



Animals in Distress

(Torbay & Westcountry)

(A Company Limited by Guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 December 2019

Registered Charity Number 1105487
Company Number 05171505

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)
(A Company Limited by Guarantee)

CONTENTS

	Page
Trustees' Report	1 - 16
Independent Auditors' Report	17 - 19
Statement of Financial Activities	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 34

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 December 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Trustees

M Brand

G Gooding (Deceased 2 March 2019)

P Walmsley (Resigned / Retired 3 September 2019)

G Dix

A Cross-Webber

D Turner (Chairman)

P Tucker (Resigned / Retired 21 March 2019)

A Truscott

L Hochstrasser (Appointed 23 January 2020, resigned 15 April 2020)

R Mouser (Appointed 23 January 2020, resigned 9 April 2020)

C Paradine (Appointed 23 January 2020)

J Smith (Appointed 23 January 2020)

Company Secretary and Chief Executive

N Thomas

Principal Address and Registered Office

Biltor, Edgelands Lane

Ipplepen

Newton Abbot

TQ12 5UF

Professional Advisers

Auditors PKF Francis Clark, Torquay

Solicitors Boyce Hatton LLP, Torquay

Bankers Lloyds Bank Plc, Paignton

Governing document

Structure, governance and management

Animals in Distress (Torbay and Westcountry) is a company limited by guarantee (company number 5171505) governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Objectives and activities

Animals in Distress exists to alleviate pain, suffering and distress in animals as well as to promote animal welfare practices and responsible pet ownership across Teignbridge, Torbay and South Hams.

Furthermore,

- We at Animals in Distress undertake to care for and nurture any unwanted domestic pet that is brought to us, providing it is suitable for re-homing and there is accommodation available at the Rescue Centre.
- We will always provide shelter, food, exercise and veterinary care for the animals in our charge.
- We will never put an animal to sleep unless on the advice of our Veterinary Surgeon.
- We will endeavor to find suitable homes for our animals on the basis of a responsible home check or such similar precaution as is deemed necessary.
- We will at all times show respect, understanding and courtesy to our user groups together with an inherent sense of duty and helpfulness.
- We will always uphold the principles and objectives of our Charity and share with others the joy of helping Animals in Distress.

Our care is open to all regardless of an individuals' background or circumstances; the welfare of the animal is the primary concern of the Charity, not where the animal comes from or is going to. This includes the fostering of animals, when an animal has a chronic health issue requiring ongoing veterinary treatment which the Charity pays for, regardless of the individual's financial circumstances.

The activities carried out during the course of the year (as set out in the following section) demonstrate the level of Trustee and management commitment in ensuring that the Charity delivers real and tangible benefit to the public in all of its operations and thereby meets the public benefit requirements as set out by the Charity Commission in both spirit and word.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and Performance

Rescue Centre Improvements

During the year, we continued our rolling programme of improvements to the facilities at our Rescue Centre in Ipplepen. Although no major projects were undertaken in 2019, we were able to maintain and upgrade facilities where possible in order to continue to provide a safe working environment for our staff, volunteers and visitors, excellent accommodation for the animals and to ensure that the site remained presentable at all times. We created additional office space by extending the Fundraising office into what was a large storeroom. The Kennels were provided with a second commercial washing machine and tumble dryer in order to keep up with demand for clean bedding and towels.

Guinea Pig Facilities

Following the renovation of our small furries main building and its associated admissions provision in 2018, the final piece of the jigsaw was to equip our Guinea Pig room. The Charity commissioned Technik, a world leading British manufacturer of animal welfare housing to produce 10 bespoke pens at a cost of over £13k to house the guinea pigs. Although they were expensive to purchase, the pens were designed with hygiene and durability in mind which means they will be serviceable for many years to come. Unlike the wooden hutches we had previously, the new pens will speed up the cleaning process and reduce the risk of disease. We formally opened the Guinea Pig room to the public in the summer and it certainly has enabled us to better showcase the cavies and rehome them more easily.

Evening Opening

Following the successful trial in 2018, we welcomed prospective adopters to the Rescue Centre again on Wednesday evenings from late spring and over the summer last year too. Evening opening has facilitated working people and families to view animals during the week rather than having to wait until the weekend to do so. Many prospective owners were able to meet their perfect match and take their new pet home at an earlier stage. Some animals spent less time at the Rescue Centre and were in their new homes quicker, benefitting their welfare and freeing space for new admissions.

Adoption Fees

Our adoption fees are broadly in line with other charities, both locally and nationally. At the start of each year we apply a modest increase to the adoption fees for the animals which goes some way to offset some of the increased veterinary costs that the Charity incurs each year to give the animals the very best treatment and care. It generally costs the Charity far more than the adoption fee to look after and treat each animal before it is adopted, so occasionally, we will increase the standard fees depending on the breed of the animal.

When an adopter rehomes an animal from Animals in Distress, they take home a pet which has been fully assessed by our expert animal welfare staff as well as our veterinary surgeon. Every pet at the Rescue Centre is: vaccinated, microchipped, neutered, wormed and flea treated (where appropriate for their species), examined by a vet and given any necessary treatments and where appropriate given a training plan designed to meet their specific needs.

Vehicle Fleet

At the start of 2019, the Charity had a fleet of five vehicles, four of which were on hire agreements that were ending in the spring. As per the terms of the agreements, we were required to sell the vehicles on to a non-financially related third party at some point during the agreement period. Through a local VW van dealership, we were able to sell all four vehicles for greater than the settlement figures and received 100% of the proceeds. We were able to put some of the proceeds, £5,843 into the Charity's general funds and use the remainder, £3,410, as the deposits for new hire agreements on two vans which are

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

now based at the Rescue Centre. The new vans have reduced our ongoing costs with cheaper monthly payments and reductions on insurance, tax, running costs and maintenance.

Staff Personal Development

The Charity continues to invest in the continuing professional development (CPD) of our staff. It remains a priority for the Charity to ensure that we have a constantly developing workforce so that staff have the knowledge and skills to perform their roles in a professional context. This ranges from honing current skills, developing them to a new level or learning new ones that will allow an employee's job role to expand or prepare them for potential promotion.

During the year, several staff members completed a Blue Cross Bereavement Support Skills course and undertook courses with the Centre of Excellence, including Level 3 - Leadership and Management, Feline Behaviour and Psychology Diploma, and the Canine Behaviour Training Diploma. Other courses undertaken included the Institute of Fundraising Gift Aid Essentials 2-Day workshop. In the autumn, all of our Retail and Reception staff attended a Customer Service Skills certificated course run by the Teignbridge Community & Voluntary Services. Staff received a NOCN (National Open College Network) Level 1 qualification - Understand Working in a Customer Service Environment.

