressures for our team responsible for processing VCF grants and also supporting teams such as finance. The incredible increase in the number of people and pets helped in 2024 is thanks to their extraordinary efforts. We took the decision to pause processing grants at the end of 2024 and have conducted an internal audit on the VCF to better assess the challenges within our processes and also ensure that the grants are being administered in line with the agreed criteria.

We have received back a number of recommendations from this audit and will be actioning these during 2025.

Veterinary workforce crisis

The national shortage of skilled veterinary professionals hit crisis point in 2024, and one of the places it impacted us was at our Grimsby site, where recruitment of Veterinary Surgeons presented significant challenges.

At times, staff shortages made it incredibly difficult to continue running a 24-hour service. However, thanks to the hard work and dedication of our onsite team, coupled with excellent support from the wider Blue Cross network, including vets from our London hospitals who went on secondments to Grimsby and provided virtual support, we managed to keep our doors open at all times. We ended the year on a positive note with most of our vacant roles recruited.

We did have to use a higher number of locum and temporary staff during 2024 in order to keep our services running, and this led to us exceeding our veterinary staffing budget for the year by £385k. While not ideal, the alternative would have been to let people and their pets down, which we weren't prepared to do. We are focussing on this area in 2025 with the aim of filling vacant roles, so we are fully resourced and less dependent on short-term cover. This should mean we are able to work within our agreed budgets for 2025.

Hertfordshire rehoming centre veterinary support

Since June 2023, our Hertfordshire rehoming centre has also faced challenges finding local veterinary support. In response, vets from our London hospitals made weekly visits to the site to provide non urgent treatment and also ran a remote consultation service, giving our onsite rehoming team the opportunity to discuss veterinary issues. Local veterinary practices continued to be used for urgent care.

This has allowed pets to receive care in a familiar environment, with trusted handlers and without the stress of travelling. It has also promoted basic veterinary training for our onsite team and reduced the centre's veterinary costs by up to £30,000 a year. Following the success of this initiative, we are planning to expand this in-house support to other centres through a mix of in-person and virtual care.

Remote consultations

Towards the end of the year, with thanks to a generous donation, we took a pragmatic approach to helping address the workforce crisis through expanding the technical provision for delivering remote consultations at our hospitals. The expansion of our remote service will provide our veterinary workforce with more flexible working options with the aim of helping to attract and retain veterinary talent. It also provides our clients with more flexible access to appointments, at less stress to their pets.

Simplified pricing

To ensure the long-term financial sustainability and affordability of our veterinary services, we introduced new, simplified and transparent pricing.

This features banded prices for surgeries, medications, hospitalisations and imaging, alongside straightforward pricing for services such as vaccinations, neutering and euthanasia.

As part of these changes, we have also introduced a nominal charge for vet and nurse consultations for all clients. This new approach has led to an increase in our average monthly income in 2024 by 41 per cent compared to 2023.

While taking steps to ensure our financial stability, we have been mindful not to put our support out of reach for the people who need it most. Increasing our charges was a difficult decision to make, but we have set up our pricing model with the aim of protecting those most in need. Where we are charging for treatments we are confident we are well below the comparable commercial rates. We can also offer payment plans to customers so that any treatments can be paid for over a longer period of time. However, we do still see a number of veterinary debts that cannot be repaid and during 2024 we wrote off a total of £229k of unpaid debts from previous years. We are looking at our debt management processes during 2025 to ensure we collect as much of this outstanding income as possible, while still being sensitive to the challenges our clients are facing.

Veterinary voice

The rise in pet ownership during Covid, combined with the cost-of-living crisis, has led to an increase in the number of people struggling with the cost of veterinary care. With extensive experience in providing affordable veterinary care in financially challenging environments, we are here to help people and pets receive the help they need.

We have been looking to expand our voice in the veterinary sector with the aim of raising our profile as a leading provider of high-quality, welfare-centred and affordable veterinary care. Members of our veterinary team featured in the media on 52 occasions during 2024. This includes appearances on BBC Breakfast, Channel 5 News Live and ITV news, features on Mail Online, Sunday Express and The Independent and additional coverage on Metro, Daily Mirror, Daily Express and The Sun.

Goal: Increase the impact of our rehoming and fostering teams

Our strategic goal for 2024 – 2026 is to increase the impact of our rehoming and fostering teams to help over 10,000 pets a year. Thanks to the efforts of our amazing people, that goal felt a lot closer by the end of 2024.

We helped 7,809 pets through our rehoming services in 2024 (an increase of 31 per cent on 2023). Foster home placements also increased by 46 per cent year on year.

Achievements from our rehoming and fostering services	2024	2023
Total number of pets helped	**7,809**	**5,978*** **
Dogs	1,760	1,228
Cats	3,565*	2,412***
Small pets	1,479	1,359
Horses	1,005	979
Pets that spent time in Short-term foster care**	2,234	1,525
Pets helped via Home Direct**	962	830
Horse welfare visits**	634	1,004
of which virtual	132	142

* Includes cats who were microchipped for free
** These figures are included in the overall pets helped
*** These figures have been adjusted from that originally quoted due to the submission of late data.

Cat, dog and small pet teams

As reported in last year's Annual Report, 2023 saw major changes to our staff roles that focus on the rehoming of dogs, cats and small pets, with the aim of enabling us to significantly increase the number of pets helped, in a more cost-effective way.

We have seen the number of cats, dogs and small pets we are able to help increase dramatically from 4,999 in 2023 to 6,804 in 2024. The demand for rehoming services has been increasing in recent years but we were only able to help so many more pets thanks to the decision we took to restructure our rehoming and fostering teams and dramatically change the way our centres operate in 2023. The growth in pets helped is the result of the boldness of this decision, the planning that was necessary to implement these changes and the continuing hard work and determination of all our rehoming and fostering teams around the country. We changed the structure of our centre teams to bring in more dedicated roles focusing on different parts of the journey that pets and people take through our services. We also invested in roles into help us train our people and also recruit and support foster carers, so that we could help more pets in foster homes as well as at centres. The combined effect of these changes has allowed us to help many more pets and we aim to increase these numbers further in 2025.

These changes were not without their challenges. We worked closely with our teams to explain the reasons for the planned changes and supported them through the process of changing roles where this was needed. We began the year with a number of vacant roles to fill due to the changes we had made in 2023. Over 26 per cent of our roles within rehoming and fostering were vacant at the start of 2024 but, during the year, a recruitment drive saw that figure reduced to 6 per cent. These roles took longer to fill than anticipated but we are pleased that at year end we have a strong team in place across our sites and they are able to help an increasing number of pets.

Cat microchipping

On 10 June 2024, new legislation came into force making it mandatory for all cat owners in England to have their cat microchipped by 20 weeks of age, with their contact details kept up to date on an approved pet microchipping database. This was very welcome news and something Blue Cross has long campaigned for.

To support cat owners, our rehoming sites around the country hosted a number of free microchipping events. 326 free microchips were implanted during 2024, making it easier for lost or stray pet cats to be reunited with their owners. This is a really positive move forward for both pet and owner. Our pet loss team regularly takes calls from owners traumatised by the loss of their pet.

Fostering

2024 saw the creation of a dedicated offsite pet welfare team at each of our sites, which enabled us to drive our goal of helping more pets through fostering. With a challenging goal of reaching 896 fosterers by July 2025, our teams excelled by recruiting 585 new fosterers during 2024. This increase in our fostering network has allowed us to help more pets for a lower cost. We now have over 400 pets in short-term fostering every month and we will continue to grow this figure further going forward.

Horses

In 2024 we launched an ambitious new aim; to be Britain's leading horse rehoming and fostering service, offering expert advice, responsive admissions, care and adoptions to help people and horses thrive together.

To deliver this aim we intend to more than double the number of horses we admit and rehome by 2026, in the most efficient and cost-effective way. To achieve this, we recognised a need to extend our reach to other areas of the UK, make better use of our centres and work together as one national service. We also need to extend our foster yard capability and significantly increase the number of horses we can help in their home environment, through rehoming directly from home to home.

Using learning from the restructuring of our dog, cat and small animal teams, we initiated a restructure of the horse teams during 2024 and increased the number of roles across these teams by 2.5 FTE. We also introduced a central admissions function for horse rehoming.

We had to delay consulting on these changes as the planning and budget process for them took longer than anticipated. That delay created uncertainty for our horse rehoming teams and we lost some members of staff during that time as they found other roles. However, once the planned changes were announced they were positively received and as a result of these changes we have been able to help more horses than ever before this year. We helped 1,005 horses through our Home Direct, fostering and centre-based activities in 2024 up 3 per cent on 2023.

Behaviour services

Achievements from our behaviour services	2024	2023
Total interventions	**6,898**	**5,124***
- Pets in Blue Cross care	5,333	4,011*
- Pets of hospital clients	178	222
- External consultations	1,387	891*

*These figures have been adjusted as they were previously misstated due to an isolated reporting error which has now been corrected. Last year we reported a total of 3,410.

With demand for our behaviour services increasing, our behaviour team worked tirelessly to deliver 6,898 interventions for pets in our care, including 1,387 interventions for people experiencing behavioural challenges with adopted pets. We have not had a dedicated behaviour specialist at all our sites during 2024 as we did not have sufficient agreed budget to employ this number of roles across the charity. This put pressure on the team, particularly where people were having to provide behaviour support to multiple sites, often remotely. It also meant that some sites struggled to help pets who demonstrated complex behaviours. However, we are expanding our team in 2025 and will have a dedicated behaviour specialist based at each of our sites, which will allow us to help even more pets.

Our team has encountered a diverse range of complex cases, from dogs exhibiting aggressive behaviour due to a lack of early socialisation, to highly nervous cats who are unable to be handled.

The rise in both the number and complexity of these cases is driven by a number of factors, including the cost-of-living crisis, which has made it harder for people to access affordable support for their pets. An increase in irresponsible private breeding has also resulted in pets that are predisposed to health and behavioural issues. Another factor is the long-term impact of the pandemic, which prevented thousands of UK pets from receiving the essential socialisation needed to develop into stable and well-balanced pets.

Dogs have been particularly affected by a number of these factors and sadly we have seen a 7% increase in dogs euthanised for behaviour reasons. As a charity, we did everything we could in 2024 to support owners and reduce the need for rehoming or euthanasia, by refocussing resources on providing advice and assessments to keep pets and people together.

Since we introduced a dedicated role focused on horses in 2023 we have seen an increasing number of horse related behaviour interventions. In total, 1,088 horse behaviour interventions were carried out in 2024 across our Burford horse rehoming unit, Rolleston rehoming centre and our horse welfare team.

Team training

We appointed a dedicated rehoming and fostering training team in 2024 to ensure all of our teams and volunteers are trained to a high and consistent standard.

In 2024, our training team delivered 524 training sessions and supported 48 new starters through successful completion of their first six months with the charity. They also continued to deliver the award winning ARK (animal rehoming knowledge) induction courses held at Burford, delivering a total of seven

courses during 2024, attended by 74 new starters. All fosterers now also complete training before fostering a Blue Cross pet to ensure that they can meet our standards and the pet's welfare needs.

Quality and standards

Between July and September 2024, all our dog, cat and small animal sites were involved in internal quality assurance audits. As well as measuring our effectiveness in terms of pet welfare and client experience, we wanted to understand how we could support teams to perform effectively as individuals and as part of a national service. We invited feedback from our teams to better understand what's working well, and what can be improved to help us achieve our goal of helping 10,000 pets a year. We found a number of areas in our internal processes that we can improve and we are working on these during 2025. We hoped to start on a number of these areas during 2024 but changes in our rehoming and fostering senior management team led to delays in us starting this work.

Pet peace of mind

We are aware that many pet owners, especially people who live on their own, are worried about what would happen to their pet if they were no longer able to care for them. A recent YouGov survey showed that, after rehoming and veterinary services, this is seen as the next most important service for people choosing to support a pet welfare charity.

Registering for our Pet Peace of Mind service gives people the reassurance that, should anything happen to them, their beloved pet will be cared for by us while we work to find their new forever home. During 2024 we accepted 287 people and registered 406 pets onto the service, an increase of 11 per cent on 2023. We now have nearly 1700 people registered on the service and, in 2024, admitted 13 pets after their owners sadly passed away or were no longer able to care for them.

Goal: Grow our Pet Loss Support service

Following the decision to change the name of this important and valued service from the Pet Bereavement Support Service, awareness of our wider service offering has grown and we've seen a significant increase in the number of people getting in touch. We also used the 30th anniversary of this special service in 2024 to raise awareness of the difference we can make to anyone who is struggling with the loss of a pet.

We offer support to people experiencing every type of pet loss, not just bereavement. People can call us for support if their situation changes and they have to part with a beloved pet, if they are worried or upset about a missing pet or if their pet is diagnosed with a life limiting illness.

We responded to 30,689 requests for support during 2024, which has already exceeded our 2026 goal.

Achievements of our Pet Loss Support service	2024	2023
- Telephone calls answered	10,694	10,226
- Emails responded to	4,696	5,104
- WebChat conversations	5,709	5,051
- New Facebook group members	9,590	**

**We had not reported on this channel prior to this year.

PLS training activity	2024	2023
- People reached via webinar/ online training or in person (non Blue Cross)	4,515	2,148
- E-learning courses purchased	275	243
- Blue Cross team members trained	98	492*
- Blue Cross volunteers trained	126	58

*Our high figure for team training in 2023 was due to support provided in recognition of the XL bully crisis. We would not expect this to be repeated year on year.

While our email figures are slightly down we believe this is due to people moving to other channels. We have seen a significant increase in our online interactions through Webchat and Facebook, which have proved very effective ways of providing support. In order to fund the expansion and additional services, we developed our income-

generating activities further, raising nearly £55k through our award winning pet loss training talks and donations from businesses for training or advisory work.

We are well aware that pet loss affects men as well as women, but we see fewer men contact our service. So, we have made efforts to reach out to men and have also increased the number of male volunteers handling calls. Pet loss also impacts people of all ages, so in 2024 we also introduced new initiatives for children in conjunction with education magazines.

Our efforts to raise awareness of the service in 2024 included a nationwide media campaign. As a result, we saw an incredible uplift in awareness of the service, from 15 per cent in January 2024 to 20 per cent in January 2025*, which we believe is one of the factors behind the increase in requests for support.

*YouGov brand tracking survey Jan 2024 and Jan 2025.

It is important that as we grow awareness we have the means in place to manage increasing demand. With this in mind, we focused on volunteer recruitment throughout 2024, increasing the number of volunteers trained and active to 310 (from 246 at the beginning of the year).

Volunteers often take calls from people who are understandably distressed about the loss of their pet, so we make sure every volunteer receives extensive training and ongoing support. In 2024 we introduced specialised grief support training for 132 new volunteers. Many of our volunteers are people who have used the service themselves, so they are naturally empathetic on the subject of pet loss. Where volunteers have particular concerns for the wellbeing of those who contact us, they can raise this through our safeguarding process.

Recognition of high standards

The Helplines Standard is the nationally recognised quality standard which defines and certifies best practice in helpline work. By attaining the Helplines Standard, organisations demonstrate their commitment to delivering high quality services that meet the needs of service users, staff and volunteers, and anyone coming into contact with them. In 2024, Head of People Services, Diane James, was given a lifetime achievement award by the Helplines Partnership in recognition of the excellent development of the Pet Loss Support service over the last 10 years. Although the award was given to Diane, it is also a reflection of the expertise and empathy our amazing pet loss support team has shown in that time.

Goal: Develop a shared approach to tackle the issue of responsible dog ownership

Responsible dog ownership is key to the prevention of many welfare issues and dangerous incidents involving dogs.

Throughout 2024, we continued to work on several fronts to promote and champion responsible dog ownership. We partnered with 40 police forces and Local Authorities around the UK to implement the Responsible Dog Ownership Course (RDOC). We raised the issue in parliament, and we continued to support and educate pet owners of all ages. Responsible dog ownership remains a key part of part of our schools' programme, which helps educate the next generation of pet owners.

Responsible Dog Ownership Course (RDOC)

We continued to deliver our Responsible Dog Ownership Course in 2024 through online sessions, giving information and advice to those who have been referred to us by police forces and local authorities due to committing, or being at risk of committing, an out of control dog offence.

Our Responsible Dog Ownership Course reached 561 participants through 30 courses in 2024, compared to 160 people who took part in 13 courses in 2023. The number of referrals we received grew massively from 331 in 2023, to 771 in 2024.

In addition, we supported teams of Police Community Support Officers (PCSOs) to deliver education sessions in primary schools, with the aim of improving children's knowledge and understanding of how to behave around dogs.

Championing responsible dog ownership around the UK

Throughout 2024 we continued to work with UK governments to tackle the issue of responsible dog ownership. Our focus was naturally the XL bully ban, as new legislation came into force. We feel strongly that breed specific legislation

does not work but we will continue to work with the government and other bodies to minimise the impact of the ban and to advocate for what we believe to be a better way forward. We are working as part of the Dog Control Coalition to develop a long-term theory of change which aims to improve both dog welfare and public safety.

In England, we produced a comprehensive report for MPs on the XL bully ban and we organised an event on the subject of dangerous dogs in the House of Commons which was attended by 44 MPs. We also had fortnightly meetings with the Department for Environment, Food and Rural Affairs regarding implementation of the ban and subsequent queries, amends and challenges.

Further to the implementation of a ban on XL bully type dogs in Scotland, we have remained in close dialogue with the Scottish Government to work through the challenges and queries surrounding its introduction. We spoke at the Scottish Government's Dog Control Summit in September and highlighted the value of early intervention initiatives such as RDOC.

We launched a Welsh specific report noting the impact of the XL bully ban in Wales. We also held an event in the Senedd, highlighting Blue Cross's work promoting responsible dog ownership, which was attended by 20 Members of the Senedd (MSs) – a third of the total.

In addition, we launched a 12-month pilot project in partnership with Rob Taylor, Wales's Rural and Wildlife Crime Coordinator, encouraging Welsh police forces to refer appropriate offenders to the Blue Cross RDOC for livestock worrying offences. Working with the education team, we created bilingual resources including an information handout with tips on how to keep dogs and livestock safe in the countryside.