We continued our links with Battersea in 2019 as both Cattery and Kennel staff participated in various Battersea Academy programmes to enhance their skills and knowledge for the benefit of the animals in our care. The programmes included an Intensive Cat Rescue and Rehoming, Cat Behaviour and Welfare programme and Introduction to Dog Welfare & Behaviour. The Battersea Academy is a centre for professional development that trains animal welfare practitioners from across the UK and around the world. Delivered by Battersea's experts, Academy programmes are designed to equip participants with the knowledge and practical skills they need to operate their own rescue and rehoming centres effectively and to the highest possible standards. Their programmes cover up to date animal welfare principles, models and approaches to running a rescue centre. They work with participants before they attend to ensure each programme is tailored to the specific needs of the organisations attending. The Charity received a bursary from Battersea to attend the intensive programme.

PCs and Windows OS Upgrade

During the year, Microsoft announced that they would be ending their support for Windows 7 at the start of 2020, which, like many businesses, would render a number of our PCs at Head Office and in the Rescue Centre more vulnerable to viruses and malware due to no security and software updates as well as no technical support. Microsoft were recommending using Windows 10 on new PCs for the latest security features and protection against malicious software.

Following discussions with our business support IT provider, Electrowise, we identified that we were able to upgrade many of our existing PCs and laptops, without the need for all of the PCs to be replaced. Where no upgrade was possible, new PCs had to be purchased. Neil, our CEO was able to request an upgrade product known as Windows OS in order that Windows 10 Pro could be installed onto them. The usual cost is over £300 per licence, but Neil was able to apply for licences for significantly reduced cost through the Charity Digital Exchange. The Charity Digital Exchange (formerly CTXchange) is a tech donation programme brought by Charity Digital in partnership with the not-for-profit technology capacity building organisation TechSoup. Through the programme, eligible UK-based charities are able to request donated technology products from partners such as Adobe, Cisco and Microsoft. To access the donations, we simply had to pay an administrative fee to cover the costs of delivering the programme. The administrative fees were minimal and through Electrowise, the Charity was able to download the software from the Microsoft Volume Licensing Service Centre and made savings of around 95% on the typical retail prices.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

With Microsoft discontinuing Windows 7 support, it also became apparent that our Retail and Rescue Centre reception tills and back-office computers would also need to be replaced as these could not be upgraded to run on Windows 10. This was an unexpected expenditure but a consequence of Microsoft's decision to end the support and focus on their investment on supporting newer technologies.

In the winter, a number of EPOS providers were approached for quotations to replace our current system. After careful consideration, we have decided to remain with our current provider, Cybertill, and invest in a new system in 2020 which is compatible with Windows 10 and is also future-proofed in that it is guaranteed to be upgradeable or be replaced up to 2032 in the event of further operating system changes.

Business Network Membership

Over the last few years, the Charity has taken the opportunity to join several business networking groups, including the Torbay Business Network, Newton Abbot Chamber of Commerce and Women in Torbay and Totnes. There are many advantages which networking brings to the Charity, primarily building relationships and connecting with businesses to establish effective relationships with key people across various industries that we can call upon if needed. Also they are an opportunity to establish new partnerships and raise our profile with local businesses. Through the connections made, we were the Charity of the Year for several businesses, received free advice such as with GDPR and the offer of other free support.

County Court Case

In August 2017, we received a complaint from a gentleman who had 'reserved' a painting at one of our shops that he was going to pick up several days later. The painting was for sale at £5 but a staff member realised that it was an original and probably worth more than its sale price. Research indicated that the painting was worth more and the gentleman was advised at the time. We owed it to the person who donated the painting to maximise the return from it and were within our rights to remove it from sale.

In January 2018, we were being notified that gentleman (complainant) had made a claim to the small claims court for £4,999 for the value of the painting and the alleged alarm and distress caused to him by not being able to purchase the painting. His case was initially dismissed but was subsequently reinstated. In the meantime, the artist was tracked down and he estimated that his 1980 painting was probably worth around £300 but our Totnes shop went on to sell the painting for £500.

In early 2019, the Charity received a Notice of Allocation to the Small Claims Track (Hearing) and Neil, our CEO lodged a statement and document bundle with the County Court in April. This included a statement from the artist, now living in London, on the value of the painting. Neil represented the Charity as the Defendant and in July, the Deputy District Judge dismissed the Claimant's claim at a hearing at Torquay and Newton Abbot County. For a legally binding contract to be in place there needs to be offer, acceptance and consideration. The Charity's argument was that there was no consideration (i.e. no money was paid by Complainant either as a deposit or full payment for the painting). After reviewing all of the evidence from both the Claimant and the Charity as the Defendant, the Deputy District Judge confirmed the legal position stating that there was no contract in place and therefore dismissed the Claimant's claim. No costs were awarded. This was a good result for the Charity and brought a positive end to a very protracted matter.

Key Statistics

In 2019, we admitted 679 animals to the Rescue Centre (168 dogs, 362 cats / kittens, 76 rabbits and 73 guinea pigs) and rehomed 620 animals (155 dogs, 333 cats / kittens, 62 rabbits and 70 guinea pigs). This represented an increase of nearly 8.7% in admissions and 5.5% in rehoming compared to 2018.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

During 2019, in the spirit of cooperation between charities, Animals in Distress were able to assist Redditch Cat Rescue with taking on a number of cats and kittens. The North Worcestershire based voluntary run charity were overrun with unwanted and stray cats and needed help. Over the course of the year, over 50 cats were transferred from Redditch to our Cattery and we were able to find them all their new forever homes locally. We always do our best to help out any other animal charity that is in need and we will continue to take more cats from Redditch Cat Rescue during 2020. The number of cats and kittens rehomed in 2019 increased by nearly 8%, which once again, demonstrates the continued effectiveness of showcasing our cats in the new cattery.

Dog rehoming increased by 20%, although this bucked the trend seen across the sector. As I mentioned last year, there is a national trend of fewer dogs being offered to rescues due to various reasons including the importation of puppies from Eastern Europe and on-line sales. We continued to be more selective in our admissions policy but thanks to working with and developing the Open Paw Programme in the kennels, we were able to help more dogs and find them their forever homes. Open Paw is a programme specifically developed for dogs and cats in rescue centres, designed to provide animals with the enrichment, training and social skills they will need to make them more rehomingable, and to help them successfully settle into life in their new homes.

There were slightly fewer rabbits and guinea pigs admitted and rehomed during the year. This seemed to be in line with what a number of other organisations reported on too. Our new admissions building meant that we were able to effectively quarantine new arrivals and ensure that the animals were all healthy before being transferred to the new building for rehoming. We experienced no disease issues with the rabbits and guinea pigs during the year in the newly renovated facilities.