Goal: Balancing the budget on our day-to-day operations

In 2024, teams across the organisation focussed their efforts on the strategic goal of balancing the budget on our day-to-day operations by 2026. We took the following key steps during 2024:

Like many charities we face a significant financial challenge over the next few years, with costs rising due to inflationary pressure and wage increases and income struggling to keep up. Thankfully, 2024 has proved to be a stronger than expected year for us financially due to the combination of exceptional growth in legacy income and underspend in some key areas. However, the future looks challenging for us and many other charities.

In recent years we have chosen to invest heavily in key areas of our services, our brand and our outdated IT systems. These changes will ensure that our charity is fit for the future and can continue to deliver its vital services. We have been funding these improvements with drawdowns from our investment portfolio. Though we can fund these investments in the short to medium term through use of our reserves, we know that operating at a loss is not a sustainable option for the long-term.

For these reasons we have made balancing the budget for day-to-day operations a key goal in our strategy.

We have been carrying out a programme of work during 2024 that involved detailed review and analysis of both our costs and our income streams to identify areas where we could grow our income and reduce our costs. Our priority is to protect our current level of service so we can continue to help the pets and people that rely on us. This work was very important when it came to setting our 2025 budget, where we are forecasting an overall loss of £4.7 million, including £2.8 million on our day-to-day operational activities.

The government's decision to increase the level of employer's national insurance contributions from April 2025 has given us an additional challenge. These changes, when combined with the changes made to the national living wage, will add nearly £1 million a year to our overall employee tax bill.

That said, we firmly believe that by increasing a number of key income streams and ensuring we are being strong on cost control, we can achieve a balanced budget in 2027.

During 2024 we have conducted extensive analysis of our own financial data to ensure we fully understand all aspects of our finances and where there are opportunities. We have also been in regular communication with other charities to ensure we have strong points for comparison and can see where our income and costs differentiate from our peers.

During 2024 we took a number of hard decisions to reduce our costs for 2025 by 2 per cent, including having to limit the scale of proposed pay increases for our hard working employees and removing

alignment to the Real Living Wage. These are tough decisions to make but we recognise that they are necessary to ensure the long-term financial sustainability of the charity. During 2024 we also continued to move forwards our work in areas such as procurement and driving improvements in our processes across the organisation to ensure that we are being as efficient as possible and getting value for money. As a result of this we were able to freeze our operating costs and overheads budgets for 2025 at 2024 levels, offsetting the inflationary pressures in the wider economic environment.

This work will continue throughout 2025 and by the end of the year we will have a detailed plan as to how we intend to ensure our day-to-day activities are operating with a balanced budget by the end of 2026.

Our wider work

As a charity we deliver a wide range of services and serve a wide range of species. Not everything can have a strategic goal attached to it, but our teams have also had an impact in many other ways, often in partnerships with other charities and organisations.

Partnerships and collaboration

In 2024 we continued to work collaboratively with a number of local and national charities, both at home and abroad, as well as corporate partners, to use our resources collectively to reach as many pets and people as possible.

Pet food banks

Pets at Home and their charity, the Pets Foundation, kindly continued to support our pet food bank service throughout 2024, with collection bins in stores nationwide, where customers could donate pet food.

In addition, Pets at Home and the Pets Foundation ran a highly successful national event in the summer to promote the service. Customers could donate directly or purchase pre-prepared food parcels for distribution to Blue Cross pet food banks. The three-week event raised an incredible £456,000 – and 60,000 food parcels were distributed to our pet food banks.

During 2024 we fed 1,738,624 pets for one day (1,576,805 in 2023*).		
Achieved through:	**2024**	**2023**
Blue Cross sites	168,697	134,768*
Pets at Home sites	1,046,387	502,935
Bulk donations from suppliers	519,598	770,622*
Vouchers	3,942	168,480

*These figures have been adjusted as it was identified that some bulk donation data had not been included.

At the end of the year we had:	2024	2023
Blue Cross sites where people can donate goods	35	29
Blue Cross sites where people can pick up food	6	6
Pets at Home stores where people can donate goods	454	450
Local food banks being supplied with pet food	523	527

We would like to say a big thank you to Pets at Home and their generous customers, and the Pets Foundation, and we are delighted to report that a similar event is planned for the summer of 2025.

We also continued to distribute pet food to a network of local food banks across England, Wales, Scotland and Northern Ireland.

We have continued to operate Blue Cross pet food banks from our sites in Bromsgrove, Newport, Devon, Manchester and Sheffield. However, not all food banks can take large scale deliveries from generous corporate partners, so in April we began our 'Breaking Bulk' operation, based at our Burford site. Volunteers divided the bulk supplies into smaller seven-day parcels that could be easily distributed to pet food banks across the UK. These parcels also gave us an opportunity to signpost pet owners to other Blue Cross services.

Around the UK, people and their pets clearly rely on the support of our pet food banks, so in 2024 we took the decision to make the service permanent. We now have a full-time community project team of three, and we have also created additional hours for staff at five of our sites to support food

bank activities. The community project team will also support donation only sites, which includes 454 Pets at Home stores, and continue to work with a network of local food banks.

Ukraine

We continued to support the work of Save the Dogs who are working valiantly to help pets impacted by the ongoing war. They received grant releases totalling £25,000 over the year (£195,000 in 2023). The budget available for grants is based on donations to the fund.

Campaigning for an end to greyhound racing

Cut the Chase is a coalition of animal welfare charities (Blue Cross, RSPCA, Dogs Trust, Hope Rescue and Greyhound Rescue Wales) who are calling for an end to greyhound racing.

The coalition continued to engage with politicians during 2024 by having a presence at political party conferences and through writing to MPs and Senedd members in England and Wales to raise concerns about the inadequate welfare standards greyhounds experience at every stage of their lives. Particularly when it comes to kennelling and the transportation of dogs, as well as the number and severity of injuries sustained during racing.

Throughout 2024 we also continued the Blue Cross 'Don't race. Embrace' campaign. Over 115,500 people signed our petition calling on the UK government to phase out greyhound racing over five years, and this was handed into 10 Downing Street in October 2024.

In addition, we have been working with Mark Ruskell MSP, on his proposed private member's bill which is intended to introduce a ban on greyhound racing in Scotland. We continued our proactive political engagement regarding greyhound racing, which included sending a letter to all MPs on the success of our greyhound petition.

Other parliamentary work

We are part of the Fireworks Working Group, membership of which includes both animal and people focussed organisations. The group held an event in the House of Commons in October to highlight the negative impact of fireworks on pets and people and it was attended by 13 MPs.

Firework Control Zones came into force in Scotland last year, meaning restrictions could be put in place to stop fireworks from being let off in specific areas. Edinburgh introduced four control zones ahead of Bonfire Night.

Despite a government commitment to ban shock collars back in 2018, it has failed to be enacted into legislation. As part of the Shock Collar Coalition, which comprises eight organisations including RSPCA, Dogs Trust and the British Veterinary Association, we continue to campaign for this to be introduced.

Pet Education Partnership (PEP)

Blue Cross is proud to be part of the Pet Education Partnership, an exciting collaboration of eight UK animal welfare charities, working together on ways to reach school children aged five to 11. In 2024 we ran two online webinars which reached 32,218 children. Our people also represented us as part of the PEP at a number of industry conferences around collaboration and education of young people.

Pony Club

We attended the Pony Club Championships in 2024 and continued to sponsor the horse and pony care competition. Working collaboratively with the Pony Club, we produced six videos around horse behaviour and welfare to support both organisations' members and supporters.

Appleby Horse Fair

Together with other animal welfare charities we once again attended the Appleby Fair in 2024 to engage with Gypsy, Roma and Traveller communities. This year we led the engagement activity and will be playing a bigger role going forward in shaping future engagement and participation from fair goers.

Children's foster carer work

Throughout 2024, in collaboration with local authorities and agencies, our Education Team delivered sessions for adults on how pets can successfully live with children in a foster care placement. We have partnered with the National Foster Group to offer regular monthly sessions to foster carers, the majority of which are online. As a result of our work in this area, the National Foster Group have given presentations to Blue Cross and we have brought in a foster friendly policy for our teams.

Education

Achievements from our education and advice activities (people reached)	2024	2023
Overall people reached through our education services	140,109*	60,406*
Through partnerships	5,597	6,996
Though education talks and workshops	**134,512***	**53,410***
- Interaction in person	62,011	31,348
- Virtual interaction	72,501*	22,062*

*Includes live super sessions

During 2024 we continued to educate children, young people and adults, helping to create a nation of responsible, caring pet owners. We have continued to offer online super sessions with four taking place during 2024 – Careers, People and Pet Safety, Animals in WW2, and Christmas. These sessions reached over 31,000 young people.

Life on a lead

In 2024 we produced and presented a 'Life on a lead' webinar for people who have a dog that has to remain on a lead at all times for behavioural or legal reasons. Over 300 people joined the webinar, which provided advice including how to enrich the lives of dogs who are unable to spend time off the lead.

Protecting your postie

Dog bites are a recognised risk for postal workers, with over 2,000 cases recorded last year, and the severity of the attacks increasing. Having become aware of our Responsible Dog Ownership Course, Royal Mail approached us for help to address the problem.

In response we ran three webinars in 2024, educating pet owners on how to protect their postal workers. If a postal worker is concerned there is a dog putting them at risk, Royal Mail will send a letter to the owner explaining that they could have their postal delivery stopped if the concerns aren't addressed and recommending they sign up to a Blue Cross webinar.

Campaigning for pets

During 2024 we continued to campaign on a range of pet welfare issues often working in partnership with other organisations, as shown earlier in this report.

The general election provided the opportunity to engage with new MPs. In advance of the election, we sent communications to over 3,000 candidates to highlight our main priority policy issues. After the election we reached out to MPs whose constituencies include a Blue Cross centre. As well as giving them an overview of our work, we invited them to visit the site. We also produced our Manifesto for Dogs (bluecross.org.uk/pet-manifesto) which was sent out to all MPs, together with an information pack including a summary of key animal welfare issues and an invitation to a launch event at the House of Commons. This took place on 13 November 2024 with 77 MPs attending.

We worked with elected representatives from across the four nations of the United Kingdom on a range of pet welfare related issues, such as renters' rights to have pets. We gave evidence to the Committee considering the Housing (Scotland) Bill, putting forward our view on the importance of improving the rights of renters.

We provided comprehensive briefings for MPs and Lords in advance of the Pet Abduction bill being discussed in the House of Commons and the House of Lords to show our support for this legislation. We also met with the bill's sponsor, Anna Firth MP. We are delighted that this has become law in England and Northern Ireland and that the theft of a dog or cat should now be treated differently to the theft of an inanimate object. We believe this recognises better the emotional impact that pet theft has both on the pet and their owner. We are now working with Maurice Golden MSP on a similar private member's bill in Scotland.

Behind the scenes:

In addition to our five key goals our strategy stated three key areas where we needed to improve to enable the achievement of our strategic goals.

Strengthening our teams and increasing numbers of volunteers

2024 was an excellent year for strengthening Blue Cross teams across the organisation and building our wonderful army of volunteers. We are nothing without the people who deliver the charity's services, so we strive to ensure they are looked after, engaged and feel valued.

Recent years have seen a tough market for recruitment, however, despite this we have seen job applications rise from 6,041 in 2023 to 10,583 in 2024. This has been possible due to a strong focus on our recruitment processes and range of different recruitment channels used.

With our new applicant tracking system, we are now more accurately able to measure time to hire and time to fill metrics and next year we will be able to demonstrably evidence year on year on comparisons.

Volunteering

In 2024 we ran a volunteer recruitment project in a general climate that has seen a decline in formal volunteering. We provided specific training for our volunteer managers, trialled a variety of advertising channels and messages and, for the first time, set our targets in line with the volunteers needed to run our services. As a result we saw our volunteer applications increase by an incredible 80 per cent.

During the year we averaged 2,797 volunteers per month (2,410 in 2023). Over the course of the year they gave us an incredible 217,584 hours of their time (228,071 in 2023), which equates to approximately 17 per cent of the hours worked at Blue Cross in 2024 (18 per cent in 2023).

At the end of 2024, we have delivered on our objective to grow our volunteer team across the organisation and have plans in place for further volunteer recruitment across all teams in 2025.

Inclusivity

Our work on creating a truly inclusive culture continued during 2024. Our focus areas for 2024 were:

Inclusive leadership – ensuring everyone who leads at Blue Cross is aware of their unconscious bias and has the skills to lead a diverse team.

Supporting individuals with disabilities – The charity's policy is to give full and fair consideration to suitable applications for employment by disabled people, having regard to their particular aptitudes and abilities. We have the guaranteed interview scheme which ensures disabled applicants who meet the minimum criteria for a job, as outlined in the job description are invited to interview and give all candidates detail of the themes of interview questions for them to prepare.

We are committed to ensuring that disabled people have the same opportunities as other employees to career development and training in order that they may achieve their full potential within the organisation.

We are determined to providing a workplace free from discrimination or harassment based on disability, and we will ensure that our policies and procedures are inclusive and accessible to all.

We actively promote a culture of respect and understanding for disabled individuals, encouraging their participation and contribution.

Allyship – ensuring everyone knows how to support their team by understanding them and speaking up for them when they can't.

Community – reaching out to groups who need our help, or could help us, through understanding their needs and taking Blue Cross to them.

Supporters – ensuring everyone who support us understands why inclusion counts and how being inclusive helps pets and people.

To support these focus areas, we developed our online training, launching a comprehensive series of Equity, Diversity and Inclusion (EDI) training courses.

We took part in online animal welfare charity panels about neurodiversity and menopause, where we were joined by colleagues from Battersea, Cats Protection, Dogs Trust, PDSA and RSPCA to discuss neurodiversity in work and life. We also submitted an entry for the charity Retail Association (CRA) EDI Award and were delighted to make it to the shortlist.

Finally, as a result of our ongoing commitment to creating a more inclusive and welcoming environment for all applicants, we saw a positive shift towards greater diversity within our workforce.

Rewarding and developing our people

In 2024 we changed the way we reward our people by introducing a process of awarding increases based on the position of an individual's salary within their role's pay range, meaning that people

lower in the range are potentially awarded a bigger increase. This brings our salary structure into line with the external market and means our people are paid a fair rate for their skills and expertise.

A key part of our new development process is a shift from annual performance reviews to quarterly reviews with managers, with the focus very much on employee development, rather than performance evaluation. Recognising and rewarding high performance is now achieved through activity such as succession planning, promotions, flexible working and development opportunities.

During 2024 we also had our staff benefits externally benchmarked against similar organisations. We were very pleased to see that the majority of our benefits are either ahead of or comparable with our peers. There were a few areas where we offer a lower level of benefit and we are looking at whether we can increase any of these, though we believe that on key benefits such as holiday entitlement we are market leading.

Culture survey results

Our biennial culture surveys give employees and volunteers a chance to tell us what they think is working well and what isn't. We were delighted with the 2024 results, which showed engagement rates of 89 per cent for our volunteers and 80 per cent for our employees.

The positive feedback from our people includes feeling a sense of personal achievement, recognition that people are treated equally irrespective of ethnicity, gender, disability, age, sexual orientation or religion and having trust and respect for their line manager.

However, the survey also highlighted areas to improve upon, such as developing more cross-charity working, improving response and feedback from the executive team and maintaining a positive focus on workload and wellbeing initiatives.

In 2025, we will work on the survey results with the charity as a whole. We will ensure that meaningful changes are made where they are needed. This transparent approach will reinforce our commitment to listening to our people and acting on their input.

Employee forum

The aim of our employee forum is to provide a meaningful two-way dialogue with employees, via elected representatives. It enables the executive team and leadership team to have the opportunity to discuss legal matters, health and safety issues and a range of strategic issues affecting the charity. During 2024, three meetings were held, providing a valuable way for employees to raise concerns and jointly resolve issues with leadership teams.

Increasing awareness of our brand and engagement with our charity

As an animal welfare charity, our brand awareness is still relatively low compared to some other animal welfare charities. It's something we're working hard to address, as without further growth, we will struggle to further increase our impact. A key project in 2024 was to return to advertising on TV supported by digital as part of a two-year planned investment. We are also continuing to make the most of our own digital channels, our fantastic group of influencers and celebrities to spread our messages to their supporters, as well as earned media coverage to generate as much awareness of Blue Cross as possible.

In 2024 we undertook two bursts of marketing campaign activity (across TV and digital platforms). Burst one ran from March to May and burst two from September to October. By the end of October, we'd achieved our highest ever level of semi-prompted brand awareness at 16 per cent*, a 4 per cent point increase in awareness, and a 5 per cent point increase in consideration to donate among pet owners and lovers since January. This was a really pleasing result given our relatively modest expenditure compared to many of our pet welfare charity cohort.

We also saw a number of measures improving after the campaign launched, such as increased volunteering numbers, more people applying to Blue Cross roles and increased warmth to Blue Cross as a charity to support. However, in a challenging fundraising environment, it proved far more difficult to convert this increased awareness into financial support than we had envisaged and we only achieved 30% of our original income target.

We will develop the campaign further in 2025, including continuing to test and learn how best to generate donations from this activity.

*YouGov brand tracking survey Jan and Oct 2024.

To improve our service for customers and supporters, we continued our work to set up a central contact handling function for veterinary services, rehoming admissions, fundraising and general enquiries. This work saw us bring together teams from across the charity under a joined-up structure where they could better collaborate and share best practice. Thanks to this work we have seen a marked improvement in our call answer rate to 76 per cent from 69 per cent in 2023.

In 2024, we continued to generate awareness via our website and on social media. We received a great deal of media coverage through the sharing of newsworthy content and stories, as well as paid digital marketing campaigns. We also continued to keep our supporters informed and inspired through our bi-annual printed magazine, fundraising appeals and email newsletters.

Website and social media

Website and social media activity	2024	2023
- Users on our website:	4.5m	6.4m
- Website sessions:	7m	8.9m
- Followers on social media as of year end:	569k	551k
- Visits to pet advice pages:	3.3m	3.3m

Pet advice continued to be one of the most popular parts of the Blue Cross website in 2024 with visits remaining stable for a third year. We saw a dip in overall traffic primarily due to a decrease in visits to our rehoming pages, plus the effects of multiple Google and security updates that block some traffic which we continue to monitor. Despite the drop in traffic, there was an increase in the number and value of online donations processed via our website thanks to our marketing and fundraising efforts. We also saw an increase in applications to adopt a pet so rehoming was not impacted by the drop in visits.

We continued to increase our reach and engagement on social media. The re-launch of our TikTok account in 2024 helped us attract a new audience which we hope to build on in 2025.

Media coverage

In 2024 we achieved nearly 6,000 pieces of print, broadcast and online coverage.

Key pieces of activity included coverage of the 30th anniversary of our Pet Loss Support service, ongoing support and promotion of Blue Cross pet food banks, our campaign to end greyhound racing, the ban on XL bully type dogs and our Christmas fundraising campaign. Blue Cross spokespeople and comments featured in major outlets, including BBC Breakfast, BBC Morning Live, Channel 5 News and BBC's The One Show. Other national coverage included BBC channels, Sky News, The Times, I newspaper, The Telegraph, MailOnline, The Sun, ITV News and The Guardian.

Evolve our technology and use of data

We've made significant progress on the Central Platform programme. When the first phase of this project goes live in 2025, this will replace our existing Customer Relationships Management (CRM) system, used in our fundraising, communications and engagement work. This is a significant system change designed to bring us closer to a more integrated, effective and easier to use system. We have spent £918,000 in the last two years on this work and intend to invest a further £1.8 million by the end of 2026 in finishing the first phase and also completing the second phase, which will see a new Rehoming and Fostering CRM system developed.

With our current systems becoming obsolete, and no longer fit for purpose, it was essential that we updated them so that we can continue to support our teams and improve the experience for our supporters and customers. It has been a challenging project due to its scale and complexity and has had considerable input from people across Blue Cross. There is a high demand for developers and related roles in the wider Information Services (IS) environment right now and this is having an impact on our delivery partners. This has meant that we are behind with regard to our original delivery timetable. However, we do remain on track in terms of costs and are working closely with our appointed partners to get the first phase of this project live by the middle of 2025.

We have also been working on upgrading our hosting environment and ensuring that our data is hosted on secure, modern systems that allow our teams to carry out their vital work quickly and also ensure that information is easily backed up and restored if required. We have continued to upgrade and improve a number of key systems across the charity and worked closely with colleagues to

improve processes through the use of technology. Another important part of this work is to continue to ensure our supporter, client and customer data is secure. This is an area we take very seriously, as recognised through our achievement of the Cyber Essentials plus accreditation.

Our new systems will allow us to operate more efficiently and allow us ultimately to help more pets and people around the UK.

We have invested a great deal of time in 2024 in our data and insights capability, as we believe it is vital for charities to be able to clearly report their impact and have robust, reliable data. We have grown the size of our data and insights team and they have worked very hard during the year on a wide range of projects, from finalising the strategic KPIs that accompany our strategy to redefining our "pets helped" metrics, with the aim of ensuring that they are widely understood across the charity and used consistently. The team work with colleagues from across the charity to develop operational reports that allow them to get better insights into their own operations and how they can improve what they deliver to our customers.

Income generation

Legacy

The most significant source of income continued to be from gifts in Wills. In 2024 we received £29.2m, exceeding our planned budget and representing a 32 per cent increase on the 2023 figure. We do however conclude that this level of increase is attributable to HMCTS clearance of the probate delays, rather than us anticipating this trajectory going forward. During the year we benefitted from the highest volume of gifts to date.

While we celebrate these results, we are always humbled to be able to honour someone's final wishes. We never forget that every gift is because a person chose to make such a kind and thoughtful legacy to enable us to carry out our vital work in helping pets and people in the future. The hard work and dedication of our legacy team was recognised in April when they were a finalist in the Smee and Ford Legacy Administration Team of the Year Awards.

Fundraising

The uncertain economic situation continued to impact charities throughout 2024, so we were delighted to have such a successful fundraising year in a challenging and highly competitive environment.

During the year we continued to ensure that we integrated the support we offer to pets and people in all our fundraising messages. For example, our Christmas campaign gave supporters an opportunity to make a difference to the pets in our care by buying a virtual emergency care box.

A multi-media campaign, featuring posters, direct mail and digital marketing reached supporters and pet lovers across the country. It achieved campaign recognition of 25 per cent (as compared to 20 per cent for the Christmas campaign of 2023), and the paid advertising element of the campaign generated 25 million impressions and secured more than £57,000 in cash donations, vs a planned £55,000.

One notable area of fundraising success to highlight is our ongoing partnership with Pets at Home in 2024, which delivered an incredible income of over £470k.

We are also proud to have committed teams of volunteer fundraisers based around our Blue Cross rehoming centres and animal hospital sites who engage in raising funds within their local communities. They continue to make a valuable contribution to generating income for our charity.

Fundraising standards

It is extremely important to us that we demonstrate our transparency and impact as much as possible. Standards we apply to our fundraising include:

Open and accountable fundraising

We tell our supporters how they can easily change their preferences and we give them the ability to decide exactly what they want to receive. In 2024 we provided this opportunity in every mailing we sent. We regularly ask supporters if they are happy with what they receive from us at the end of every phone call.

Communicating with our supporters

We regularly update our supporters through our supporter magazine, letters and emails about how we spend their valuable donations to help pets in need.

Complying with laws, regulation and standards

We are a member of the Institute of Fundraising and comply with the Fundraising Regulator code of practice. We also work with other charities to share and learn best practice across the sector. In 2024 we were part of the Compliance Forum, alongside other charities.

Blue Cross works within the principles of our own supporter charter and complies with the Code of Fundraising Practice issued by the Fundraising Regulator.

Protecting vulnerable people

We train our teams to be aware of the needs of vulnerable people and are guided by the Institute of Fundraising's guidance on treating vulnerable persons fairly.

You can see our approach on our website: bluecross.org.uk/protecting-vulnerable-supporters

Compliments, complaints and negative feedback

We use the positive and negative feedback that we get from our supporters and customers to better understand their experience and to help improve the way we do things. All complaints are taken very seriously and are categorised by 'failure' type and are graded from low to high depending on the level of impact to either an individual, a pet or Blue Cross.

The feedback we receive is analysed on a regular basis so that we can spot trends and issues as they occur in real time and implement any recommended process changes.

For example, as a result of complaints regarding our rehoming process we introduced a 'rehoming email journey' to keep applicants informed of the process. Our Digital team also updated the Home Finder application form on our website to make choosing the correct fields much clearer and easier for rehoming applicants.

Working with partner agencies

We continue to work with trusted partners and, when and where we need to identify new agencies, we use a comprehensive procurement process. For example, each external organisation we work with on fundraising is carefully selected through an agreed process and monitored as they conduct work as ambassadors of Blue Cross. Through this process we aim to ensure we deliver the best in terms of supporter care and value for money and are fully compliant with UK laws, regulations and standards. Regular reviews are also undertaken for all key suppliers and performance monitored on an ongoing basis.

We undertake a range of fundraising activities to encourage the donations that are so vital to funding our ongoing animal welfare work, both through our own internal teams and by employing external fundraising agencies. In 2024 we partnered with Gather Campaigns and Charity Link to provide our door-to-door fundraising. Towards the end of the year we also undertook some activity to recruit regular givers in private sites such as shops. In 2024 our fundraising teams contacted supporters and prospective supporters 4,844,500 times via direct mail, email, door-to-door, and telephone fundraising. We received a total of 219 fundraising complaints, which is a reduction of 51% on the previous year (2023 449). This is primarily due to a decrease in door-to-door fundraising activity during the latter half of the year. This number differs from that submitted to the Fundraising Regulator (a total of 419 complaints year ending April 2024) as we are required to report in line with the financial year.

Our full supporter charter, complaints procedure and fundraising policies can be read on our website: bluecross.org.uk/supportercharter

Our shops

Our wonderful loyal customers continue to support us both in shopping with us and donating large amounts of preloved items. 2024 was a particularly hard year for charity retailers overall with challenges around sales dropping, due to the quality and quantity of donated items falling, and the poor weather affecting footfall on the high street. There was also a challenge around keeping shops open due to high turnover of managers and a drop in volunteers. This was coupled by increased costs in salaries and property and repair costs in shops.

However, our shops saw an increase in sales of 3% which was driven by the opening of new shops. Our net income dropped from £665k in 2023 to £207k in 2024 due to increasing costs.

Staff and property costs particularly increased during the year. Staff costs increases were due to rises in the Real Living Wage, while property costs were high due to both inflation on contractor prices and a high level of compliance related maintenance in the year, following compliance activities such as fixed wire testing and fire risk assessments taking place. These activities happen on a three to five year cycle and so costs are driven up when more occur in a single year. We are reviewing and monitoring the performance of our retail shops and looking at how we can ensure our retail network delivers a reliable profit in future years.

We finished the year with 58 shops (an increase of two from 2024). We opened new shops on the south coast of England and a new warehouse location in Southampton to support further expansion in this area as we are seeing positive results in terms of profitability of shops. Our heartfelt thanks to all our retail volunteers and shop teams for their fantastic efforts during the year and, of course, to all our customers.

Ensuring our estate is fit for the future

In 2024 our Estates and Facilities team have been focused on moving forwards with the future plan for our estate. This will ensure it is both safe and suitable for our teams and the pets in our care. We have started work on our "Future Estates Plan" project, which is developing a ten-year plan for our physical estate in which we will not only look at what we need for the sites to deliver our services, but also other factors such as environmental sustainability and accessibility, to ensure we are both playing our role in minimising the climate crisis and in ensuring our sites are accessible to all. This project was due to report by the end of 2024, but now we anticipate this work will complete in the summer of 2025. This is due to a combination of other pressure on our Estates teams from other projects, such as the opening of our new site at Newport and the electrification of our fleet, and also the scale of the work required within the project increasing as more detailed planning took place.

The work required for this project to get a meaningful result has ultimately proved more complex than originally anticipated, with a higher number of surveys and other pieces of work ideally needing to be done on each site than we originally envisaged. Due to resource challenges within the Estates team and also the need for specific skills to perform some of these pieces of work, we have now agreed that more of this work would be better done by external experts than our in-house team. We engaged with a range of external firms and internal stakeholders to get their views on the best way to proceed and at the start of 2025 we appointed the successful firm to work with us on the remainder of the project.

Streamlined energy and carbon reporting

Developing our approach to climate change and sustainability

During the year the charity has continued to work towards how it can achieve its environmental commitment, which sets out how it intends to change its environmental impact by 2030. This commitment covers areas such as energy, water, waste and biodiversity and can be found on our website at bluecross.org.uk/our-latest-publications. We are clear that as a charity we need to play our part in dealing with the challenge of climate change and do all we can to operate in a sustainable manner. We have four climate and sustainability groups who are meeting regularly to look at the areas of:

- Waste
- Energy and water
- Travel
- Land stewardship and biodiversity

These groups are looking at the current environmental impact the charity has in each of these areas and are making recommendations as to how the charity can reduce its impact. They also look to bring about local action at our different sites and individual actions by our employees and volunteers, as we believe that it is vital that everyone takes what actions they can to help minimise carbon emissions and climate change.

Blue Cross is reporting energy and carbon emissions in compliance with The Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Energy consumption (kWh)	**2024**	**2023**
Gas	1,525,685	1,599,231
Electricity	2,216,466	2,338,484
Heating oil and LPG	1,059,264	949,021
Transport Fuel	954,021	931,055
Total	**5,755,436**	**5,817,791**
Emissions (tCO_{2e}) (kWh)	**2024**	**2023**
Gas	279	288
Electricity	459	484
Heating oil and LPG	253	229
Transport Fuel	241	230
Total	**1,232**	**1,231**
Emissions per FTE	**1.60**	**1.76**

Methodology

Methodology follows best practice and is based on HM Government Environmental Reporting Guidelines, 2019. The key elements of the methodology are as follows:

- All emissions factors are taken from the latest 2023 and 2024 versions of the UK Government GHG Conversion Factors for Company Reporting.
- Scope 1 and Scope 2 consumption data (gas LPG, heating oil and electricity) is taken from validated and verified utility supplier invoices.
- Scope 1 and Scope 3 data for transport fuel is taken from Blue Cross internal systems which record mileage driven by fleet vehicles and the grey fleet (which relates to mileage driven in private vehicles by employees on company business).
- Mileage driven in company fleet vehicles is classed as Scope 1 while the grey fleet is classed as Scope 3. This is in line with HM Government Guidelines.

Review of the period

Overall energy usage has decreased slightly by 62,355 kWh, after it increased in 2023. Carbon emissions has increased very slightly (1 tonne) due to the mix of energy used during the year. There are increases in certain categories such as heating oil/LPG and transport fuel but there are larger decreases in electricity and gas.

Heating Oil and LPG are calculated based on an invoiced basis and do not take into account how much of each fuel we have remaining on each of our sites at year end. Therefore, the timing of deliveries and the remaining stock quantity at year end can have a significant impact on these figures and we are looking at how we can more accurately measure true usage during the year under review. However, even when those timing differences are taken into account, we recognise we need to decrease usage of these heating fuels. We are currently looking at sources of heating across our estate and how we can switch away from these more carbon intensive fuel types to electric powered heating systems, ideally powered by renewable energy sources.

Transport fuel has increased primarily due to the mix of vehicles used. The total mileage driven across the organization has only increased slightly, from 750,416 miles to 755,680 miles but a greater percentage of this was in the grey fleet (employees and volunteers' private vehicles) as we made changes to our owned fleet during the year. As we do not know details of all these grey fleet vehicles, we use average conversion factors which are higher than the specific conversion factors used for the vehicles on our own fleet of company cars and smaller vans. We are currently rolling out a new hybrid and electric fleet of vehicles which will further reduce the emissions from our owned fleet. We are also looking at how we can more accurately record the emissions from vehicles in the grey fleet and also how we can ensure that business travel is undertaken when it is wholly necessary. We are confident through this mix of measures the emissions figure from transport fuel will fall in 2025 and further years.

The decreases in electricity and gas usage and carbon emissions, which are our largest energy usage categories, are pleasing to see and reflect the focus we have had on installing more energy efficient technology and encouraging our people to think about energy saving measures. These decreases have happened despite our overall Full Time Equivalent (FTE) Employee numbers increasing from 696 to 770 and the significant increases we have seen in pets and people helped in our services. Our emissions per FTE fell to 1.6 Tonnes of CO^2 per FTE (2023 1.76).

Energy saving actions taken in 2024

In order to meet our environment commitments by 2030 we have set up four focus groups looking at the following areas of environmental sustainability. These groups meet regularly during the year and work collaboratively across the organisation to progress with plans to reduce our impact in each area:

Travel

- Tenders undertaken to appoint a new fleet management provider 'Fleetcare' who will provide and manage Blue Cross vehicles and support the transition to low-emission vehicles. A number of our existing internal combustion engine (ICE) pool cars will be decommissioned during the end of 2024 and early 2025, with new electric vehicles arriving in the spring of 2025
- To support this transition, we have planned to install EV charging points at most of our sites over the first half of 2025. This will ensure convenient access to charging facilities for all staff and volunteers using EVs.
- Our 'Sustainable Travel' policy is currently being drafted to bring to the forefront environmental considerations when travelling for Blue Cross work.

Energy and water

- We completed the procurement of 3-year energy contract with EDF, which is the zero-carbon energy product. Zero-carbon energy is sourced from a provider of nuclear power. With the zero-carbon energy contract we've been able to implement cost savings and limit our carbon usage, whilst we work towards fully renewable sources in the future.
- We introduced Stark ID electric metering across the organisation so each individual site can see what electricity they are using every 30 mins, as well as overview of usage across all sites to improve energy management.
- We implemented smart water metering at a number of our sites and will continue this during 2025.

Biodiversity and land stewardship

- We have drafted a Biodiversity policy to support compliance with relevant legislation, government policies and standards of good practice for managing and enhancing biodiversity at Blue Cross sites.
- Biodiversity surveys undertaken by ecologists at key sites including Burford, Rolleston and Suffolk to understand the animal and plant species existing there. The results of these surveys will be fully understood in Spring 2025 from which we can start to implement tailored biodiversity action plans through support from volunteers and local community groups.
- Development of a wellbeing garden at Thirsk, which has provided a space for reflection through the development a previously overgrown space which was unutilised. The pond area has been regenerated as well as the surrounding garden areas

Sustainability is also one of the key criteria we are looking at as part of our Future Master Planning project, as we assess the future requirements of maintaining and developing our rehoming and veterinary sites. Through this work we can plan how we will introduce new technologies to sites which can minimise our carbon emissions, and also whether there are areas of sites where we do more to ensure the natural world is supported while we carry out our work with the pets who need us. We are carrying out a range of surveys on our sites in early 2025 and will be able to report on the outcomes of this work and how it will shape our future sustainability plan in the 2025 annual report.

Waste

- We are now collecting data quarterly to understand waste trends. We are conducting analysis to understand how much waste is recycled, converted to energy for waste or sent to landfill from each site and then working on local initiatives to try and improve performance at different sites.
- We are always trying to make use of recycled materials where possible, for example at our new Newport site we have used recycled carpet tiles and our new dog play equipment at Burford is made from recycled plastic.
- Through our network of Retail shops we continue to recycle huge quantities of clothing and other goods, both for resale and also for areas such a rag collections for clothing which can't be sold.

Our waste and recycling figures

Retail operations	2024	2023
Recycled	61% (165 tonnes)	66% (208 tonnes)
Incinerated for energy recovery	37% (101 tonnes)	31% (97 tonnes)
Landfill	2% (5 tonnes)	3% (10 tonnes)

Rehoming centres and hospitals*	2024	2023
Recycled	18% (21 tonnes)	18% (21 tonnes)
Incinerated for energy recovery	82% (97 tonnes)	82% (97 tonnes)
Landfill	0% (0 tonnes)	0% (0 tonnes)

Our plans for the future

We have made great progress towards the goals outlined in 'Our focus 2024 – 2026'. However, we need to continue building on this momentum in order to ensure that we can have an even greater impact on pets and the people who love them.

We have set ourselves challenging targets for 2025 which relate to our five strategic goals:

Goal: Sustainably expand our veterinary services:

By the end of 2026 we aim to help over 28,000 pets a year, so we plan to take a positive step towards that goal with a target of helping 27,000 pets by the end of 2025. Alongside this challenging target, our focus will be on the sustainability of our veterinary services, to ensure we can provide accessible and affordable veterinary care for pets long into the future.