Animals in Distress continues to ensure that all animals admitted and cared for at the Rescue Centre are healthy and receive all the necessary veterinary care that they need. A total of 5,929 (5,750 in 2018) combined treatments were administered (vaccinations, flea and worm treatments etc.) and operations (neutering, orthopedic etc.) were performed in 2019. Whenever possible, the vast majority of treatments and operations continue to be undertaken on site at the Rescue Centre. Total veterinary costs which include ancillary costs (i.e. lab fees, medical gas, medication, equipment etc.) were £138,906 (£132,838 in 2018). We continue to benefit from being able to purchase discounted veterinary medicines through the Vetswest and St. Francis Buying Groups as well as the wholesale distributor Centaur Services.

Veterinary Contract

Our veterinary provision continues to be provided by Quarry House vets, whose main practice is in Torquay. The Charity has maintained a good working relationship with the vets over a number of years now and our aim is the same as it is always has been, to ensure that they provide the best and most up to date veterinary care for our animals. We carried out a review of our veterinary services and although at some point in the future we will undertake a retendering exercise for the contract, for the time being we will continue to utilise the services of Quarry House as they meet our requirements at this time.

Big Bark Kennel Build Project Update

After launching our fundraising campaign in October 2018 to raise funds to build new kennels, we continued to fundraise for these during 2019. It was always going to be a mammoth task and we were blessed very early on by the generosity of so many of our supporters and corporate contacts that set us off on our way to our target of £1.2m or so.

It was very important to the Charity that we did not lose sight of the fact that we needed to continue raising general funds to meet our running costs. With this in mind, we sought an experienced campaign

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

fundraiser to join our already established Fundraising & Communications team to focus solely on raising funds for the new kennels. Following a targeted recruitment process at the start of 2019, in May, we employed the service of Rosey Oakes as our Campaign Development Lead. Rosey has extensive campaign fundraising experience with several local based charities. Rosey spent the rest of the year making new corporate contacts and raising awareness of the campaign as well as applying for various grants and running events all in aid of the fundraising for the new kennels. Rosey has been able to get the campaign off the ground and has built momentum and interest in the campaign. We have a long way to go but we are all determined to deliver on this project and give our dogs the new facilities that they deserve.

In July, following liaison with ADC Projects, our architects, the planning application was transferred to Teignbridge District Council (TDC) for validation. As per TDCs requirements, a Bat Emergence Survey was carried out in August. Just before Christmas, we heard from TDC with a notice granting conditional planning permission for the development of the Rescue Centre site, including the kennels. This was great news as it meant that we could move on to the next phase of the project in 2020.

Use of Volunteers

Animals in Distress has hugely benefitted again from the fantastic contribution that our wonderful volunteers made. Our volunteers contributed at least 25,310 hours to the Charity during 2019 in our shops, at the Rescue Centre, fundraising in the community and in our Head Office. We continue to recognise the incredibly valuable part that our volunteers play in making this Charity such a success and we continue to involve our volunteers much more in other areas of our work such as administration, fundraising and events. The Charity considers the recruitment of volunteers in the same way as staff and carries out a thorough administrative process in their selection.

Fundraising activity

Sustainability continued to be a focus for our fundraising activity in 2019. The CEO and Trustees continue to emphasise the need for income growth within fundraising and to build on the existing funding streams, as well as explore new income opportunities.

Our fundraising efforts cover trusts and grants, corporate fundraising and sponsorship, individual giving, events and challenge fundraising, media appeals and community-led fundraising. Our approach remains donor focused, ensuring that we are measuring the impact of donors' gifts and acknowledging this in creative, engaging and inspiring ways. We like to communicate directly with our supporters and so never use third parties to act on our behalf.

Donors to Animals in Distress can be assured that we comply with the regulatory standards for fundraising. We are a member of the Institute of Fundraising and are registered with the Fundraising Regulator. We are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice, which can be found at <https://www.fundraisingregulator.org.uk/code>

We have several controls in place to ensure we protect our supporters' privacy and data and to provide our supporters and potential supporters with the respect and gratitude they deserve. We have a robust GDPR policy which is regularly reviewed by the fundraising team and staff from across the charity have received training to ensure it is applied properly.

We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We received no requests from this service last year.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

A few of the highlights include:

- In 2019 our popular Wags and Whiskers fundraising ball was supported by 100 people and raised over £5k.
- We recruited five new collection tin volunteers and as a result, 2019 was the best year for income totaling over £13k (20% increase on the year before).
- We received £11k towards operations costs from trust applications.
- We attended various events and organised our own, including Muddy Mutts, a muddy dog challenge and raised nearly £17k.
- Just over £10k was raised through online donations which was a 21% increase on 2018.
- Regular Giving was up 15% on the previous year to £10k.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain. We received no fundraising complaints during 2019.

Family Fun Day & Dog Show

Unfortunately, due to an outbreak of kennel cough in the kennels following the admission of a dog which subsequently displayed signs and symptoms, we had to postpone our annual event in 2019. As always, the welfare of animals is our primary concern, so in conjunction with our vets we had to make the difficult decision to postpone the open day. The disease was contained and its spread was confined to five dogs who were successfully treated. We certainly didn't want to risk any other dogs contracting the disease at our site, so although obviously disappointing, we had little choice but to make a responsible decision at the time.

Agility Equipment

We received £4,000 worth of agility equipment following a successful award from Tesco Bags for Help. The durable equipment has made a huge difference to the dogs when in use in the agility paddock. Agility training appeals to all dogs as they have the natural instinct to run, chase and hunt. It improves dog's behaviour, strengthens the bonds between the staff and dog, is great exercise for the dogs and staff and it is fun.

Future of the Patrons

During the year, we made the decision for the Charity to no longer have any patrons. Patrons tend to be people who agree to lend their name to the organisation as a way of supporting the Charity, usually because they are well known and able to get media coverage for the Charity and/or bring in donations. When a patron agrees to lend their name, they tend to represent causes they feel passionately about. The Charity had three patrons, Ann Widdecombe, Ray Reardon and Nicholas Evans. All are busy people and had little, if any time spare to support the Charity. In the absence of any new patrons, it was decided to thank those that we had and to move forward without patrons for the time being,

Retail Operation

The Charity finally completed on the purchase of our Paignton Outlet shop at the end of January 2019. During the previous summer, a prospective purchaser of the property pulled out and the landlord offered Animals in Distress either a longer lease but at a significantly increased rent or the opportunity to purchase the building. It was certainly in the best interests of the Charity to remain trading at these premises so it was decided that the Charity would purchase the building. The Charity paid £380k, which was funded with £180k from reserves and £200k from a fixed rate loan from Lloyds Bank over 10 years. The monthly loan repayments are less than what the Charity was paying in rent and certainly far less than had we taken out a new lease. The Outlet continues to provide a solid income and a good profit for the Charity plus generates a huge volume of donated items to help stock all of our other shops.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

For a number of years, the Charity has had its retail warehouse facility at the Outlet. Unfortunately, the building was never really fit for purpose as a suitable warehouse and although the staff have made do there over the years, the building severely curtailed the Charity's ability to provide a fully-functioning warehouse facility and the desired level of support to the shops. Limited space and storage capabilities, meant that the staff and volunteers had to work in a far from ideal working environment. We were determined to do something about this and I am pleased to advise that at the end of March 2020, the Charity signed a 10 year lease on a warehouse facility in Torquay. We gradually moved our warehouse operation to the new premises and the warehouse team are now able to work in a far better and safer environment and are able to support the shops more efficiently.