We plan to improve our systems and processes in 2025, making them more efficient for our teams and easier for our clients to access our services. In addition, we will optimise our Veterinary Care Fund to make sure Blue Cross can provide essential lifesaving veterinary care across the whole of the UK. We will also be building on the pilot in Hertfordshire, to use our veterinary expertise to provide care to more pets in the most cost-effective way.

Goal: Increase the impact of our rehoming and fostering teams:

Our strategic aim is to be helping over 10,000 pets a year by 2026.

New processes are creating a truly client-focused service across the country, enabling us to reach more pets. We're also looking at how we develop our behaviour expertise, to make sure we're ready to support even more pets as we grow our services.

2025 saw the official opening of the newly relocated Blue Cross site in Newport, helping us to fulfil our ambition of helping more people and pets in Wales by 2026. We will also be developing our digital rehoming services, to improve efficiency for our teams and access for the people and pets who need us. In addition, growing our foster network will provide a home environment for more pets while we find them a new permanent home.

Goal: Grow our Pet Loss Support service

In this strategic period we will respond to 30,000 calls for support each year, helping even more people through the difficult experience of losing a pet.

To continue this goal, we will be expanding our Pet Loss Support service in 2025 by recruiting more volunteers to deliver this essential service. Other areas of focus will be to increase awareness of the service through targeted campaigns and partnerships. We will also be developing new resources to support those grieving the loss of a pet and exploring ways that we can generate income through the service.

Goal: Develop a shared approach to tackle the issue of responsible dog ownership

By the end of 2026 we will have developed our Blue Cross approach to tackle the issue of responsible dog ownership and have committed to a long-term plan to achieve it.

The focus in 2025 will be to strengthen partnerships with local authorities and police forces, to deliver impactful education and awareness programs and expand the reach of our Responsible Dog Ownership Courses. We will continue to campaign for policy and legislative changes to enhance dog welfare and advance our Human Behaviour Change framework to drive meaningful local impact.

Goal: Balance the budget on our day-to-day operations

By the end of 2026 our income will cover our recurring operational costs.

Our 2025 budget shows a £2.3 million operational loss, with an additional £1.5 million loss forecasted for 2026. We are therefore focusing on high-value fundraising to maximise income while also carefully managing our costs to ensure efficient use of our valuable donations in a challenging economic climate. During 2025 we will review and streamline our employee and volunteer costs, including travel expenses and ways of working.

Another priority for 2025 will be to implement cost-saving initiatives to reduce operating expenses, with a strong focus on how we buy what we need and where we can get the greatest value for money. We will also review our internal processes to make sure

they are efficient and user friendly, making use of technology to improve them wherever possible. We will continue to improve our financial forecasting to ensure we have a clear view of how we are performing and whether we are on track to break even.

To achieve these five key goals we must also focus on areas such as our people, technology and brand:

Develop our teams and increase our number of volunteers

By the end of 2026 we will have created a clear and captivating people value proposition, defining what makes Blue Cross a unique and rewarding place to work.

This will enable us to attract top talent and increase volunteer recruitment. And once we find the right people, we want to make sure they stay, so we will also be focusing on ongoing training and support.

Increase awareness of our brand and engagement with our charity

Our goal for 2026 is to raise positive awareness of and engagement with Blue Cross and to convert this into financial and non-financial support.

To help us achieve this goal, our priority in 2025 is to continue to evolve our successful TV and digital brand advertising campaign, which launched in March 2024. This will increase financial support for us, as well as boosting non-financial support, such as participating in our campaigning work and growing our volunteer base. We will also implement improved customer journeys, building on the excellent foundations completed in 2024. This will make sure that as more people engage with our charity, they have seamless, positive experiences.

Another area of focus in 2025 is the implementation of our new digital marketing strategy, with the goal of improving the online experience for people who use our services and support us.

Evolve our technology and use of data

By the end of 2026 we will have fully launched Central Platform, a new technology platform for fundraising, communications and engagement activities, as well as for managing pets in rehoming and fostering services.

The priority for 2025 will be the launch of the Central Platform in which will enable us to switch off the current CRM system, 'Care.' This will create more connected and flexible systems, better suited to the evolving needs of our teams.

We will also develop most of the capabilities needed by our rehoming and fostering teams, allowing us to replace the Anilog system in 2026.

Other areas of focus in 2025 will be to improve the wider awareness of information security to protect our charity and define our fit-for the future technologies to be used and how we deliver them. We will also establish how we sustainably manage the storage of personal data and ensure our data metrics are clearly defined, accurate, and aligned with our charity's work, evidencing the impact we make.

Challenges we face

Recruitment and retention of people

We continue to face some challenges in the recruitment and retention of both staff and volunteers, particularly in areas such as veterinary services and Information technology. We cannot match what the private sector will pay people to perform the same roles, but we do feel that through a range of measures we do have a very attractive overall offering, and this has helped us end 2024 in a stronger position. People are generally volunteering less across society and we have had to work hard to recruit new volunteers. This work has been successful in 2024 and we need to continue to focus on it in 2025.

Rising costs

The cost of living and the cost of pet ownership has increased, making it harder for the people we're here to help and harder for our supporters. Alongside this, operational costs have increased for Blue Cross in the same way as they have for other organisations. This has been especially prevalent within our veterinary services where a shortage of vets and vet nurses has caused an increase in salaries beyond other areas. The recent budget has also had a significant impact through the increased national insurance contributions adding 1.2% to our budgeted salary costs.

Competition for income

The fundraising environment is increasingly competitive between charities, and we are having to work harder to maintain the amount of money we can raise based on the budget we have available to spend on fundraising. Areas like retail have also been impacted, with donations to charity shops dropping as a result of an increase in people selling second hand goods online themselves.

Demand for services

We are seeing an increased demand for all our services and we simply cannot help everyone who needs us. The increasing cost of veterinary treatments is driving more people to seek help at one of our hospitals. In rehoming and fostering we are seeing a high number of people needing to give up their pets and we are also seeing more dogs coming into our care with challenging behavioural issues. These pets need more input and specialist support before they can be rehomed, which further limits the number of other pets we can admit.

Cyber attacks on our systems and infrastructure

We do see a number of attempted attacks on our systems and information technology infrastructure each year. These are increasing year on year as scammers attempt to find ways to infiltrate our systems and extract data from them to then use for their criminal activities. We take the security of our systems very seriously and have invested more in this area in recent years to ensure that our supporters' and customers' data is kept securely. This was recognised when we were re-certified as compliant with Cyber Essentials + in 2024. Sadly, we anticipate this trend will continue and we will need to be vigilant in this area.

Financial review and outturn

Financial outturn

The overall result for the year was a loss of £0.3m (2023 gain of £382k). This was the result of an operating loss of £88k and a loss of £243k on our investment portfolio. Our operating loss was smaller than expected and was due to a combination of legacy income being far stronger than anticipated and costs in two key areas of Rehoming and Fundraising being lower than budgeted.

These areas of underspend were offset to some extent by overspends elsewhere, with both our veterinary costs and our property maintenance costs exceeding budget.

We expect to see a larger operational loss in 2025, where we are anticipating a loss of £4.7m, as we continue to invest further in our frontline services and also in areas such as technology platforms and brand awareness, all of which has been ongoing during 2024. These investments will ensure we are an efficient and productive charity in the future and also that we continue to be able to raise funds for our vital work.

Our subsidiary the Blue Cross Trading Company continued to trade successfully and it delivered a profit of £301k that was donated to the charity.

We are immensely grateful to our supporters for their donations, and our people for their efforts during 2024. Our teams have worked tirelessly to continue to bring in income and minimise costs wherever possible and it is through this work that we managed to end the year in a strong financial position which we can then invest in future years.

Income

We are dependent on donations for everything we do. On behalf of all the pets and people helped we would like to thank every one of our supporters for their generosity. We'd also like to thank our corporate partners, trusts and foundations, and individuals, especially those mentioned on page 58.

Our income streams overall performed in advance of our expectations for the year. At £29.2m (2023 £22.1m), legacy income was at a record high. We believe this was driven by His Majesty's Courts and Tribunals Service starting to clear their backlog of cases and being able to process new cases faster. It is hard to determine whether we can expect 2025 to be quite as strong and currently our forecasts suggest that it will not be as high.

Donations were at £10.6m (2023 £11.3m). The decrease year on year is disappointing but reflects a hardening fundraising environment and the fact there is greater competition between charities for donations. We expect it to be a similarly challenging fundraising market in the next few years and are looking at how we can continue to grow our fundraised income, which is vital for delivery of our work.

Our charity shops income did increase slightly year on year, from £5m to £5.1m, which was pleasing in a tough retail environment. Due to higher than expected property costs our net profit on our retail operations fell markedly. However, the shop network had a more profitable end to the year and we feel there will be continued demand for charity shops because of a combination of customers being focused on both the price and the sustainability of what they purchase. Due to this we will continue to look for opportunities for new shops in strong locations around of the UK.

Income from charitable services also increased to £3.8m (2023 £3.1m). This was primarily due to an increase in both our veterinary and rehoming income streams, as the number of pets we helped increased and also our new pricing model for veterinary clients started to have a positive impact on income streams, with veterinary income increasing by £431k.

Expenditure

Our salary costs increased to £28.2m (2023 £24.9m). This was in line with the overall budget for the year, though in different areas of the charity we were over and under budget. Due to the changes made in our Rehoming teams at the end of 2023 there were a number of vacant roles in this area for large parts of the year and this meant that our salary costs in this area were lower than expected. These roles are now mainly filled and so costs in 2025 will be higher. However, veterinary salary costs were above budget due to the need to use locums more than anticipated, particularly in Grimsby hospital. Salary costs are expected to increase further in 2025, particularly given the UK government's decision to considerably increase the cost of employers national insurance contributions by increasing the rate of contributions and considerably reducing the threshold at which these have to be paid.

Operational costs and overheads overall increased to £22.5m (2023 £19.7m). This increase is primarily due to a significant increase in our costs associated with Raising Awareness, as we invested heavily in television and online video marketing for the first time for a number of years. Overall, raising awareness expenditure rose from £4.2 to £6.1 million (after allocation of governance and support costs) and this increase is due to the additional marketing activity. We believe this expenditure is vital to ensure our long-term future as it will help raise the profile of our work, make people aware of our services and also encourage them to donate to us.

Operating costs and overheads expenditure was below our budget for the year and was primarily because we struggled to spend money on some face-to-face fundraising activities due to capacity problems with our suppliers for that market. Longer term this will have an impact on our fundraised income in this space, as this activity recruits regular, long-term donors, though we are looking to invest more in 2025 to compensate. Also, we have not progressed as fast as anticipated with our central CRM investment programme, again due to capacity challenges with suppliers. We have revised our plans in this area and intend to invest more in 2025. During the year, Blue Cross spent £37.3m (2023 £32.1m) on charitable activities, which represents 74 per cent of total expenditure in the year (2023 72 per cent). For every £1 invested in raising funds, we received £7.77 back in donations and legacies (2023 £6.50).

Balance sheet

Our balance sheet comprises net assets of £74.8m (2023 £75.1m). The legacy debtor has increased at £25.5m (2023 £20.6m), as His Majesty's Court and Tribunal Service made progress with the backlog of probate cases but most of these cases have not yet realised the value in the estates.

Our cash holdings increased to £6.1m at year end (2023 £3.6m) and this was due to us withdrawing £5 million from our investment portfolio at the start of December 2024 to fund our planned investments in key strategic areas and also our day-to-day operations in 2025, as we believe these two areas combined will make our cashflow strongly negative for the year. We withdrew a further £2.5 million from the investment portfolio earlier in the year to fund our investment in raising awareness activities. These are all planned withdrawals that are agreed by the trustee board, who believe it is right for the charity to be using some of its reserves to be investing in its future strategy at this stage and supporting the ongoing delivery of its vital services. The Investment portfolio value has fallen from £35.8 million to £28m due to a combination of these withdrawals and the small loss incurred on investments during the year.

We monitor cashflow very closely and have in place plans that will allow us to access additional funding if we encounter cashflow challenges, though none are anticipated at this point.

Investment policy and performance

At the end of 2024 we made the decision to switch management of our investment portfolio from Greenbank to Cazenove and this transition has

taken place in early 2025. We took this decision after a competitive tender process where we interviewed a number of firms. We would like to thank Greenbank for their management of our investment portfolio over the previous six years and for working with us during that time to transform our portfolio to one focused on both investment returns but also in line with our values based investment policy.

The investment portfolio returned 2.8 per cent to 20 November 2024, when our Greenbank account was closed to allow transfer of the investment portfolio to Cazenove. This process was concluded in early 2025. The performance of the portfolio was disappointing compared with other benchmarked performances, though the process of preparation for transfer did have some impact on the performance, as some holdings had to be converted to cash at less favourable times. It made a monetary loss in capital value of £243k (£986k gain in 2023) and generated £1.2m in income over the year. Long-term performance remains strong with the portfolio returning 15.5 per cent over the previous five years after all fees.

The target return for the overall portfolio is an average of consumer price inflation plus 3 per cent over the long-term (5 years+). The charity also holds cash as part of its liquid reserves and does seek to obtain a return on these amounts, while minimising the risk of any loss on these holdings.

2024 has continued to be a slightly challenging year for investment portfolios in general. A number of large technology companies have continued to strongly lead global equity market indices in 2024, with other sectors struggling to match their growth and returns and so look slightly poor in comparison. The portfolio has limited exposure to these holdings due ethical issues with a number of these companies and so only received limited benefit from their share price increases.

However, during the year there were improvements in other parts of the investment markets, particularly the small and mid-cap names and those exposed to the 'growth' investment style and there are indications this should continue.

We publish our investment policy on our website. This policy guides our investment decisions and makes sure we are considering the nature of our investments, to ensure that they reflect our values and principles, as well as driving a financial return for the organisation. The focus on sustainability investment has continued. At the end of 2024, all investments demonstrated strong social and environmental management and corporate governance, with clear positive ethical and sustainability attributes. During the year the Investment Committee reviewed the investment policy and made some small edits. The policy aligns with Blue Cross's values while giving sufficient discretion to our investment managers.

Greenbank provides analysis using the Impact Management Project's 'ABC' methodology, according to their level of impact (positive or negative) on people and planet.

Investments falling into these categories must at the very least demonstrate that they are actively seeking to avoid social or environmental harm, which fit into category A. Investments in category B must also show they are delivering positive social and environmental benefits. Investments in category C must also deliver meaningful change for people and/or the planet. Investments in category C+ are the highest impact and deliver meaningful change for under-served groups that would be unlikely to have happened otherwise. As of 31 December 2024, 100 per cent of the portfolio was covered by these categories, with the remainder held in cash.

Going concern

The directors are of the opinion that the company has adequate resources to continue to operate for the foreseeable future, for at least 12 months from the date of approval of the financial statements. They have formed this opinion after reviewing future forecasts, cash flows and debt level. The level of reserves and current cash-flow is sufficient to cover repayment of our existing loans. Future forecasts show the charity will be operating at a loss due to expenditure on its charitable services exceeding its regular income and also investment in charitable services, information systems and brand awareness. The charity has sufficient reserves held in cash and in our investment portfolio to cover these planned operating losses while it takes action to return to a sustainable financial position by 2027 as stated in our strategy. For these reasons, the directors believe it is a going concern.

Accounting policies

There have been no changes of accounting policies during the year. The 2024 annual report and financial statements have been prepared in accordance with current statutory requirements, the Memorandum and Articles of Association, Companies Act 2006, Charities SORP – issued 2019 and Charities and Trustee Investment (Scotland) Act 2005.

Planned expenditure

Our capital expenditure plans are shown in note 20 to the accounts.

Reserves policy

The charity holds general reserves to support the organisation in countering short-term financial risks, while recognising the interaction between reserves and long-term strategic objectives and capital plans. The Board's policy is to maintain sufficient unrestricted liquid reserves to counter the most significant short-term financial risk to the organisation, which has been identified as a sudden fall in income. Liquid, unrestricted reserves is defined as the total balance of cash, debtors (excluding debtors related to legacies), investments and creditors that the charity holds, minus the balance of any restricted funds. This differs from the standard definition of free reserves due to the exclusion of the legacy debtor. This is excluded due to its potential for a high level of illiquidity, as it is dependent on the relevant estates being converted to cash for distribution by executors. The appropriate benchmark has been determined as the ratio of liquid, unrestricted reserves to the amount required to cover the following expenditure:

- Six months' future budgeted expenditure (which has been determined as being a sufficient time frame to manage material cost reductions or fund emergency appeals while minimising the impact on our service delivery and core organisational capabilities)
- All contracted capital expenditure
- All expenditure committed under leases through to their expiry

The Board reviews this measure annually and has decided that the minimum target ratio is 0.5, subject to minimum liquid, unrestricted reserves of £15m. At 31 December 2024 the charity was operating at a ratio of 0.86 (2023 1.09) with a liquid, unrestricted reserve of £25.9m (2023 £31m).

Free reserves at year end are £51.4m (2023 £51.6m). Reserves are expected to decrease in the next few years, as the charity continues to invest in its new Customer Relationships Management (CRM) system, its brand and fundraising activities and also funds operating losses to ensure it can continue to deliver its much needed services. The budgeted operating loss of £4.7 million has been agreed for 2025 and drawdowns have been made from the investment portfolio to prepare to fund this deficit.

A further loss is currently forecasted in 2026. The Board have determined that there should be a balanced budget by the end of 2026 on the charity's day-to-day activities (excluding extraordinary items and those that represent agreed, specific investments in the future of the charity) and this should be achieved by a combination of income growth and cost control under the new strategy. The Board has confidence that through this strategy the reserves will remain above the minimum permissible ratio. These investments are very important for the future of the charity and to allow it to continue to deliver its wide range of vital services.

Risk management

Our Trustees, supported by the Executive Team, ensure we are taking the necessary steps to manage the risks facing Blue Cross, its employees and its stakeholders. Our Audit Committee oversee the effectiveness of our assurance processes and the management of key risks. They also undertake detailed reviews of key risks to ensure that risks have been correctly identified and mitigations are appropriate and effective.