Just before the Outlet purchase completed, the premises suffered extensive damage to the shop front windows and awnings after a lorry that reversed into them having parked on the shop forecourt illegally overnight.

Fortunately, a local resident took a photo from a distance of the side of the unmarked lorry and after some detective work by Neil, our CEO, the delivery location was established and the Bristol-based haulage firm identified. This matter was reported to the Police and was placed in the hands of our previous landlord's insurers, who paid the £7k for the repairs to the shop front.

Our Dawlish shop suffered a burglary in April. The overnight break-in caused significant damage to the front doors. We made a claim via the landlord's insurer Direct Line and the shop had to remain boarded up for nearly a month after the claim was accepted and quotes for the new doors were sourced and the new doors fabricated. We also made a business interruption claim with the insurer to compensate the Charity for the loss of trade and our staff were redeployed during the unplanned closure.

Overall, our charity shops saw sales increase significantly in 2019 but by comparison, the high street had a less prosperous year. 2019 was the fifth year of falling instore sales for retailers and it was described as a 'torrid' year for the UK high street. The strong performance of charity shops could be for a number of reasons, including the economic uncertainty prompting people to be more careful with their spending and an increase in ethical purchasing. With low levels of discretionary spend and the rise in conscious consumerism hitting high streets hard, charity retail seems to be reaping the benefits as shoppers turn to more affordable and sustainable alternatives.

Streamlining our retail operation over the last few years by closing our poorer performing shops in Dartmouth, Teignmouth and Bovey Tracey and reducing our costs, enabled the Charity to have its most profitable year for the shops in 2018. I am very pleased to report that we significantly improved on the 2018 performance of £275k profit, by increasing that to £309k in 2019. Thanks to everyone's hard work, the Charity has had its most profitable retail year ever. We remain very grateful to our donors and customers for their continued support in our shops.

Governance Training

Governance is a term used to describe the Trustees' role in the long term direction of the Charity, including its objectives or purposes, implementing policies and activities to achieve objectives, complying with legal requirements and the accountability to those with an interest or 'stake' in the Charity. Good governance is something that should happen throughout the Charity. The Trustee board is responsible for good governance but we rely on many different people to be able to govern well including staff, volunteers, advisors and stakeholders. It is vital for the effective governance of Animals in Distress that all Trustees and senior managers within the organisation, know and understand the role, duties and responsibilities of Trustees. With this in mind, a number of the Trustees attended a Trustee Responsibilities and Governance training day in March 2019. Ultimately, the success or failure of an organisation is not determined by capital or assets but by the effectiveness of the governance.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Governance works well if it is owned by someone in the organisation and this ensures it is given its rightful priority and not overlooked.

Governance Review

A charity is best placed to achieve its ambitions and aims if it has effective governance and the right leadership structures. Skilled and capable Trustees help a charity attract resources and put them to best use. Good governance enables and supports a charity's compliance with relevant legislation and regulation. It also promotes attitudes and a culture where everything works towards fulfilling the Charity's vision.

The Trustees and CEO carried out a governance review in 2019. It was an opportunity to reflect on the Charity's governance arrangements as the organisation grows and it was a useful means of ensuring Trustees keep up with latest best practice or changes in the law. It is certainly good practice for Trustees to carry out some form of governance review annually on their own and with external assistance every 3 to 5 years.

The governance review covered a number of different areas including the effectiveness of the Board's work for example, its meetings and approach to recruitment of Trustees. The Charity's formal governance arrangements were also reviewed, including the size of the Board, election methods and sub-committee structures. The format of the review included initial discussions as part of a Board meeting, followed by a self-assessment questionnaire completed by each Board member.

The results were collated and formed the basis of a formal discussion over several sessions. We found it useful to start off with an existing set of good governance principles, the Charity Governance Code. Using an existing set of seven principles, leadership; integrity; decision making, risk and control; board effectiveness; diversity; openness and accountability; all underpinning organisational purpose, helped give the Trustees a benchmark to work from.

It is the aim of the Code to help charities and their Trustees develop these high standards of governance. We owe it to our beneficiaries, stakeholders and supporters to demonstrate exemplary leadership and governance. This Code is a practical tool to help Trustees achieve this. The Code is not a legal or regulatory requirement. It draws upon, but is fundamentally different to, the Charity Commission's guidance. Instead, the Code sets the principles and recommended practice for good governance and is deliberately aspirational: as some elements of the Code will be a stretch for many charities to achieve. This is intentional: as the Code is a tool for continuous improvement towards the highest standards.

Our review was extremely positive and I am pleased to report that it established that we are already upholding a high standard of governance at the Charity.

Trustees – Gordon Gooding, Peter Walmsley and Pat Tucker

In March, we received the sad news that one of our long-standing Trustees, Gordon Gooding, had passed away suddenly. His death was unexpected and a great shock to everyone at the Charity. Gordon had been involved with Animals in Distress for many years and his contribution during that time was immeasurable. He will certainly be missed and our thoughts were with his family.

Shortly afterwards, Pat Tucker decided to retire as did Peter Walmsley in the autumn. Pat had served nearly 3 years and Peter nearly 10½ years as Trustees, both had made significant contributions to the Charity whilst serving on the Board and we thank them both for that and wish them well in their well-earned retirement.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Trustee Recruitment

With the loss and departure of three Trustees in 2019, that left just 5 Trustees on the Board. In order to build some robustness and resilience to the Board and possibly bring in new skills and knowledge, it was decided that we would embark on a recruitment drive for several new Trustees. In the autumn, Neil put together a recruitment pack and the positions were advertised. This generated a lot of interest and shortlisted a number of candidates for interviews which were held over two days. Four candidates stood out and were selected, Lisa Hochstrasser, Rob Mouser, Christine Paradine and Jo Smith were chosen and they were voted onto the Board at the end of the year. An induction was organised and this took place at the end of January this year.