This thorough process enables us to make informed decisions, whether that be the deployment of resources in our ongoing operations or making investment decisions as part of our strategy.

During 2024 we continued to upskill our teams to better identify and capture risks in our everyday operations and in the delivery of our new strategy. In particular we did a great deal of work on our risk management approach and software surrounding our strategic portfolio of programmes and projects and took steps to better align our risk scoring in this space with the scoring used for our core strategic and operational risks. We worked with the developers of our portfolio management software to upgrade its risk management interface to allow us to record and report information in a more detailed manner and reconcile it with the separate Rhiza risk management system that we use for the charity's strategic and operational risks.

Following the departure of our Head of Assurance in the summer of 2024 we agreed that we would separate risk management from our internal audit function. Both the roles of Risk Manager and Head of Assurance were vacant in the second

half of 2024, delaying some planned progress on risk management and reducing the internal audit programme. Risk management has moved into our Finance & Resources Directorate, which is overseen by our Deputy CEO & CFO. A specific role of Risk and Business Continuity Manager will be recruited within our Strategic Planning team. This role will allow us to further improve the identification and monitoring of risks across both our operations and our strategic portfolio in a consistent manner and also allow us to improve the identification of risks as part of our future strategy development work.

We need to do more to embed risk management throughout the organisation and ensure we are getting real value from it and it is not simply being treated as purely an administrative exercise. We believe that by introducing this new role and basing it within a different part of the organisation we will get better engagement and achieve greater focus and value in this area going forwards. A key part of the Risk Manager role will be working with colleagues to educate, train and support in the identification, scoring and recording of risks and controls. We believe this will lead to a more consistent and accurate risk register and more effective risk management across our organisation.

The launch of our new three-year strategy, the ongoing cost of living pressures and changes in the wider animal welfare, economic and technological environments have led us to reevaluate our strategic risks. We have added two new strategic risks concerning animal welfare standards and CRM (customer relationship management) systems to address gaps within our strategic risk register, and in both these areas we believe now we have either robust controls or actions in place to mitigate them.

Strategic risks and how we are managing them

The following are the strategic risks facing the organisation at the end of 2024.

Risk	What are we doing?
Our welfare standards are either insufficient or not consistently upheld, leading to compromised animal care, reduced staff engagement and harm to our brand reputation.	We have a comprehensive framework of internal welfare standards that underpin the wide range of services we provide. In our rehoming operations, these standards align with those set by the Association of Dogs and Cats Homes, while our veterinary services adhere to the principles established by the Royal College of Veterinary Surgeons. To ensure consistency and compliance, our policies and operating procedures are shared with employees and volunteers, providing clear expectations for their roles. Regular clinical audits are conducted to assess adherence and uphold the quality of our work.
Significant adverse external media coverage arising from our more active public affairs and campaigning stance results in damage to Blue Cross' reputation.	Our reputation, cultivated over the last 125 years, is a vital part of who we are. We monitor and regularly report on customer feedback and complaints, to ensure we are aware of how our service users see us. We can then address this through training and updated procedures, to ensure we are complying with relevant professional codes of practice. We are also aware that, in order to drive our advocacy agenda and speak up about the things that are important to us, there is an increased risk that we may attract negative publicity from those who don't understand or disagree with what we are trying to do. We therefore take steps to manage our brand and protect our reputation, through monitoring of social media and tracking and reporting of media mentions. We proactively manage our key suppliers and partners to make sure they meet our values. This includes undertaking regular reviews with our investment managers to make sure they are meeting our ethical guidelines. Our Board approves any significant partnerships we might enter into, ensuring our values are aligned.

Risk	What are we doing?
Financial sustainability to deliver our strategic objectives.	The ongoing financial pressure on the economy continues to place financial challenges on both the charity and our supporters. We continue to maintain good levels of reserves and are confident that we are sustainable in the medium term. This is supported by regular forecasting and planning for the short, medium and long-term, which is reported to Management and Trustees, allowing them to make decisions that are commercially sound. In order to ensure that we continue to be sustainable for the long-term, we continue to focus on diversifying our income through both fundraising and service income. We have also continued to work on minimising our costs and ensuring we are getting value for money from our suppliers. This work will continue in 2025 as part of our Long-Term Financial Sustainability Programme which is designed to help us balance our core operational budget by the end of 2026.
Blue Cross lacks the people resource, skills or culture to deliver its charitable objectives.	We continue to review our offer to potential and existing employees, and during 2024 we continue to improve our recruitment and succession planning processes and worked to ensure we had an attractive offering to both employees and volunteers. Highlighting and promoting Equality, Diversity and Inclusion is also a key priority for the organisation. In order to ensure we have the resource to deliver our strategic programmes we are carrying out resource mapping for each project and at portfolio level to identify where we might have insufficient employee or volunteer time to deliver the intended outcomes. Volunteer recruitment and retention has remained a key focus in 2024. We have produced a new suite of generic and team specific recruitment materials, including digital adverts. We have developed a volunteer recruitment strategy and delivered volunteering best practice updates and training for Volunteer Coordinators and Volunteer Managers. To support this, we have launched new volunteer recognition materials and a best practice guide.
Weak, inadequate or failure of corporate governance leads to significant reputational damage.	We have a defined structure of Committees supporting our Board and we recruit and support our Trustees with induction and training. This process was subject to external review as part of a wider governance review in late 2022, which concluded "The Trustees have regularly and actively benchmarked governance arrangements against the charity Governance Code, making changes where gaps were identified". During 2024 we have reviewed and updated our strategy governance approach to align it with best practice and in response to audit findings. Our Internal Audit function, which has been delivered through external specialists undertaking specific assignments since the summer of 2024, delivers an annual plan agreed with the Audit Committee, with regular monitoring to ensure system improvements are implemented as suggested.

Risk	What are we doing?
Failure of IT systems and services due to either internal errors or attacks from either hostile third parties or system users with access leading to significant organisational disruption.	We have introduced more structured procedures to ensure security is built in by design for new technology solutions, and change processes are followed to maintain system integrity. Where appropriate and possible we follow security best practice, supported by policies and training for our users. We have made changes to give us better control over the users of our system and increased the use of multi-factor authentication for our core systems. These steps, along with continued review of our systems by internal and external specialists, have helped us ensure we were re-certified as compliant with Cyber Essentials + in 2024.
Blue Cross fails to adapt and then deliver the outcomes of its new strategy, leading to short and medium term financial, reputational and operational impairment and long-term irrelevance.	In 2024 we launched our new strategy and have focused on ensuring it is being delivered by our teams across the organisation, supported by our Strategic Planning team who oversee strategy delivery and governance. For our key strategic programmes and projects we have focused heavily on ensuring there is robust governance around them at all stages. Detailed business cases are produced for projects, showing the measurable contribution towards strategic goals, and are approved by the Executive team and also by the Trustees when they have a financial value of greater than £250,000, with lots of opportunity for discussion and challenge. Each project and programme is supported by its own 'steering group' comprising representation from all necessary elements of the organisation to ensure that the planned change is delivered smoothly and delivers the expected outputs and outcomes.
Blue Cross external website or owned social media channels crash (and for longer than 72 hours) due to either internal errors, or attacks from hostile third parties or system users with access leading to loss of income, service disruption and reputational damage.	We carefully monitor security best practice and current developments to ensure, where possible and appropriate, that our website and social media channels are robust and our service users and reputation are protected. We have implemented the recommendations from the 2022 audit by RSM, our co-source Internal Audit partner, to improve security controls around our website and we continue to monitor the impact this is having as we seek to enhance the website experience for our supporters and service users. We continue to work closely with our website provider to ensure they are aware of and adhere to our requirements in terms of data and systems integrity and security.
The absence of an effective Customer Relationship Management (CRM) and Rehoming & Fostering technology solution could lead to a failure to understand and meet clients' needs, missed income opportunities, inefficiencies, and inconsistent adherence to defined business processes resulting in a reduced quality of service and fewer pets and people helped.'	We are upgrading our key CRM systems via our Central Platform programme. This programme is designed to ensure that we put in place by the end of 2026 a new CRM system (Microsoft Dynamics CRM) for both our fundraising and marketing activities and also for our rehoming and fostering services. This programme is a core part of our strategy and is being monitored closely by both the Executive team and the Board of Trustees to ensure it remains on track to deliver against its objectives. Specific internal audit engagements have been performed against this programme during 2024 by our internal audit partner RSM to give further assurance regarding its progress. The new robust, resilient and flexible solution can and will evolve and adapt with the requirements of the organisation. Successful completion of this work will minimise and reduce this risk considerably.

Structure governance and management

Consideration of Directors' responsibilities

Under Section 172 of the Companies Act 2006 the Board of Trustees, as Company Directors, have a duty to promote the long-term success of Blue Cross. They have done that during 2024 by duly considering the impact of the decisions they make on the future of the organisation. They have taken into account the view of different stakeholder groups who will be affected by the decisions and have weighed and considered the different options that were available to the organisation on each occasion. The Board will always consider the values and objects of the charity in the decision making process as adherence to these is essential for the long-term success of the charity. The Board believes they have acted throughout the year in the best interests of the charity and in a manner which will bring about long-term success.

The Directors consider the key stakeholder groups for Blue Cross to be its clients (pets and owners), supporters, employees and volunteers, its partners and its suppliers. Details on how we look to engage and listen to all these stakeholder groups are included on page 35.

During the year the Board have focused on the delivery of the strategy and the key programmes within it, meeting regularly to discuss whether these are on track and understand where there may be challenges and risks to the delivery of the intended outcomes. They have also where necessary discussed other matters that required their specific attention and approval.

The key areas that the Board have discussed this year were:

- Monitoring of the brand and engagement activity after the approval of the business case for this investment in 2023. The results of this work have been pleasing from a brand awareness perspective, but it has not yet delivered the expected financial return that was anticipated. Therefore in 2025 the Board has agreed that some of the money intended for Brand investment should instead be invested in more other forms of fundraising where the expected return on investment is higher and quicker.
- Monitoring progress of the Central Platform Programme and approval of the business case for the second phase of this programme; the development of a specific rehoming and fostering CRM system. As this is a major programme of change it has had considerable time devoted to it at Board and Committee meetings. It has also been subject to specific internal audits and reviews that have then been delivered to the Board to help them gain assurance that the programme will deliver its planned outcomes. Overall progress is slower than originally planned, primarily due to challenges with resource within our chosen supplier and this has delayed the completion of the initial stage of this programme by a year. However, overall the programme remains on track in terms of cost and the overall approach to the programme by both the supplier and the project team within the charity is delivering the desired outcomes, albeit slower than originally hoped.
- Reviewing the financial sustainability of the charity over the medium to long-term. The charity's forecasts suggest that its day-to-day operating costs will exceed its expected recurring income for the next three years, though, in the short to medium term, it does have reserves that can fund this deficit this is clearly not a sustainable position for the longer term. This position was worsened by the Government's announcement that employers national insurance contributions payable by the charity would increase substantially from April 2025. The Board have worked closely with the executive team to look at what options there are to change this financial forecast and have spent time discussing what their preferred approach is so that the Executive team can move forwards with this work in 2025 and 2026.
- Discussing and agreeing the charity's new approach to pricing of veterinary services. The Board made sure they fully understood the new proposed model and the different categories of clients who would be affected by the increased charges. They looked at how the charity was balancing the ability of people to pay for their pet's treatment with the need of the charity to balance its own finances. It is important to the Board that the charity remains focused on pragmatic veterinary care and delivers this through its own services and also champions it in the wider veterinary world.

- Assessing how best to advance the charity's approach to risk management. This is an area that has not advanced in maturity for the last couple of years and the need for continued development sometimes can seem to be overlooked in amongst all the other work that is ongoing. This matter was discussed at both Audit and Risk Committees and the Board meetings through the year. Following the departure of the Head of Assurance in the summer of 2024 it has now been agreed that responsibility for this area has been moved to the Deputy CEO and the Strategic Planning team to progress with improving this area in 2025 and ensuring that all teams are recording and managing identified risks in line with agreed frameworks.
- Ensuring that all of our people comply with the training requirements that are expected of them, particularly around areas of compliance such as information security, data protection and health and safety. A number of discussions took place about this subject, including the challenges that exist for team members, particularly those who are based in front line roles, and how best these can be overcome. A plan was presented to the Board as to how the compliance rates would be improved going forwards. Pleasingly areas such as compliance with health and safety training have improved during the year but the board feel there should be a continued focus on this area going forwards.

Engagement with stakeholders

Engagement with employees

We know that to be successful we need a happy and engaged workforce. We always look to engage and consult with our employees when making decisions regarding the operations and the future of the charity and to get their input to ensure we make decisions that reflect the reality of what they are seeing every day in their roles. This engagement is done through a number of formal channels, such as employee forums, conferences and surveys, as well as more informally through conversations between team members and the Trustees. The Executive team will also act as a conduit for the views of our people; conversations between the Executive team and employees take place throughout the year to get their input on what they feel the crucial areas are that the charity needs to focus on to ensure it continues to deliver on its charitable objectives.

Business relationships

In order to ensure that Blue Cross continues to thrive we look to establish strong working relationships with our suppliers, customers and any other stakeholders, such as our partner vet practices. Most of the direct engagement with these groups is delegated by the Board of Trustees to the Executive team, who then ensure that supplier, customer and many other major relationships are well looked after throughout the organisation by ensuring the correct practices and policies are in place.

Major supplier agreements and relationships are subject to regular communication and review meetings to ensure that both sides are comfortable with the relationship and any points of concern can be addressed quickly. These will be carried out by the relevant team or person within Blue Cross who owns the relationship with the supplier in question. We also engage with our suppliers on areas such as the Modern Slavery Act 2015 to help ensure that their standards and practices are in line with our own.

Our customers constitute a wider body of people and other organisations, including customers in our shops, members of the public adopting pets in our rehoming centres, pet owners seeking veterinary care in our hospitals and the many thousands of donors who support our work every year. Indeed some people will be in a number of these groups of customers. We look to engage with all these groups through a variety of communication means, such as face-to-face conversations, emails and supporter magazines. We always welcome feedback and our Supporter Care team capture any complaints or compliments that are raised with them and then pass this information on to the relevant teams within the organisations so it can be considered as part of constantly reviewing working practices.

Major donor relationships, be they individuals or in areas such as trusts, will have regular ongoing engagement, through meetings and other communication means to ensure that the donors are fully aware of how their generous gifts are being utilised. We communicate regularly to all our donors via mail and email, though making sure we take into account their communication preferences and consent in line with GDPR regulations.

Safeguarding

We remain committed to ensuring that:

1. Anyone who works for Blue Cross or who uses our services are safe.
2. People can rely on us to be aware of what's going on and to take the appropriate action to protect them.
3. People know who they can talk to or where to get help.

Safeguarding within Blue Cross is primarily managed via the Blue Cross Safeguarding Board. This Board exists to ensure that the charity works together to minimise the risk of abuse or harm to young persons and adults at risk within its remit and to protect such persons in the event of harm and abuse and to effectively report such matters. The Board is committed to learning from experience and to a process of continuous improvement.

The aims of the Board are to:

- Promote and embed a sound and consistent safeguarding culture across the charity.
- Encourage leaders and managers to fully embed safeguarding policies and procedures in the practice of front-line teams.
- Review safeguarding incidents and implement any learnings.
- Share learning and experience from conferences, workshops and best practice.
- Review operational effectiveness of safeguarding policies and procedures and consider any amendments where necessary.

Safeguarding incidents have steadily risen over the past few years. This suggests that increasing numbers of our people are aware of our safeguarding processes and feel able to report and discuss safeguarding issues.

During 2024, the largest number of reported cases were concerns about members of the public. Mental health issues for employees, volunteers and members of the general public are the most commonly reported concerns, however many of the cases are welfare related and would not fall under the definition of safeguarding.

Governance

Blue Cross was founded in 1897 under our former name, Our Dumb Friends League. The organisation is a charitable company limited by guarantee, incorporated on 11 September 1940 and registered as a charity on 8 February 1965.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. These Articles were reviewed in 2012 and updated in line with current legislation and the amended Articles were approved at an Extraordinary General Meeting on 14 November 2012.

The charity is registered in Scotland with the OSCR (registration number: SC040154). The primary focus of its work in Scotland is the delivery of educational talks and working with the Scottish government on a range of animal welfare measures, to try and improve the lives of pets in Scotland.

Trustees

Blue Cross is governed by a Board of Trustees, all of whom are Members of the charity and are volunteers. Trustees meet a minimum of four times per year. The Articles of Association require a minimum of five Trustees and a maximum of 15.

During the year the actual number of Trustees numbered 12. In appointing Trustees, the Board is mindful of the need to ensure diversity and that a wide range of skills and experiences appropriate to the charity's activities are represented. Recruitment of Trustees is delegated to a committee of Trustees under the Chair's leadership, which makes recommendations to the Board. In its recent recruitment, the Board has sought to achieve greater diversity and to lower the average age of Trustees. It also aimed to ensure there are a sufficient number of potential future trustees by appointing a number of independent members and an observer.

No more than one third of Trustees at any time can serve beyond nine years where their skills and experience are desirable to be retained. The ongoing contribution of such Trustees is reviewed annually by the Board. The Chair is subject to an annual appraisal process by a senior Trustee based on feedback from each Trustee. The Chair discusses on an annual basis with each Trustee their current and future contribution and any development needs. The trustees are required to undertake internal training modules and attend external professional development events. In 2023 the trustees achieved a 91.4 per cent completion for GDPR training; 89.1 per cent for Information Security training; and 91.8 per cent for equality and diversity training.

The Trustees regularly review governance best practice and pay particular attention to the charity Commission Governance Code, using it as a benchmark to guide their activities as Trustees and ensuring that they are giving sufficient time and attention to the seven principles contained within it.

During 2024 the Board finished implementing the recommendations from the Bayes Business School best practice governance review that they commissioned in 2022. This review showed that generally the charity's governance arrangements were strong but there were some areas where further improvements could be made. The Board is satisfied at the end of 2024 that they have now implemented all the actions that they had agreed were required.

Independent Board Members and observers

The Board can where it feels appropriate appoint independent members and observers, both to the full Board and to individual committees. These are shown as part of the membership of the Board and its Committees on page 38.