Challenges

The Impact of Coronavirus (COVID-19)

Although this is a review of the Charity's achievements during 2019, at the time of writing this report in mid-April 2020, it would be extremely remiss of us not to mention the global health and financial catastrophe and challenge we are all facing. First and foremost our hearts go out to anyone who's been impacted by the virus, either directly or indirectly. We are living in a time of collective grief and shared concern. Our thoughts are especially with those who are sick, to whom we extend our heartfelt wishes for a full recovery. We are completely in awe of the selfless healthcare workers around the world who are on the front lines working tirelessly to care for people in need and we also truly appreciate the endless keyworkers keeping the country in motion.

It is difficult to predict the financial or operational implications of the outbreak of COVID-19 on the UK economy or on the organisations which operate within it. According to the World Economic Forum, its economic impact is already more severe than SARS (estimated global economic impact of \$50 billion) or MERS (estimated global economic impact of \$8.5 billion).

Evidence from countries across the world where there has been a significant outbreak suggests a significant global slowdown in economic activity either as a result of governmental response to the epidemic (e.g. lockdown) or arising from changes in individual behaviours (e.g. fall in consumer confidence). The uncertainties arising from Brexit couldn't be further from our thoughts at this time.

The impact on charities will very much depend on the specific sectors in which they operate and therefore on their activities as well as how their income is raised. The reality is that we do not know what the reality will be.

It is therefore imperative that we are as prepared as possible and think carefully of the implications of different scenarios and to factor these into future planning. The Trustees and CEO recognise that it is not business as usual and there are new challenges that require specific attention. Although most charities have a disaster recovery or business continuity plan, these tend to focus on dealing with the impact of significant one-off events, such as the inability to work from the Rescue Centre, rather than the challenges presented by an epidemic which are much broader and deeper.

In the medium term, we will need to revisit our strategies to ensure that these are still 'fit for purpose' and achievable in light of the impact of the current uncertainties on our finances. In the first instance, scenario planning and a focus on shorter financial planning cycles is paramount as it is impossible to make accurate assumptions about the future.

The financial impact of the pandemic was felt by the Charity straight away. In line with Government instructions, we closed our Rescue Centre to the public in March which meant that we were unable to admit or rehome any animals. Unlike many business, we simply couldn't 'mothball' our organisation as

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

we still had nearly 100 animals to care for, feed and treat. Our ability to raise funds was severely curtailed as we had to close our complete retail operation towards the end of March and our shops remain closed until it is safe to re-open them. Our general fundraising virtually dried up overnight and we had to cancel all of our planned events for this year. Finding new ways to fundraise during this time has been a challenge but we have adapted our practices and developed new ideas to continue fundraising, primarily online.

In response to crisis, the Government announced a series of extraordinary business support measures to protect businesses and to save as many jobs as possible during the COVID-19 pandemic. Fortunately, the Charity has been able to take advantage of a number of these schemes. We were eligible for The Retail, Hospitality and Leisure Grant Fund (RHLGF) and we received grants for all of our retail premises and the Rescue Centre. Having furloughed over two thirds of our staff, we have been able to make claims on the Coronavirus Job Retention Scheme (CJRS) and also on the Coronavirus Statutory Sickness Pay Rebate Scheme (CSSPRS) to claim back employees' coronavirus-related Statutory Sick Pay (SSP) for those staff members who were unable to work due to having coronavirus, having symptoms, were self-isolating or were shielding. The Government also introduced a business rates holiday for retail, hospitality and leisure businesses in England meaning that we will not have to pay business rates for the 2020 to 2021 tax year.

We have actively taken measures to cut our expenditure where we have been able to do so, including seeking rent reductions from our shop landlords. We have restricted spending to our core activities and any future projects have been put on hold. In the short term, the measures that we have taken and the funding we have been able to source will make sure we are in a strong position to recover when the crisis is over.

The Trustees and CEO continue to discuss the issues and challenges, making decisions and then acting together to successfully implement those decisions. We are making timely decisions within shorter timescales. As income levels are threatened and additional costs arise, cash flow and reserves management inevitably demand our greatest attention. We are fortunate that we have a strong robust reserves policy, we have cash reserves that we are already drawing on to manage our cash requirements. The issue will be how the reduction in reserves is going to be managed going forwards. It will take time to build our reserves level up again and we may have to consider selling investments to help with this.

There are a number of key areas we are focussing on for our planning, budgeting and re-forecasting:

- Staff and volunteer welfare and safety remains paramount
- Fall in interest rates will mean a fall in investment income
- Fall in trading income arising from our retail operation being temporarily closed
- Fall in a voluntary income from sources such as donations, fundraising and sponsorships as well as events cancelled or as individuals have less disposable income to donate (as a result of falling investment rates or inability to work and the general shrinking of the economy).
- We implemented remote working policies and suspended all gatherings or meetings. This is helping protect staff and as far as we can ensure continuity of operations. In line with Charity Commission guidance, Board meetings are and our AGMs will be carried out virtually using secure technology rather than being face to face.
- Health and safety issues have been considered as the disease unfolded and we have ensured that decisions are made to correctly safeguard our staff. We have been clear about the need to self-isolate when appropriate and follow social distancing guidelines set by the Government. We have considered the day to day needs as well as different ways of working to protect staff.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

We have many issues to consider due to COVID-19 and we will inevitably have to change our business model due to the pandemic. This is an incredibly challenging time for charities and we are not immune from the effects of the current crisis. There are extremely difficult times ahead as we feel the impact of the anticipated recession but will continue to do all we can to mitigate the situation in the short-term in order to secure the medium to long-term sustainability of the Charity.

The Future of Giving

The number of people giving is showing signs of decline. CAF's UK Giving 2019 reports a year on-year drop in people saying they have given money to a charity or sponsored someone from 69% in 2016 down to 57% in 2018/19. While the total amount donated to charities has remained largely static – with legacy donations actually displaying signs of growth, there are several drivers linked to wider political currents and changes in consumer behaviour that charities should be aware of in the coming years.

GDPR regulations and the rising costs of fundraising mean fewer people are being approached for money, particularly through face-to-face and direct mail fundraising. People are choosing to support causes in different ways with mass movements, ethical consumerism and crowdfunding all growing in popularity.

There has also been a decline in trust in institutions, including charities, while a decade of austerity has left people with less disposable income to give to good causes. The economic catastrophe that the COVID-19 pandemic has caused will only serve to put the squeeze on people's finances further. We need to reflect on these trends when developing our fundraising strategies. This might require reviewing communication methods with new and existing supporters, including engaging with a new generation of donors as other pools shrink. Increased pressure to demonstrate impact, in terms of where money goes and what it achieves, should be expected, while adopting new technologies such as contactless cards and apps may also be considered.

Plans for Future Periods

In view of the developing Coronavirus (COVID-19) pandemic and global economic crisis, any specific plans that we had for 2020 and beyond have either been postponed or shelved for the time being. This is an incredibly challenging time for all charities and we are not immune from the effects that the pandemic has had on the sector. No business or charity will come out of the current situation the same as it was at the start of 2020. There will be tough times ahead as the impact of the predicted recession is felt. Meeting those challenges that we will inevitably have to face is very much our focus now to ensure that the Charity can emerge from the crisis as strong as possible in order that we can continue caring for the animals.