Related parties and subsidiary charities

The charity has two subsidiary undertakings, Blue Cross Trading Company Limited and Blue Cross D&B Limited. The results of subsidiaries are included in the charity's consolidated financial statements, though Blue Cross D&B Limited is dormant and so it does not have financial results to consolidate. Further information on these subsidiaries can be found in notes 17 and 18 of the financial statements.

There are also a number of other related parties and subsidiary charities.

Full details of these can be found in note 19 of the financial statements.

Committees

In addition to the main Board there are six committees which operate under the delegated authority of the full Board and advise or make recommendations.

These committees are:

Audit and Risk Committee (ARC): satisfies itself on behalf of the Board that adequate and effective systems of assurance, governance and risk management are in place across the organisation.

Commercial and Retail Committee (Comco): considers all matters relating to the commercial, marketing, communications and income generating activities of the charity.

Finance and Support Committee (Fisco): primarily considers financial, people, estate, health and safety and information technology related matters for the charity and is focused on ensuring the charity is financially secure and operationally effective. It initially reviews and discusses matters such as the annual budget and longer-term forecasts before they go to the Board for full approval.

Investment Committee (IC): meets quarterly with our investment managers to review investment performance and ensure investments are held in accordance with Blue Cross's ethical investment policy.

Remuneration Committee (Remco): considers the remuneration of the Chief Executive and Executive Team (see page 39) and overall pay policy of the charity.

Service Delivery Committee (Sedco): monitors the strategic and operational performance of the service delivery activities of Blue Cross, against the agreed business delivery plan, and encourages innovation and continuous improvement.

Membership of these committees and sub-committee at 31 December 2024 is as follows:

Kerry Blackstock Comco, ARC (elected 2022)

Niki Brooks-Coppard Fisco (Chair), Remco (Chair), Sedco (elected 2020)

Clive Everest MA, FCA ARC (Chair), Fisco (elected 2017)

Alison Forrestal Comco, Sedco, IC (elected 2021)

Caroline Gosling Comco, Remco, Fisco (elected 2019)

Michele Jennings Comco, Sedco (elected 2023)

Chris Martin BSc Fisco (elected 2019)

Dr Nick Park BVetMed Sedco (elected 2020)

Beth Brook Chair of the Board (elected 2024)

Kath Qualtrough, Fisco, ARC (elected 2022)

Dr Jeremy Stewart BVetMed CertVR MRCVS Comco, Remco, Sedco (Chair) (elected 2015)

Stephen Swift Vice Chair of Board, Comco (Chair), IC (Chair), Fisco, Remco (elected 2012 and 2015)

Independent Board members

Keillian Tai (appointed 2024) ARC, IC

Vikramaditya Ghosh Comco, Sedco (appointed 2022)

Independent members of Committees

Helen Wilkie FCA Audit and Risk Committee (appointed 2020)

Zair Berry FCA (appointed 2021) Investment Committee

Azeem Zaman (appointed 2024) Audit and Risk Committee

As Chair of the Board of Trustees, Beth Brook is an ex-officio Member of all committees.

Dr Jeremy Stewart is the Trustee overseeing safeguarding.

Any expenses reclaimed from the charity by Trustees are set out in note 6 to the accounts.

In recruiting Trustees and Independent Board/ Committee Members a skills matrix is employed. They contribute veterinary, animal welfare, commercial, marketing, fundraising, strategy, communication, governance, banking, finance, HR, technology, education and advocacy skills.

Membership

On 31 December 2024 there were 66 Members of Blue Cross entitled to vote at the AGM. Admission to Membership requires approval of the Trustees.

Executive Team

The Trustees delegate responsibility for the day-to-day management of the charity to the Chief Executive and the Executive Team who also attend Board and Committee meetings as required. The Executive Team reports to the Board on the performance of their respective directorates against the strategic plan set out by the Trustees and on financial and operational trends measured against the annually approved budget. Key performance indicators are in place to facilitate this process.

Members of the Executive Team at 31 December 2024 were as follows:

Chief Executive **Chris Burghes** MBE

Chief Financial Officer and Deputy Chief Executive **Iain Heaton**

Director of Fundraising, Communication and Engagement **Julia McKechnie-Burke**

Director of People and People Services **Beth Verrechia**

Chief Information Officer **Phillip Edwards**

Director of Rehoming and Fostering Services **Alyson Jones**

Director of Veterinary Services **Paul Manktelow**

Remuneration Committee report

Composition and role

The remuneration committee met three times in 2024. Its members are the Chairman and four Trustees and it is attended by the Chief Executive and the Director of People and People Services, who are not present when their performance and remuneration are discussed. No other executives attend the committee.

The objectives of the committee are to:

- Review and recommend the remuneration of the Executive Team
- Have oversight of organisation pay and reward structure and strategy
- Conduct the Chief Executive's annual review and set their objectives for the forthcoming year
- Review and approve any proposed redundancy and settlement payment proposals to be made
- Provide guidance on staff to income ratios for the rolling five-year forecast

All recommendations made by the committee must then be approved by the Board.

Remuneration policy

Blue Cross is committed to ensuring that our employees are paid fairly and in a way that attracts and recruits people with the right skills to have the greatest impact in delivering our charitable objectives.

In assessing remuneration levels the committee considers the following factors:

- **Inflation** – keeping pay levels in line with movements in the cost of living
- **Market forces** – making sure pay levels are set so that they are compatible with the recruitment and retention objectives applicable to the role under consideration
- **Increased responsibility** – accommodating real changes in responsibility
- **Affordability** – ensuring Blue Cross has the financial resources to afford the proposed remuneration

The objective of this policy is to ensure that all Blue Cross employees are provided with appropriate remuneration and are rewarded in a fair and responsible manner in relation to the external pay market. All Blue Cross employees participate in a continuous performance engagement model which monitors, discusses and helps to improve employee performance throughout the whole year.

In 2024 the remuneration committee approved total settlement payments of £41k to three individuals. In addition, there were 12 redundancy, and 15 payments in lieu of notice (PILON) payments totalling £148k made to 18 individuals.

In framing the remuneration policy the committee has fully considered the recommendations of the annual survey of the Association of Chief Executives of Voluntary Organisations (ACEVO) and the National Council of Voluntary Organisations (NCVO) report of April 2014 into charity senior executive pay and guidance for Trustees in setting remuneration.

Remuneration of Executive Team

Remuneration of the Executive Team comprises annual salary, life assurance, pension contribution and continuity of salary in the event of long-term illness.

Life assurance, pension and salary protection for long-term illness are available to all Blue Cross employees.

The remuneration of the Executive Team is reviewed annually based on sector Cendex reward data. Blue Cross aims to pay the voluntary sector median salary for its senior executives. Total remuneration of the Executive Team is included in note 6 of the accounts.

The ratio of remuneration at December 2024 of the highest paid employee (£155,813pa) to the average remuneration of employees (£28,002pa) was 5.56 times (5.24 times in 2023).

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report, including the Strategic Report, the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the applicable Charities SORP
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

At the time of approval of the report, as far as each of the Trustees are aware there is no relevant audit information of which the auditors are unaware and, the Trustees have taken all the steps 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

BDO LLP acted as the charitable company's auditors during the year. They have expressed their willingness to continue in that capacity and a motion to propose their reappointment as our external auditors will be proposed at the AGM.

The Trustees' report and strategic report were approved by the Trustees in their capacity as Directors of the company on 7 May 2025 and are signed on their behalf by:

Beth Brook
Chair

Independent auditor's report

To the members and trustees of blue cross

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2024 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Blue Cross ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 December 2024 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), the charity statement of financial activities (incorporating an income and expenditure account), the consolidated and charity statements of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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.

Conclusions related 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 the 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 and Accounts, other than the financial statements and our auditor's report 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. 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper and 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 determines 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's and the 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 the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management, those charged with governance and the Audit and Risk Committee;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Review of internal audit reports

we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005.

The Group is also subject to laws and regulations where the consequence of non-compliance

could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and the Animal Welfare Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of Internal Audit Reports.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, the Audit and Risk Committee and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the audit team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be completeness and valuation of accrued legacy income and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including accrued legacy income, by sample testing of recognition criteria and challenge of the discount applied.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including component engagement teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Jill Halford
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Jill Halford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 08 May 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial statements

Consolidated statement of financial activities (incorporating an income and expenditure account)

for the year ended 31 December 2024

Income and endowments from	Note	Unrestricted Funds £'000	Restricted Funds £'000	2024 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total £'000
Donations and legacies		34,100	5,713	39,813	29,416	4,033	33,449
Charitable activities		3,780	–	3,780	3,095	–	3,095
Other trading activities		5,852	–	5,852	5,713	–	5,713
Investment income		1,191	–	1,191	1,109	–	1,109
Net profit on sale of Asset		–	–	–	613	–	613
Total income	3	**44,923**	**5,713**	**50,636**	**39,946**	**4,033**	**43,979**
Expenditure on							
Charitable activities:							
Veterinary		(13,360)	(1,729)	(15,089)	(12,056)	(1,346)	(13,402)
Rehoming		(10,001)	(3,312)	(13,313)	(8,503)	(2,298)	(10,801)
Raising awareness		(6,119)	–	(6,119)	(4,158)	–	(4,158)
Advice and support		(2,332)	(432)	(2,764)	(3,167)	(538)	(3,705)
Raising funds		(5,124)	–	(5,124)	(5,149)	–	(5,149)
Other trading activities		(8,310)	(5)	(8,315)	(7,366)	(2)	(7,368)
Total Expenditure	4	**(45,246)**	**(5,478)**	**(50,724)**	**(40,399)**	**(4,184)**	**(44,583)**
Net (expenditure)		(323)	235	(88)	(453)	(151)	(604)
Net (losses)/gains on investments	9	(243)	–	(243)	986	–	986
Net movement in funds		(566)	235	(331)	533	(151)	382
Reconciliation of funds							
Total funds brought forward at 1 January		73,487	1,639	75,126	72,954	1,790	74,744
Total funds carried forward at 31 December	15	72,921	1,874	74,795	73,487	1,639	75,126

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

Charity statement of financial activities (incorporating an income and expenditure account)

for the year ended 31 December 2024

Income and endowments from	Unrestricted Funds £'000	Restricted Funds £'000	2024 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total £'000
Donations and legacies	34,403	5,713	40,116	29,697	4,033	33,730
Charitable activities	3,780	–	3,780	3,095	–	3,095
Other trading activities	5,084	–	5,084	5,086	–	5,086
Investment income	1,191	–	1,191	1,109	–	1,109
Net profit on sale of Asset	–	–	–	613	–	613
Total income	**44,458**	**5,713**	**50,171**	**39,600**	**4,033**	**43,633**
Expenditure on						
Charitable activities:						
Veterinary	(13,360)	(1,729)	(15,089)	(12,056)	(1,346)	(13,402)
Rehoming	(10,001)	(3,312)	(13,313)	(8,499)	(2,298)	(10,797)
Raising awareness	(6,119)	–	(6,119)	(4,158)	–	(4,158)
Advice and support	(2,332)	(432)	(2,764)	(3,167)	(538)	(3,705)
Raising funds	(5,124)	–	(5,124)	(5,148)	–	(5,148)
Other trading activities	(7,845)	(5)	(7,850)	(7,025)	(2)	(7,027)
Total Expenditure	**(44,781)**	**(5,478)**	**(50,259)**	**(40,053)**	**(4,184)**	**(44,237)**
Net (expenditure)	(323)	235	(88)	(453)	(151)	(604)
Net (losses)/gains on investments	(243)	–	(243)	986	–	986
Net movement in funds	(566)	235	(331)	533	(151)	382
Reconciliation of funds						
Total funds brought forward at 1 January	73,487	1,639	75,126	72,954	1,790	74,744
Total funds carried forward at 31 December	72,921	1,874	74,795	73,487	1,639	75,126

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Consolidated and charity statements of financial position

as at year ended 31 December 2024

	Notes	As at 31 December 2024 Group £'000	As at 31 December 2024 Charity £'000	As at 31 December 2023 Group £'000	As at 31 December 2023 Charity £'000
Fixed assets					
Tangible assets	8	21,266	21,266	21,486	21,486
Investments	9	28,023	28,023	35,824	35,824
		49,289	**49,289**	**57,310**	**57,310**
Current assets					
Stocks	10	253	153	355	229
Debtors	11	28,107	28,143	22,744	23,119
Cash and cash equivalents		6,128	6,114	3,616	3,322
		34,488	**34,410**	**26,715**	**26,670**
Liabilities					
Creditors: Amounts falling due within one year	12	(4,856)	(4,778)	(4,034)	(3,989)
Provisions	12	(1,376)	(1,376)	(1,115)	(1,115)
		(6,232)	**(6,154)**	**(5,149)**	**(5,104)**
Net Current Assets		**28,256**	**28,256**	**21,566**	**21,566**
Creditors: Amounts falling due after more than one year	13	(2,750)	(2,750)	(3,750)	(3,750)
Total Net Assets	15	**74,795**	**74,795**	**75,126**	**75,126**
The Funds	16				
Total restricted funds		**1,874**	**1,874**	**1,639**	**1,639**
Total unrestricted funds		**72,921**	**72,921**	**73,487**	**73,487**
Total funds		**74,795**	**74,795**	**75,126**	**75,126**

Total net loss for the parent entity during the year was £0.3m (2023 £0.4m Profit).

The notes 1 to 23 form part of these financial statements.

Approved by the Trustees on 7 May 2025 and signed on their behalf by

Beth Brook
Chair

Stephen Swift
Vice Chair

Company number: 363197

Consolidated cash flow statement

for the year ended 31 December 2024

	2024 £'000	2023 (restated) £'000	
Net cash (used in)/provided by operating activities	**(3,501)**	**1,116**	Table A
Cash flows from Investing activities			
Dividends and interest from investments	963	971	
Interest received	228	138	
Proceeds from sale of property, plant and equipment	–	644	
Purchase of property, plant and equipment	(1,275)	(829)	
Withdrawals from investments	7,395	–	
Net cash (used in)/provided by investing activities	**7,311**	**924**	
Cash flows from financing activities			
Interest paid	(298)	(356)	
Repayment of borrowing	(1,000)	(1,000)	
Net cash provided by/(used in) financing activities	**(1,298)**	**(1,356)**	
Change in cash and cash equivalents in the year	**2,512**	**684**	
Cash and cash equivalents at beginning of year	3,616	2,932	
Cash and cash equivalents at end of year	**6,128**	**3,616**	Table B
Table A			
Net movement of funds for the year	**(331)**	**382**	
Depreciation of fixed assets	1,497	1,593	
Dividends and interest from investments	(963)	(971)	
Interest received	(228)	(138)	
Interest paid	298	356	
(Profit) on disposal of fixed assets	–	(613)	
Losses/(gains) on investments net of management fees	406	(840)	
	679	**(231)**	
Working capital movements			
Decrease/(Increase) in stock	100	(130)	
(Increase)/decrease in debtors	(5,363)	1,606	
Increase/(decrease) in creditors	1,083	(129)	
Net cash (outflow)/inflow from operating activities	**(3,501)**	**1,116**	
Table B			
Cash at bank and in hand	6,128	3,616	
Total cash and cash equivalents	**6,128**	**3,616**	

Analysis of changes in net debt are included in the note 14.

The 2023 cashflow statement has been revised to correct the presentation of £138k of interest received which was erroneously classified as 'cash flows from financing activities', it is now recorded as 'Cash flows from investing activities'.

Notes to the financial statements

for the year ended 31 December 2024

1. Company status

Blue Cross is a registered charity constituted as a company limited by guarantee and does not have share capital. The liability of each member is limited to £1. It is registered in the United Kingdom under company registration number 00363197 and charity registration number 224392. Its registered address is Shilton Road, Burford, OX18 4PF.

2. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and preceding year, is set out below:

a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (FRS 102) 2nd edition October 2019, applicable accounting standards, the Companies Act 2006, and the Charities and Trustee Investment (Scotland) Act 2005.

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Blue Cross Trading Company Limited and Blue Cross (D&B) Company Limited on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the organisations are disclosed in the notes. Detailed profit and loss accounts of Blue Cross Trading Company Limited and Blue Cross are disclosed in note 17 and details of Blue Cross (D&B) Company Limited are disclosed in note 18.

A separate statement of financial position for the charity is presented, however cash flow for the charity itself is not presented because the charity has taken advantage of the exemptions afforded in FRS102.

b) Going concern

The directors are of the opinion that the company has adequate resources to continue to operate for the foreseeable future, being not less than one year from the date of approval of the financial statements. They have formed this opinion after reviewing future forecasts, cash flows and debt level. The level of reserves and current cash-flow is sufficient to cover repayment of our existing loans. Future forecasts show the charity is expected to operate at a planned loss for the next two years due to expenditure on its charitable services exceeding its regular income and continued investment in services, information systems and brand awareness. The charity has sufficient reserves in our investment portfolio to cover these planned operating losses while it takes action to return to a sustainable financial position by the end of 2026 as stated in our strategy. For these reasons, the directors believe it is a going concern.

c) Critical accounting judgements and estimates

In the process of applying its accounting policies, Blue Cross is required to make certain estimates, judgements and assumptions that it believes are reasonable, based on the information available. These estimates, judgements and assumptions affect the amounts of assets and liabilities at the date of the accounts and the amounts of income and expenditure recognised during the reporting period.

On an ongoing basis, estimates are evaluated using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The following paragraphs detail the certain estimates, judgements and assumptions Blue Cross believes to have the most significant impact on the annual results under the Charities SORP (FRS 102).

i. Income recognition – Blue Cross recognises income on a receivable basis where the amount can be reliably measured and is likely to be received. Income recognition policies are detailed in the accounting policy for income and legacies. When it is considered that the key criteria of entitlement, probability and measurement for income recognition are not fulfilled for a transaction, income recognition is delayed until these have been judged to have been met. Payments received in advance of income recognition are recorded as deferred income.

Residuary legacies are recognised as receivable once probate has been granted and they can be valued with reasonable certainty. Legacies are included at 98.8 per cent (2023: 95 per cent) of the estimated value to reflect the inherent uncertainty that exists, refer to note e for further detail.

ii. Tangible fixed assets – the charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. Increasing an asset's expected life would result in a reduced depreciation charge.

Assets held for sale are valued at the lower of the carrying amount or fair value and not depreciated at the point they are reclassified.

The useful lives of Blue Cross' assets are determined at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Refer to note 2H for the depreciation accounting policy.

iii. Accruals, provisions and contingencies – Expenditure incurred in the reporting period where there is uncertainty as to the final amount to be paid is accounted for on the basis of an estimated value where this treatment is viewed as appropriate. An accrual is recognised when it is probable that an obligation exists for which a reliable estimate can be made. The amount may change in the future due to new developments or as additional information becomes available. Matters that either are possible obligations or do not meet the recognition criteria for a provision are disclosed as contingent liabilities, unless the possibility of transferring economic benefits is remote, in which case no reference is made.

iv. Classification of leased assets – leases held are analysed in order to determine where the risk and reward of the ownership of the asset lies and subsequently classified as either operating or finance leases. The accounting policy for leases has been applied to these arrangements and additional assets are recognised within tangible fixed assets.

d) Income

All income is recognised when the charity is entitled to the income, it is probable that income will be received, and the amount can be measured reliably. Specific policies for certain types of income are as follows:

- Raffle income is recognised when the cash is received, and sponsorship income is accounted for when receivable.
- Income from Blue Cross Shops includes the sale of donated goods through shops and the income is recognised when the goods are sold, and the payment received.
- Income from trading subsidiaries is represented by the commission receivable and on goods sold during the year, excluding VAT.
- Investment income is accounted for when receivable.
- Veterinary, Rehoming and Rehabilitation income is accounted for when the service is rendered and includes any associated donations.
- Gifts in kind are valued at cost where material and quantifiable.
- The policy for legacy income is shown in note 2e below.

e) Legacies

Legacy income is recognised in the Statement of Financial Activities when the charity is entitled to the income, receipt is probable and there is a reliable measurement basis. Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted and they can be valued. Legacies are included at 98.8 per cent (2023: 95 per cent) of the estimated value to reflect the inherent uncertainty that exists where a substantial proportion of the estimated income is represented by property and other investments whose value is subject to market fluctuations until realised. This rate is based on forecast economic performance.

Blue Cross is also entitled to receive income from approximately another 117 legacies (2023: 111), which are subject to life tenancies and trust funds, and which mainly comprise shares in properties and investments. As Blue Cross' interest is reversionary, income from these legacies is not recognised at this stage. Blue Cross maintains a legacy pipeline system, which in addition to including the above includes further estimated legacy values that do not meet the recognition criteria, and which therefore have not been included in these accounts. See note 3

f) Tangible fixed assets

Tangible fixed assets represent freehold land and buildings, motor vehicles and equipment. All fixed assets with an expected life of more than one year are included at cost and depreciated on the basis outlined below. Freehold land is stated at cost.

All additions to fixed assets purchased for more than £5,000 (PC and other IT equipment for more than £500) are depreciated on the basis outlined above. Those that cost less than £5,000 (PC and other IT equipment that cost less than £500) are written off in the year of acquisition.

Tangible fixed assets are regularly reviewed for impairment figures and where deemed appropriate the assets are written down.

g) Software costs

Software development and maintenance costs, including licenses and warranties, are expensed in the year of purchase.

h) Depreciation

The depreciation is charged from the date of acquisition or practical completion of works. The Board has set depreciation rates that are prudent and realistic and use the following rates, all on a straight-line basis, to reduce by annual instalments the cost of the tangible assets over their estimated useful lives:

Freehold properties – components -	**15 - 50 years**
Leasehold improvements -	**5 years**
Motor vehicles -	**3 years**
Equipment including PC and other IT equipment -	**4 years**

The land element of properties is not depreciated but is tested for impairment.

i) Investments

Investments held as fixed assets are revalued at bid price at the balance sheet date, except for investments in subsidiaries which are valued at cost. The gain or loss for the period is taken to the Statement of Financial Activities.

j) Stocks

Stocks are valued at the lower of cost and net realisable value. Full provision is made for slow moving and obsolete items. The cost comprises raw materials, direct labour and other direct costs but excludes borrowing costs.

k) Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all costs relating to that category. Where costs cannot be directly attributed to an activity or function, they have been allocated on a basis of head count.

Costs of raising funds relate to those costs incurred in seeking voluntary donations. All investment management charges, and the costs associated with the trading company, Blue Cross Trading Company Limited, are also included. Charitable activities are all costs incurred in meeting the core objectives of the charity.

Costs of raising awareness relate to those costs associated with raising awareness of our services, the charity and its objectives. Where costs could relate to both raising funds and raising awareness (such as TV and other media advertising campaigns) they are allocated between the two categories on the basis of an analysis of the expenditure, taking into account the primary objectives of the different elements of the campaign and the messaging used within them.

Dilapidations have been calculated on all Retail properties based on the remaining lease term. Dilapidations are based on contractors' quotes or estimated costs to return the building to the condition that it was in when first leased. Irrecoverable VAT is included in relevant expense categories.

Governance costs are the costs associated with the governance arrangements of the charity. This includes internal and external audit fees and other costs that have arisen from constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Redundancy and termination payments are recognised when there is a demonstrable commitment on an individual or group basis that cannot be realistically withdrawn.

The support cost of management and administration of the charity (including governance costs), comprising the salary and overhead costs of the central function, is apportioned to charitable activities on the basis of an estimate of staff time attributable to each activity as below:

	2024 %	2023 %
Cost of generating funds	8.31	8.62
Service delivery:		
- Veterinary	31.04	33.39
- Rehoming	30.65	28.23
Raising awareness	6.49	6.50
Blue Cross shops	18.83	18.05
Advice and support	4.42	4.88
Governance costs	0.26	0.33
	100.00	**100.00**

l) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the minimum lease term.

m) Pensions

The charity contributes to a defined contribution pension scheme for salaried employees. Payments made to the scheme and charged in the accounts comprise current contributions. Pension contributions are charged to the Statement of Financial Activities as incurred. The pension cost charge represents contributions payable under the terms of the employees' contracts. The charity has no pension liabilities other than for the payment of those contributions.

n) Funds

Restricted funds represent funds which are to be used in accordance with the specific restrictions imposed by the donors or term of appeal. The aim and use of each restricted fund is set out in notes to the financial statements. Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives and which have not been designated for other purposes.

o) Financial instruments

Blue Cross only holds basic financial instruments. Investments are measured at fair value and shown in note 9 to the accounts. Financial instruments held within current assets and current liabilities are measured at the cash expected to be paid or received which is considered to be amortised cost and is shown in notes 11 and 12. The bank loans (note 13) are measured at the value drawn and any associated costs have been taken to the Statement of Financial Activities.

p) Volunteers' time

The charity does not attempt to put a financial value on the hours of work that it receives for free each year from its thousands of volunteers. Therefore, the accounts do not include any income or costs with respect to this time. Volunteers play a vital role in the charity. Volunteers directly help support all our services in a wide range of roles and also volunteers carry out essential work in our Retail shops and fundraising efforts.

3. Total income

Donations and legacies	2024 £'000	2023 £'000
Donations and gifts	9,523	10,084
Legacies receivable	29,171	22,145
Events, raffle, and sponsorship	1,119	1,220
	39,813	**33,449**
Charitable activities		
Veterinary	2,429	1,998
Rehoming	872	685
Advice and support	196	116
Other income	283	296
	3,780	**3,095**
Other trading activities		
Income from Blue Cross shops	5,074	5,042
Income from trading subsidiaries	778	671
	5,852	**5,713**
Investment income		
Investment income received & receivable	963	971
Interest received & receivable	228	138
	1,191	**1,109**
Net profit on sale of asset	-	613
Total Income	**50,636**	**43,979**

At the year-end the charity was aware that it was a beneficiary of additional legacies which do not yet meet the recognition criteria detailed in the accounting policies under note 2. This is generally because either probate has not been granted and so it was not certain that the legacy would be received, or the value could not be reliably measured. The current estimate of the total amount concerned is £3,490k (142 cases) (2023: £4,780k (181 cases).

The charity received £5,713k (2023: £4,033k) donations and legacies that were restricted. See note 16.

The charity received £930k (2023: £1,100k) of gift in kind donations with the value included in donations and gifts.

Proceeds of the sale of asset of 2023 relates to the sale of our Tiverton centre.

4. Total expenditure

	Raising funds £'000	Other trading activities £'000	Veterinary £'000	Rehoming £'000	Raising awareness £'000	Advice & support £'000	Governance £'000	Support costs £'000	**Group 2024 Total £'000**	**Group 2023 Total £'000**
Staff costs (note 6)	(1,336)	(3,023)	(8,472)	(6,682)	(2,044)	(1,274)	(42)	(5,309)	(28,182)	(24,918)
Other staff related costs	(16)	(61)	(89)	(46)	(20)	(11)	(5)	(302)	(550)	(606)
Service delivery	–	–	(2,178)	(934)	–	–	–	–	(3,112)	(2,411)
PR and marketing	(2,829)	(35)	(1)	(107)	(3,260)	(95)	–	(533)	(6,860)	(5,240)
Trading costs	–	(452)	–	–	–	–	–	–	(452)	(328)
Property	–	(2,175)	(466)	(589)	–	(19)	–	(1,620)	(4,869)	(4,160)
Equipment and IT	(20)	(97)	(167)	(95)	(118)	(16)	(12)	(1,589)	(2,114)	(1,807)
Depreciation	–	(68)	(214)	(776)	(4)	–	–	(435)	(1,497)	(1,594)
Transportation costs	(29)	(197)	(80)	(230)	(27)	(60)	(1)	(78)	(702)	(608)
Other operating costs	(232)	(162)	(174)	(20)	–	(765)	(22)	(986)	(2,361)	(2,680)
Grants	–	–	–	–	–	(25)	–	–	(25)	(231)
Total	**(4,462)**	**(6,270)**	**(11,841)**	**(9,479)**	**(5,473)**	**(2,265)**	**(82)**	**(10,852)**	**(50,724)**	**(44,583)**
Governance reallocation	(5)	(16)	(24)	(28)	(5)	(4)	82	–	–	–
Support costs reallocation	(657)	(2,029)	(3,224)	(3,806)	(641)	(495)	–	10,852	–	–
Total 2024	**(5,124)**	**(8,315)**	**(15,089)**	**(13,313)**	**(6,119)**	**(2,764)**	**–**	**–**	**(50,724)**	**–**
Total 2023	(5,149)	(7,368)	(13,402)	(10,801)	(4,158)	(3,705)	–	–		(44,583)

Comparative section from 2023 accounts

	Raising funds £'000	Other trading activities £'000	Veterinary £'000	Rehoming £'000	Raising awareness £'000	Advice & support £'000	Governance £'000	Support costs £'000	Group 2023 Total £'000	Group 2022 Total £'000
Staff costs (note 6)	(1,305)	(2,637)	(7,791)	(4,945)	(1,430)	(1,857)	(44)	(4,909)	(24,918)	(22,077)
Other staff related costs	(26)	(31)	(99)	(45)	(31)	(14)	(13)	(347)	(606)	(571)
Service delivery	–	–	(1,600)	(811)	–	–	–	–	(2,411)	(2,082)
PR and marketing	(2,916)	(34)	(3)	(96)	(1,974)	(140)	–	(77)	(5,240)	(6,224)
Trading costs	–	(328)	–	–	–	–	–	–	(328)	(246)
Property	–	(2,050)	(359)	(624)	–	(23)	–	(1,104)	(4,160)	(4,159)
Equipment and IT	(18)	(163)	(111)	(97)	(95)	(12)	(11)	(1,300)	(1,807)	(1,566)
Depreciation	–	(64)	(209)	(818)	(5)	–	–	(498)	(1,594)	(1,696)
Transportation costs	(27)	(197)	(58)	(119)	(24)	(86)	(1)	(96)	(608)	(536)
Other operating costs	(154)	(148)	(134)	(56)	(3)	(800)	(40)	(1,345)	(2,680)	(1,755)
Grants	–	–	–	–	–	(231)	–	–	(231)	(276)
Total	**(4,446)**	**(5,652)**	**(10,364)**	**(7,611)**	**(3,562)**	**(3,163)**	**(109)**	**(9,676)**	**(44,583)**	**(41,188)**
Governance reallocation	(8)	(19)	(34)	(35)	(7)	(6)	109	–	–	–
Support costs reallocation	(695)	(1,697)	(3,004)	(3,155)	(589)	(536)	–	9,676	–	–
Total 2023	**(5,149)**	**(7,368)**	**(13,402)**	**(10,801)**	**(4,158)**	**(3,705)**	**–**	**–**	**(44,583)**	**–**
Total 2022	(5,389)	(6,691)	(12,089)	(9,791)	(4,353)	(2,875)	–	–		(41,188)

Governance costs and support costs are allocated on a fulltime equivalent headcount basis see Accounting Policy (2k).

5. Net (expenditure)/income from the financial year is stated after charging/(crediting)

	Group 2024 £'000	Group 2023 £'000
Depreciation of fixed assets	1,497	1,594
(Gain) on disposal of fixed assets	–	(613)
Loans interest	298	356
Operating lease rentals:		
Buildings	1,582	1,515
Vehicles	238	224
Office Equipment	6	8
Auditor's Remuneration (incl. expenses, excl. VAT):		
Fees for the audit of the financial statements	60	55
Fees for the audit of the trading company financial statements*	12	14
Fees to group auditor for other services	13	14

*Audit delivered by Wenn Townsend in 2024.

6. Employees

Group and charity	Group 2024 £'000	Group 2023 £'000
Wages and salaries	(23,184)	(20,667)
Social security costs	(2,261)	(2,010)
Pension contributions	(2,277)	(2,003)
	(27,722)	**(24,680)**
Other staff costs	(460)	(238)
Total	**(28,182)**	**(24,918)**

In 2024 the remuneration committee approved total settlement payments of £41k to 3 individuals (2023: £67k to 4 individual); in addition, there were 12 redundancy, and 15 payments in lieu of notice (PILON) payments totalling £148k made to 18 individuals (2023: redundancy and PILON payments totalling £59k were made to 13 individuals). The amount approved by the remuneration committee but not settled at year end was nil.

The average weekly number of employees engaged in the activities of the charity during the year, shown as number of employees and full-time equivalents, was:

Group and charity	2024 Average	2024 FTE	2023 Average	2023 FTE
Donations and legacies	69	64	65	60
Raising awareness	56	50	50	45
Blue Cross shops	185	145	162	126
Veterinary	268	239	259	233
Rehoming	273	236	222	196
Advice and support	40	34	38	34
Governance	2	2	2	2
Total	**893**	**770**	**798**	**696**

The Executive team, as defined in the Trustee Report, received total remuneration including pension contributions and employers National Insurance of £954k (2023: £1,006k).

The number of employees whose emoluments (including taxable benefits in kind) were in excess of £60,000 for the year were:

	2024 Number	2023 Number
£60,001 - £70,000	16	16
£70,001 - £80,000	4	3
£80,001 - £90,000	3	2
£90,001 - £100,000	1	3
£100,001 - £110,000	2	3
£110,001- £120,000	2	0
£120,001 - £130,000	0	1
£130,001 - £140,000	1	0
£140,001 - £150,000	0	1*
£150,001 - £160,000	1*	0

*Denotes Chief Executive Officer.

Contributions made in the year for the provision of defined contribution pension schemes totalled £313k for those thirty employees (2023: £290k for twenty-nine employees).

In accordance with the Memorandum of Association of Blue Cross, the Trustees received no remuneration for their services during the year.

Trustee travel and subsistence expenses we reimbursed amounted to £3,411 (2023: £3,887).

Trustee Indemnity Insurance was provided in the year at a total cost of £10k to the charity (2023: £7k).

During the year, Trustees donated a total amount of £456 (2023: £362) without conditions.

7. Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Blue Cross Trading Company Limited makes qualifying donations of taxable profits to Blue Cross. No corporation tax liability arose in the year.

8. Tangible fixed assets

	As at 31 December 2024								As at 31 December 2023
Group and charity	Freehold land and buildings £'000	Leasehold improvement £'000	Equipment £'000	Motor Vehicles £'000	Computers £'000	Assets under construction £'000	Assets Held for Sale £'000	**Total £'000**	**Total £'000**
Cost									
At 1 January	38,074	2,005	2,074	219	3,428	57	1,165	47,022	46,929
Additions	196	655	132	47	247	–	–	1,277	829
Disposals	–	–	–	–	–	–	–	–	(736)
Transfers	–	2	–	–	–	(2)	–	–	–
At 31 December	**38,270**	**2,662**	**2,206**	**266**	**3,675**	**55**	**1,165**	**48,299**	**47,022**
Depreciation									
At 1 January	(17,749)	(1,802)	(2,004)	(199)	(2,972)	–	(810)	(25,536)	(24,647)
Charge for the year	(1,099)	(96)	(54)	(19)	(229)	–	–	(1,497)	(1,594)
Eliminated in respect of disposals	–	–	–	–	–	–	–	–	705
At 31 December	**(18,848)**	**(1,898)**	**(2,058)**	**(218)**	**(3,201)**	**–**	**(810)**	**(27,033)**	**(25,536)**
Net Book Value At 31 December	**19,422**	**764**	**148**	**48**	**474**	**55**	**355**	**21,266**	**21,486**
Net Book Value At 1 January	20,325	203	70	20	456	57	355	21,486	22,282

Assets under course of construction in 2024 relate to the build projects at Hammersmith and Suffolk (2023: Hammersmith, Suffolk, Newport and Manchester). The Cambridge site remains held for sale in 2024. The transfer in 2024 related to the Manchester site enhancements and the Newport new leasehold location fit out costs.