Structure, Governance and Management

Animals in Distress (Torbay and Westcountry) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 4 July 2004. It is registered as a charity with the Charity Commission.

There is one class of member. The maximum number of members is 20 or such numbers as the members decide. The first members were the subscribers to the Memorandum; further members are such individuals or organisations as appointed by the Trustees. There are currently seven members, each of whom is liable to contribute £10 in the event of the Charity winding up.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Appointment of Trustees

As set out in the Articles of Association, the first Trustees were the subscribers to the Memorandum. Additional Trustees may be appointed by the Charity in a general meeting or by the other Trustees. A Trustee must be aged 18 or over, must be a member of the Charity and must not be disqualified by virtue of provisions of the Charities or Companies Acts. The number of Trustees may not be less than three, but is not subject to a maximum.

At the annual general meeting, one third of the Trustees must retire. The Trustees to retire shall be those who have been longest in office since their last appointment.

Trustee Induction and Training

New Trustees undergo an induction to brief them on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, the Committee and the decision making process, the business plan and the recent financial performance of the Charity. During their induction, the Trustee will spend time with the Chief Executive and with the Rescue Centre Management in order to familiarise themselves with the day to day running of the Charity. Ongoing training is given as appropriate to their position.

Organisation

The Board of Trustees administers the Charity and meets every three months. A Finance Committee was established by the Board to maintain an overview of and provide advice to it, regarding the financial affairs of the Charity. The Finance Committee meets every three months too and is attended by at least three Trustees and the CEO.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate effective operating, the Chief Executive has written terms of delegation approved by the Trustees for operational matters including finance and employment.

Remuneration of key management personnel

The Charity aims to provide a reward package that is competitive enough to attract and retain high calibre staff who wish to be part of the Charity's work. The remuneration of key management personnel is reviewed annually by the Trustees following a review of performance for the previous year. Salaries are also benchmarked against similar positions both locally and nationally.

Related Parties

The "new" charity (charity number 1105487) incorporated the tangible and intangible assets of the original "old" charity, Animals in Distress (Torbay and Westcountry) (charity number 900234) on 31 October 2004. The only excluded assets were future bequests, cash at bank and the benefit of any insurance claims.

Risk Management

The Trustees actively review the major risks the Charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. A comprehensive risk analysis has been completed which has identified control and monitoring procedures to minimise any risk to the Charity and any impact they may have. The results are periodically reviewed.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Principal Risks

The Trustees and CEO recognise that through the nature of our activities, funding base, reserves and structure, the Charity is exposed to differing areas of risk and levels of exposure. There are many areas of potential risk and we undertake our own processes for risk identification. The following list is an indication of a few of the main areas of risk that are considered by the Trustees and CEO:

- Coronavirus (COVID-19) – the global pandemic and the effects on the economy, demand for services, finances, fundraising etc.
- Reputational Risk - public perception and adverse publicity which could impact on voluntary income, use of our services, access to grants, loss of donor confidence or funding, impact on the morale of staff, loss of beneficiary confidence, relationship with funders etc.
- Compliance with legislation and regulations - appropriate to the activities, size and structure of the Charity. The potential impact are fines or penalties, reputational risk, employee or consumer action for negligence etc.
- Dependency on income sources - such as legacies and retail could have cash flow and budget impact if that income source is significantly reduced or lost.
- Disaster recovery and planning - destruction of property, equipment, records through fire or similar damage. Computer system failures or loss of data etc.
- Health, safety and environment - failing to ensure a safe environment could result in injury to staff, volunteers or the public, breaking the law and rendering the Charity unable to operate.
- National minimum wage and living wage - Government proposals for the next few years will increase payroll substantially so future staffing levels will have to be considered.

Financial Position and Reserves

At 31 December 2019, the Charity had total reserves of £3,541,000, of which £3,497,000 were unrestricted.

The Charity has sought to separate those unrestricted reserves that are held in the form of property fund assets (£2,074,000) from those that are freely available for its general purposes. As well as providing a more informed view of the overall reserves it enables a more realistic assessment to be made of the Charity's strategy with regard to their level and future deployment.

The so-called free reserves are then demarcated into a separate category (building fund totalling £1,178,000) that accords with the Charity's medium and long-term plans to improve facilities at the Rescue Centre. This acknowledges and takes account of the fact that large scale capital projects require "saving for" over many years. The balancing general reserve (£245,000) recognises that it is extremely difficult to predict income from legacies, so the Charity aims to hold at least £750,000 in reserve, which equates to 6 months average operating costs. Our reserves currently exceed this figure in order to cover future projects and eventualities.

It is anticipated that the Charity's investment policy will match the spending and reserves policy.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees' Responsibilities in Relation to the Financial Statements

The Charity Trustees (who are also the directors of Animals in Distress (Torbay and Westcountry) for the purposes of Company law) are responsible for preparing the Trustee's 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. Under that law the Trustees have elected to prepare the financial statements 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 charitable company and the income and expenditure of the charitable company 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 Charities SORP (FRS 102);
- 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to Disclosure to our Auditors

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

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- the Trustees have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of relevant audit information and to establish that the auditor is aware of that information.

By order of the board of Trustees and signed on behalf of the Trustees:

D Turner – Chairman

G Dix

Date:2020

Report compiled for and on behalf of the Trustees by: Neil Thomas (CEO)

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Animals in Distress (Torbay and Westcountry) (the "charitable company") for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2019

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the strategic report and the directors' report).

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement (set out on page 10), the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS IN DISTRESS (TORBAY AND WESTCOUNTRY)

FOR THE YEAR ENDED 31 DECEMBER 2019

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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

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

Martin Hobbs BSc ACA (Senior Statutory Auditor)

PKF Francis Clark

Statutory Auditor

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

..... 2020

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income from:					
Donations and legacies	3	446,901	21,814	468,715	591,603
Charitable activities	4	61,807	-	61,807	47,461
Other trading activities	5	932,082	-	932,082	890,670
Investments	6	21,178	-	21,178	21,769
Total income		<u>1,461,968</u>	<u>21,814</u>	<u>1,483,782</u>	<u>1,551,503</u>
Expenditure on:					
Raising funds	7	766,967	19,998	786,965	789,782
Charitable activities	8	812,672	5,939	818,611	775,836
Total expenditure		<u>1,579,639</u>	<u>25,937</u>	<u>1,605,576</u>	<u>1,565,618</u>
Net income/(expenditure)		(117,671)	(4,123)	(121,794)	(14,115)
Transfers between funds	22	-	-	-	-
Net movement in funds		<u>(117,671)</u>	<u>(4,123)</u>	<u>(121,794)</u>	<u>(14,115)</u>
Reconciliation of funds					
Total funds brought forward		3,614,472	48,434	3,662,906	3,677,021
Total funds carried forward	22	<u>3,496,801</u>	<u>44,311</u>	<u>3,541,112</u>	<u>3,662,906</u>

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

All income and expenditure is derived from continuing activities.

The notes on pages 23 to 34 form part of these financial statements.

Income and expenditure from restricted funds in the comparative year is shown in notes 3, 7 and 8.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Fixed assets			
Intangible assets	15	2,569	5,844
Tangible assets	16	2,743,466	2,373,087
		<u>2,746,035</u>	<u>2,378,931</u>
Current assets			
Stocks	17	10,522	10,474
Debtors	18	119,544	99,001
Cash at bank and in hand		906,403	1,251,316
		<u>1,036,469</u>	<u>1,360,791</u>
Liabilities			
Creditors falling due within one year	19	73,130	76,816
Net current assets		<u>963,339</u>	<u>1,283,975</u>
Total assets less current liabilities		<u>3,709,374</u>	<u>3,662,906</u>
Creditors falling due after more than one year	20	168,262	-
Net assets		<u>3,541,112</u>	<u>3,662,906</u>
Restricted funds	22	44,311	48,434
General funds	22	245,179	362,850
Designated funds	22	3,251,622	3,251,622
Total charity funds		<u>3,541,112</u>	<u>3,662,906</u>

The notes on pages 23 to 34 form part of these financial statements.

The financial statements were approved by the trustees on 2020 and signed on their behalf by:

D Turner
Trustee

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)**(A Company Limited by Guarantee)****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019	2018
		£	£
Cash flows from operating activities	24	(119,048)	49,751
Cash flows from investing activities			
Rent received		15,600	15,206
Interest income		5,578	6,563
Purchase of intangible fixed assets		-	(3,500)
Purchase of tangible fixed assets		(432,185)	(168,164)
Cash flows from investing activities		(411,007)	(149,895)
Cash flows from financing activities			
Repayments of bank borrowings		(14,858)	-
Proceeds from bank and other borrowings		200,000	-
Cash flows from financing activities		185,142	-
(Decrease)/increase in cash and cash equivalents in the year		(344,913)	(100,144)
Cash and cash equivalents at the beginning of the year	25	1,251,316	1,351,460
Cash and cash equivalents at the end of the year	25	906,403	1,251,316

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting Policies

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation of financial statements and assessment of going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), FRS 102 and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Please refer to the 'Challenges' section of the Trustees' Report on page 11 for more details of the implications of the Covid-19 pandemic on the going concern status of the charity.

Animals in Distress (Torbay and Westcountry) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income by way of donations, membership, sponsorship and collections, is accounted for when receivable. Income raised through the operation of the shops is taken into account at the time of receipt.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated goods relating to animal food are brought in to income and expenditure at the value they would have cost had they been purchased by the charity.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds received which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

d) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fundraising and shop costs and their associated support costs.
- Expenditure on charitable activities includes the costs of the Rescue Centre and its associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between costs of raising funds, expenditure on charitable activities and other expenditure, based on staff time.

f) Operating leases

Rental charges under operating leases are charged on a straight line basis over the term of the lease.

g) Intangible fixed assets

Intangible fixed assets are initially recorded at cost. Computer software is amortised on a straight line basis over its expected useful economic life of 4 years.

h) Tangible fixed assets

Individual tangible fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Freehold buildings	2% straight line
Equipment	20% reducing balance
IT equipment	25% straight line
Motor vehicles	25% reducing balance

i) Stocks

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

j) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is recognised where the criteria for recognising income has been met at the year-end but the claim or invoice has not been submitted/issued until after the year-end.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash held in current and savings accounts in UK banking institutions.

l) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

n) Pensions

The charity operates a defined contribution pension scheme and membership is open to all employees of the charity. The assets of the scheme are held separately from those of the charity. The charity matches employee contributions of 1-4% with an employer contribution of 3% and the contributions are paid into the fund on a monthly basis. The contributions made for the accounting period are treated as an expense and were £22,876 (2018: £21,341). Contributions totalling £2,075 (2018: £1,778) were payable to the fund at the balance sheet date and are included in creditors.

2 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The Charity is incorporated in England and Wales. The address of its registered office is: Biltor, Edgelands Lane, Ipplepen, Newton Abbot, TQ12 5UF.

3 Income from donations and legacies

	2019 £	2018 £
Donations and gifts	135,933	134,415
Legacies	310,663	431,647
Grants	11,950	16,950
Memberships and sponsorship	10,169	8,591
Total income from donations and legacies	468,715	591,603

Income from donations and legacies comprises £21,814 (2018: £34,537) in respect of restricted funds and £446,901 (2018: £557,066) in respect of unrestricted funds.

As noted in the trustees' report the charity benefits notably from the involvement and enthusiastic contributions of volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4 Income from charitable activities

	2019 £	2018 £
Re-homing fees	57,944	43,860
South Hams Strays and Vet income	3,863	3,601
Total income from charitable activities	61,807	47,461

5 Income from other trading activities

	2019 £	2018 £
Memberships and sponsorships	3,098	2,997
Fundraising events	29,354	29,798
Shop income	887,383	846,549
Petplan commission	12,247	11,326
Total income from other trading activities	932,082	890,670

6 Investment income

	2019 £	2018 £
Rent	15,600	15,206
Interest	5,578	6,563
Total investment income	21,178	21,769

7 Analysis of expenditure on raising funds

	2019 £	2018 £
Fundraising	36,327	25,942
Shop costs	558,516	571,687
Support costs	192,122	192,153
Total expenditure on raising funds	786,965	789,782

Expenditure on raising funds comprises £19,998 (2018: £8,325) in respect of restricted funds and £766,967 (2018: £781,457) in respect of unrestricted funds.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8 Analysis of expenditure on charitable activities

	2019 £	2018 £
Rescue Centre	770,644	722,964
Support costs	47,967	52,872
Total expenditure on charitable activities	818,611	775,836

Expenditure on charitable activities comprises £5,939 (2018: £7,259) in respect of restricted funds and £812,672 (2018: £768,577) in respect of unrestricted funds.

9 Analysis of support costs

All support costs are allocated based on the basis of staff time.