9. Investments

Group and charity	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Market value at 1 January	**35,489**	**33,602**
Investment cash at 1 January	335	1,381
	35,824	**34,983**
Disposals at brought forward market value	(18,007)	(12,216)
Acquisitions at cost	10,128	13,116
Cash realised/(utilised)	321	(1,046)
Unrealised (loss)/gain on revaluation	(691)	821
Realised gain on disposal	448	166
Market value at 31 December	**28,023**	**35,824**

The above investments consist of:	As at 31 December 2024 £'000			As at 31 December 2023 £'000
	UK	Non-UK	Total	Total
Fixed Interest securities	4,894	-	4,894	9,462
Other listed shares and securities	10,804	11,669	22,473	26,027
Cash	656	-	656	335
	16,354	**11,669**	**28,023**	**35,824**
Historical cost as at 31 December			**25,720**	**32,902**

10. Stocks

	As at 31 December 2024		As at 31 December 2023	
Net receipts on sale	Group £'000	Charity £'000	Group £'000	Charity £'000
Veterinary drugs for charitable purposes	153	153	229	229
Goods for resale	100	-	126	-
Total	**253**	**153**	**355**	**229**

11. Debtors

Due within one year	As at 31 December 2024 Group £'000	As at 31 December 2024 Charity £'000	As at 31 December 2023 Group £'000	As at 31 December 2023 Charity £'000
Gift aid receivable	860	860	479	479
Trade debtors	132	120	439	439
Amounts owed by group undertakings	-	48	-	375
Legacy debtors	25,458	25,458	20,581	20,581
Other debtors	606	606	171	171
Prepayments and accrued income	1,051	1,051	1,074	1,074
Total Debtors	**28,107**	**28,143**	**22,744**	**23,119**

There were no debtors due after more than one year as at 31st December 2024 (2023: none).

12. Creditors: Amounts falling due within one year

	As at 31 December 2024 Group £'000	As at 31 December 2024 Charity £'000	As at 31 December 2023 Group £'000	As at 31 December 2023 Charity £'000
Trade creditors	(986)	(980)	(652)	(645)
Social security and other taxes	(781)	(706)	(507)	(483)
Other creditors	(115)	(113)	(183)	(183)
Accruals and deferred income	(1,974)	(1,979)	(1,606)	(1,592)
Provisions	(1,376)	(1,376)	(1,201)	(1,201)
Bank Loan (note 14)	(1,000)	(1,000)	(1,000)	(1,000)
Total	**(6,232)**	**(6,154)**	**(5,149)**	**(5,104)**

The deferred income balance on 1st January 2024 was £39k the amount released to income in the year was £115k and the amount deferred in the year was £510k.

The deferred income relates to the Ukraine Appeal, Community Projects (Foodbank) and Community Activity Sponsorship in 2025 (London Marathon).

A reclassification was made to the 2023 disclosures due to the error of not disclosing provisions as a separate item on the balance sheet and the associated note. The impact is that accruals and deferred income has been reduced by £1,201k from £2,807k to £1,606k and a separate provisions balance of £1,201k has been recognised.

Provisions

The provision balance relates to dilapidations of our leased properties £1.1m (2023; £0.9m) and amounts due to HMRC for over recovery of exempt VAT £0.3m (2023; £0.3m).

	As at 31 December 2024 Group £'000	As at 31 December 2024 Charity £'000	Additional Provisions Made Group £'000	Additional Provisions Made Charity £'000	Amounts Used Group £'000	Amounts Used Charity £'000	Amounts Released Group £'000	Amounts Released Charity £'000	As at 31 December 2023 Group £'000	As at 31 December 2023 Charity £'000
Property dilapidations	1,099	1,099	175	175	–	–	–	–	924	924
HMRC provisions	277	277	–	–	–	–	–	–	277	277
Total	**1,376**	**1,376**	**175**	**175**	**–**	**–**	**–**	**–**	**1,201**	**1,201**

13. Creditors: Amounts falling due after more than one year

	As at 31 December 2024		As at 31 December 2023	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Bank loans	(2,750)	(2,750)	(3,750)	(3,750)
Total	**(2,750)**	**(2,750)**	**(3,750)**	**(3,750)**

The balance at the start of 2024 was £4.75m consisting of an £3.75m remaining on a long-term loan and a remaining £1.0m CIBL loan, secured on the Victoria Properties (Sheppard House, 1-5 Hugh Street, SW1V 1QQ).

The £5m loan was taken out in 2021 and is repayable in equal annual instalments over 5 year period with £500k annual repayments and a final payment of £2.5m. It accrues interest at a variable rate of Bank of England Base rate + 1.75% and is secured against the same Victoria properties.

The additional £2.5m was borrowed as part of the government CBIL scheme taken out in 2021. This is repayable in equal annual instalments over 5 year period at a variable rate of Bank of England Base rate + 2.69% and is secured against the same Victoria properties but with an additional guarantee from the UK Government under the CBIL scheme.

Further payments of £500k have been made on both loans during 2024 and this leaves a balance of £3.75m at 31st December 2024.

14. Analysis of changes in net debt

Group and charity	As at 01 January 2024 £'000	Cash flows £'000	Non-cash changes* £'000	As at 31 December 2024 £'000
Cash and cash equivalents				
Cash at bank and in hand	3,616	2,512	-	6,128
	3,616	**2,512**	**-**	**6,128**
Borrowings				
Debt due within one year	(1,000)	1,000	(1,000)	(1,000)
Debt due after more than one year	(3,750)	-	1,000	(2,750)
	(4,750)	**1,000**	**-**	**(3,750)**
Total	**(1,134)**	**3,512**	**-**	**2,378**

* Reclassification of loan due date

15. Analysis of net assets between funds

	As at 31 December 2024			As at 31 December 2023		
	Restricted £'000	Unrestricted £'000	Total funds £'000	Restricted £'000	Unrestricted £'000	Total funds £'000
Tangible fixed assets	-	21,266	21,266	-	21,486	21,486
Investments	-	28,023	28,023	-	35,824	35,824
Long term liabilities	-	(2,750)	(2,750)	-	(3,750)	(3,750)
Net current assets	1,874	26,382	28,256	1,639	19,927	21,566
Net assets at the end of the year	**1,874**	**72,921**	**74,795**	**1,639**	**73,487**	**75,126**

16. Movement in funds

Purposes of restricted funds

The principal restricted funds are those held in respect of the following funds. These funds are specifically for the use at the centres named below.

Restricted funds:	As at 1 January 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	As at 31 December 2024 £'000
With transactions above £250k:						
Burford Running Costs	193	1,952	(1,511)	-	-	634
Community Projects (Foodbank)	163	75	(238)	-	-	-
Hammersmith Capital	215	-	(8)	-	-	207
Southampton Running Costs	-	131	(131)			-
Linked Charities	427	-	-			427
Ukraine	-	25	(25)	-	-	-
Victoria Running Costs	-	1,027	(1,027)	-	-	-
Other Restricted Funds	641	2,503	(2,538)	-	-	606
Total restricted funds	**1,639**	**5,713**	**(5,478)**	**-**	**-**	**1,874**
Unrestricted funds	73,487	44,923	(45,246)	-	(243)	72,921
Total funds	**75,126**	**50,636**	**(50,724)**	**-**	**(243)**	**74,795**

Funds for Burford, Southampton and Victoria included numerous individual legacies towards financing operational activity of these veterinary and rehoming sites.

Other restricted income included £694k related to veterinary services and £1,624k to rehoming sites, with the majority being legacies.

Restrictions for our linked charities are currently being reviewed due to the length of time these funds have been held. See note 19 for further details.

Restricted funds:	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains £'000	At 31 December 2023 £'000
With transactions above £250k:						
Burford Running Costs	449	455	(711)	-	-	193
Foodbank	-	470	(307)	-	-	163
Hammersmith Capital	215	-	-	-	-	215
Southampton Running Costs	390	119	(509)	-	-	-
Linked Charities	427	-	-	-	-	427
Ukraine	-	231	(231)	-	-	-
Victoria Running Costs	-	1,065	(1,065)	-	-	-
Other restricted funds	309	1,693	(1,361)	-	-	641
Total restricted funds	**1,790**	**4,033**	**(4,184)**	**-**	**-**	**1,639**
Unrestricted funds	72,954	39,946	(40,399)	-	986	73,487
Total funds	**74,744**	**43,979**	**(44,583)**	**-**	**986**	**75,126**

17. Blue Cross Trading Company Limited

Blue Cross Trading Company Limited (Company number: 2203092, registered address Shilton Road, Burford, Oxfordshire OX18 4PF) is a wholly owned subsidiary whose primary purpose is to generate income for the charity. The trading activities are primarily sale of new goods through Blue Cross shops and commission and licensing agreements. Net taxable profits are transferred to Blue Cross by way of a charitable donation.

A summary of the trading result for 2024 is shown below:

Income Statement	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Turnover	807	663
Cost of Sales:		
Stock brought forward	126	118
Purchases	429	337
Stock carried forward	(100)	(127)
	455	**328**
Gross profit	**352**	**335**
Administrative Expenses	(12)	(16)
Management charge from Blue Cross	(39)	(36)
Profit on ordinary activities before taxation	**301**	**283**
Taxation	-	-
Profit on ordinary activities after taxation	**301**	**283**
Donation to parent charity	(301)	(283)
Retained profit for the financial year	**-**	**-**
Statement of Financial Position		
Total Assets	383	420
Total Liabilities	(383)	(420)
Net Assets	**-**	**-**
Total Funds	**-**	**-**

18. Blue Cross (D&B) Company Limited

Blue Cross (D&B) Company Limited (Company number 4879277, registered address Shilton Road, Burford, Oxfordshire OX18 4PF) is incorporated in the United Kingdom and has an accounting year end of 31 December. It is a wholly owned subsidiary whose main activity is to undertake the design and building of the charity's hospitals and rehoming centres in the most cost effective manner for the benefit of the charity. Its turnover is derived from invoicing the charity at cost for each major capital project as the costs are incurred. Any net profits would be transferred to Blue Cross by way of charitable donation. Blue Cross (D&B) Company Ltd. was dormant during 2024 and 2023.

The company is exempt from the requirement to prepare individual accounts by virtue of this s448A of Companies Act 2006. The directors of the company are also exempt from the requirement to deliver a copy of the company's individual accounts to the registrar by virtue of s448A of Companies Act 2006.

19. Related parties, subsidiary, linked charities and welfare associates

The charity has the following subsidiary undertakings, which are wholly owned and registered at Shilton Road, Burford, Oxfordshire, OX18 4PF.

Blue Cross Trading Company Limited – This company undertakes trading activities for the benefit of the charity that it cannot carry out as tax exempt, including the sale of new goods, the receipt of some commission and royalty income and some property related transactions. Details of the performance of Blue Cross Trading company Limited can be found in Note 17. The profit achieved each year is donated to the charity as a qualifying charitable donation.

At year end the Blue Cross Trading Company owes the charity £48k, being the current year profits and recharges relating to management and support costs.

Blue Cross (D&B) Company Limited – This company is dormant and did not trade in the year. Further details on this company can be found in Note 18. It does not owe the charity, nor is it owed by the charity, any amounts at year end.

Detail of remuneration of key management personnel and reimbursement of trustee expenses can be found in note 6.

Niki Brooks-Coppard (Trustee) became Chief People Officer for Medivet Group Limited on the 25 November 2024, making Medivet Group Limited a related party to Blue Cross. Blue Cross makes payments to Medivet Group Limited for veterinary services administrated to pets within Blue Cross' rehoming and fostering services by veterinary practices within the Medivet Group, and also makes payments for Veterinary Care Fund grants for the treatment of pets owned by people unable to afford their veterinary care. Since the 25 November 2024 these payments have totalled £1,748, of which £419 is for veterinary services direct to Blue Cross and £1,329 is for Veterinary Care Fund Grants on behalf of owners. The Veterinary Care Fund grant scheme is open to applications from veterinary practices across the United Kingdom and Blue Cross trustees play no role in deciding which individual practices are accepted. Veterinary practices are appointed to provide veterinary services to Rehoming and Fostering centres based on competitive tender processes organised by members of the Rehoming and Fostering team and these processes do not involve trustees.

Kelly Grellier, Chief Operating Officer, left employment of Blue Cross in January 2023. The charity paid a settlement payment of £30k.

There were no other related party transactions to disclose.

Linked charities

The following dormant charities are classified as linked charities on the charity Commission's Register. Their reserves from the point they became dormant are included in the Blue Cross charity accounts and are now managed through the restricted reserves.

- The War Horses Fund
- Annie Gordon Fund
- London Institute Mrs Morgan's Fund
- Bertie Copinger Prichard Fund (Captive and Performing Animals Fund)
- Mary Margaret Baroness Seaforth of Brahan (Sister Mabel's Free Dispensary for Sick Animals)
- Edith Alice Bromley-Bourne Fund
- Rosie May Hare Winton Fund
- Amy Alice Baldwin Fund
- Louisa Snow Fund
- Lucy Anne Fraser Oldfield Fund

Blue Cross is a member of Together for Animals (charity number 1102985) which is a registered charity incorporated as a company limited by guarantee and not having a share capital. Blue Cross's liability as a member is restricted to £10. Together for Animals co-ordinates and promotes payroll giving to benefit the work of five animal charities, including Blue Cross, on a scale that would not be economic for the charities to carry out on an individual basis.

20. Leases and other commitments

At 31 December 2024 the group and charity had the following future minimum lease receipts under non cancelable operating leases as follows:

	31 December 2024 £'000	31 December 2023 £'000
Leases for land and buildings:		
Expiring within one year	1,061	970
Expiring between one and five years	2,036	2,450
Expiring thereafter	295	152
Leases for vehicles:		-
Expiring within one year	152	104
Expiring between one and five years	442	67
Expiring thereafter	-	-
Leases for equipment:		-
Expiring within one year	6	6
Expiring between one and five years	15	15
Expiring thereafter	-	-
Total	**4,007**	**3,764**

There are no additional commitments as at the 31 December 2024 and 2023.

21. Pensions

The charity contributes to a defined contribution and private pension scheme for salaried employees. Payments made to the scheme and charged in the accounts comprise current contributions. These are allocated against the activity to which the related employee is engaged, and no allocations are made against restricted funds. These contributions payable by the charity amounted to £2,227k (2023: £2,003k). All contributions were paid in the year.

22. Contingent liabilities

Blue Cross, on occasion, is required to give indemnities to the Executors of estates where Blue Cross is a beneficiary. The charity does not expect these indemnities to crystalise before expiry and aims to ensure that such indemnities are limited to the value of Blue Cross's share of the legacy, have the earliest possible expiry date, and are not given on a joint and several basis. The total value of indemnities given, but not provided in the accounts, outstanding as at 31st December 2024 is £468k (2023: £564k).

23. Post balance sheet events

Since year end the value of the investment portfolio has fluctuated and has currently dropped by approximately 4% to 5%, due to the disruption in global stock markets caused by the American government's decision to implement a tariff regime impacting nearly all its trading partners. These changes may also have an impact on the value of the legacy debtor stated at year end, due to the fact that the value of estates receivable will include some investments. This impact is estimated to be a decrease of approximately 0.5% to 1% of the total legacy debtor value.

The expectation is that the value of the investment portfolio should recover and then increase further over the medium to long term. Depending on the length of time it takes to receive the value of legacy debts these amounts may also recover before they are converted to cash but there is an existing provision of £299,828 currently recognised against the legacy debtor which is still felt to be sufficient if this is not the case.

The Directors do not believe these reductions in values impact the ability of the charity to continue as going concern as the overall level of reserves are still healthy.

Reference and administrative details

For the year ended 31 December 2024

Company number: 363197
Charity number in England and Wales: 224392
Charity number in Scotland: SC040154

Registered office and operational address

- Shilton Road
  Burford
  Oxfordshire
  OX18 4PF

Honorary Members

- The Lord Kirkham CVO
- Mr and Mrs A Langton
- WJB Sneath
- Sir John Spurling KCVO OBE
- RT Vyner CBE

Ambassadors

- Pam Ferris
- Mary King MBE
- Chris Packham CBE
- Lord Trees

Trustees

Trustees, who are also directors under company law and who served during the year and up to the date of this report were as follows:

- Beth Brook (Chair) (elected 2024)
- Kerry Blackstock
- Niki Brooks-Coppard
- Clive Everest MA, FCA
- Alison Forrestal
- Caroline Gosling
- Michele Jennings
- Chris Martin BSc
- Dr Nick Park
- Tim Porter (Chair) (retired 2024)
- Kath Qualtrough
- Dr Jeremy Stewart BVetMed CertVR MRCVS
- Stephen Swift (Vice-Chair)

Independent Board Members

- Vikramaditya Ghosh
- Keillian Tai (appointed 2024)

Independent Audit Committee Members

- Helen Wilkie ACA
- Azeem Zaman (appointed 2024)

Independent Investment Committee Members

- Zair Berry FCA
- Amy Clarke (resigned 2024)
- Keillian Tai (resigned 2024)

Chief Executive

- Chris Burghes MBE

Company Secretary

- Iain Heaton

Banker

- Barclays Bank plc
  Wytham Court
  11 East Way
  Oxford
  OX2 0JB

Solicitors

- BDB Pitmans LLP
  I Bartholomew Close
  London
  EC1A 7BL
- Bates Wells Braithwaite LLP
  10 Queen Street Place
  London
  EC4R 1BE
- Wilsons Solicitors LLP
  4 Lincoln's Inn Fields
  London
  WC2A 3AA

External auditor

- BDO LLP
  55 Baker Street
  London
  W1U 7EU

Investment Manager

- Rathbone Greenbank Investments
  8 Finsbury Circus
  London
  EC2M 7AZ

Thank you

We would like to pay particular acknowledgement and thanks to the following trusts, companies and individuals for their generous support during 2024.

Corporate partners

- Amazon
- Assisi Pet Care Ltd
- Burgess Pet Care
- Celtic Connection
- Champion Petfoods
- Dodson & Horrell Limited
- DPD Group UK Limited
- Hill's Pet Nutrition Limited
- Petplan
- Pets at Home
- Lily's Kitchen Limited

Major supporters

We are ever grateful for the generosity of all our individual and Trust and Foundation supporters, including those who donated in memory of a loved one or made an anonymous gift. We thank the following for their significant contributions last year:

- Nationwide Building Society
- Pets Foundation
- Dr Rosie Page
- The M T & V L Wythe Charitable Foundation
- The Philip Breeze Charity
- The Rose Animal Welfare Trust
- The Dr Sheila Millar-Danks Charitable Trust
- The Sylvia & Stanley Moss Charitable Trust

We would also like to thank our partners across the animal charity sector with whom we have worked closely throughout 2024 to share resources and knowledge, and as such make a positive impact on the lives of pets and their owners.

Blue Cross
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