The analysis of support costs is as follows:

	Raising Funds £	Charitable Activities £	Total 2019 £	Total 2018 £
Salaries and other staff costs	153,691	33,710	187,401	196,380
Travel and subsistence	670	147	817	424
Professional fees	2,712	595	3,307	7,881
Finance costs and exchange losses	5,442	1,194	6,636	4,584
Office costs	13,976	3,066	17,042	11,686
Other costs	14,254	3,126	17,380	13,872
Governance	1,377	6,129	7,506	10,198
Total support costs	192,122	47,967	240,089	245,025

10 Analysis of governance costs

The analysis of governance costs is as follows:

	Total 2019 £	Total 2018 £
Salaries and other staff costs	1,109	3,093
Professional fees	6,149	6,624
Other costs	248	481
Total	7,506	10,198

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13 Staff numbers

The average monthly head count was 64 staff (2018: 64) and staff were engaged in the activities of the group as follows:

	2019	2018
Rescue Centre	29	28
Charity shops	29	28
Administration and support	8	7
Chief Executive	1	1
	<u>67</u>	<u>64</u>

14 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Intangible fixed assets

	Software £	Total £
Cost:		
As at 1 January 2019	13,100	13,100
Additions	-	-
As at 31 December 2019	<u>13,100</u>	<u>13,100</u>
Amortisation:		
As at 1 January 2019	7,256	7,256
Charge for the year	3,275	3,275
As at 31 December 2019	<u>10,531</u>	<u>10,531</u>
Net book value:		
As at 1 January 2019	5,844	5,844
As at 31 December 2019	<u>2,569</u>	<u>2,569</u>

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16 Tangible fixed assets

	Freehold Property £	Equipment £	IT Equipment £	Motor Vehicles £	Total £
Cost:					
As at 1 January 2019	2,717,610	138,645	59,205	21,920	2,937,380
Additions	424,030	3,666	4,489	-	432,185
As at 31 December 2019	3,141,640	142,311	63,694	21,920	3,369,565
Depreciation:					
As at 1 January 2019	383,601	113,467	57,635	9,590	564,293
Charge for the year	50,697	6,623	1,403	3,083	61,806
As at 31 December 2019	434,298	120,090	59,038	12,673	626,099
Net book value:					
As at 1 January 2019	2,334,009	25,178	1,570	12,330	2,373,087
As at 31 December 2019	2,707,342	22,221	4,656	9,247	2,743,466

17 Stocks

	2019 £	2018 £
Goods for resale	3,223	3,560
Vet room supplies	5,710	5,710
Shop stationery stocks	1,589	1,204
	10,522	10,474

18 Debtors

	2019 £	2018 £
Trade debtors	6,411	4,776
Other debtors	41,616	44,021
Prepayments and accrued income	71,517	50,204
	119,544	99,001

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	20,600	29,295
Other creditors	7,399	5,837
Accruals and deferred income	14,156	29,295
Social security and other taxes	14,095	12,389
Bank loan	16,880	-
	<u>73,130</u>	<u>76,816</u>

Creditors due within one year include £16,880 (2018 - £nil) bank loan which is secured over the asset to which it relates.

20 Creditors: amounts falling due after one year

	2019 £	2018 £
Bank loan	168,262	-
	<u>168,262</u>	<u>-</u>

Creditors due after one year include £168,262 (2018 - £nil) bank loan which is secured over the asset to which it relates.

21 Obligations Under Leases

The total of future minimum lease payments is as follows:

	Land and Buildings		Other	
	2019 £	2018 £	2019 £	2018 £
Operating leases:				
Within one year	37,417	23,167	11,168	6,965
Between one and five years	146,000	63,417	38,132	21,397
After more than five years	91,833	26,833	1,820	3,380
	<u>275,250</u>	<u>113,417</u>	<u>51,120</u>	<u>31,742</u>

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

22 Analysis of movements in funds

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2019 £
General fund	362,850	1,461,968	(1,579,639)	-	245,179
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	3,614,472	1,461,968	(1,579,639)	-	3,496,801
Puppy Appeal (capital)	18,010	-	(3,555)	-	14,455
Rabbit Appeal (capital)	1,874	-	(1,874)	-	-
Charlie Appeal	2,531	-	(57)	-	2,474
Big Bark Appeal	26,019	18,514	(20,144)	-	24,389
Other Appeals	-	3,300	(307)	-	2,993
Total restricted funds	48,434	21,814	(25,937)	-	44,311

The restricted funds shown above represent funds raised from appeals for specific projects.

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2018 £
General fund	395,918	1,516,966	(1,550,034)	-	362,850
Designated funds:					
Property fund	2,073,872	-	-	-	2,073,872
Building fund	1,177,750	-	-	-	1,177,750
	3,251,622	-	-	-	3,251,622
Total unrestricted funds	3,647,540	1,516,966	(1,550,034)	-	3,614,472
Puppy Appeal (capital)	21,573	-	(3,563)	-	18,010
Rabbit Appeal (capital)	5,305	-	(3,431)	-	1,874
Charlie Appeal	2,603	-	(72)	-	2,531
Big Bark Appeal	-	34,344	(8,325)	-	26,019
Other Appeals	-	193	(193)	-	-
Total restricted funds	29,481	34,537	(15,584)	-	48,434

The restricted funds for the year to 31 December 2018 represent funds raised from appeals for specific projects.

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

23 Analysis of net assets between funds

At 31 December 2019	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible fixed assets	2,569	-	2,569
Tangible fixed assets	2,701,772	41,694	2,743,466
Cash at bank and in hand	903,786	2,617	906,403
Other net current assets	56,936	-	56,936
Creditors more than one year	(168,262)	-	(168,262)
Total	3,496,801	44,311	3,541,112

At 31 December 2018	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible fixed assets	5,844	-	5,844
Tangible fixed assets	2,340,298	32,789	2,373,087
Cash at bank and in hand	1,235,671	15,645	1,251,316
Other net current assets	32,659	-	32,659
Total	3,614,472	48,434	3,662,906

24 Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the reporting period	(121,794)	(14,115)
Adjustments for:		
Depreciation charges	61,806	54,119
Amortisation charges	3,275	3,056
Rent receivable	(15,600)	(15,206)
Interest income	(5,578)	(6,563)
Increase in stocks	(48)	(181)
(Increase)/Decrease in debtors	(20,543)	18,510
(Decrease)/Increase in creditors	(20,566)	10,131
Net cash from operating activities	(119,048)	49,751

ANIMALS IN DISTRESS (TORBAY & WESTCOUNTRY)**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****25 Analysis of Changes in Net Debt**

	1 Jan 2019 £	Cash flows £	31 Dec 2019 £
Cash at bank and in hand	1,251,316	(344,913)	906,403
	<u>1,251,316</u>	<u>(344,913)</u>	<u>906,403</u>
Loans due within one year	-	(16,880)	(16,880)
Loans due after more than one year	-	(168,262)	(168,262)
	<u>-</u>	<u>(185,142)</u>	<u>(185,142)</u>
Total	<u><u>1,251,316</u></u>	<u><u>(530,055)</u></u>	<u><u>721,261</u></u>