

BATTERSEA

HERE FOR EVERY DOG AND CAT

ANNUAL REPORT & ACCOUNTS 2019





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WELCOME FROM OUR CHAIRMAN

For Battersea, this year marks an incredible 160 years since our visionary founder, Mary Tealby, first opened her Temporary Home for Lost and Starving Dogs in Holloway, North London. To this day, Battersea's mission remains the same: to never turn away a dog or cat in need of our help. We may be living in uncertain times right now but our promise to be here for every dog and cat stands firm.

2019 was a year of milestone achievements for Battersea. This included the launch of our ambitious new five-year strategy, the unveiling of a bold campaign to change the nation's perception of rescue animals, and the delivery of exciting new partnerships to help Battersea extend its reach.

In this Annual Report, we explore how our new five-year strategy has shaped Battersea's work and why each strategic aim was a priority for our charity in 2019. We outline the impact seen from each strategic aim so far, and what these vital developments might lead to in benefiting animals in years to come.

As Chairman, it fills me with great pride to see the increasing impact that Battersea is having across the UK and beyond. Whether it's positioning rescue as the most desirable breed, continuing to campaign for harsher animal cruelty sentences, or sharing our years of knowledge and expertise with other rescue and rehoming organisations, Battersea's influence stretches far beyond the boundaries of our gates as we strive to build a better world for dogs and cats.

Battersea has staff, volunteers and supporters whose passion for animal welfare knows no bounds, and I would like to express my immense gratitude for the exceptional contribution they make every single day.

My sincere thanks also go to my fellow Trustees for their support, our Chief Executive Claire Horton, our Directors, and our Battersea Ambassadors Paul O'Grady, Amanda Holden, Dame Jacqueline Wilson, David Gandy, Anthony Head, Sarah Fisher and Tom Hardy.



Amanda pictured with her Battersea dog Madge, who she rehomed in 2015.

And, of course, I would like to thank every single one of the thousands of loyal and generous donors who make our work possible. Battersea is reliant on public donations and our dedicated supporters are truly the lifeblood of our charity.

Battersea is ever-grateful to HRH The Duchess of Cornwall, our Patron, and our President, HRH Prince Michael of Kent, who both remain an enduring support for everything we do.

For 160 years Battersea has been at the forefront of animal welfare, speaking up as the voice for animals that do not have one. We will continue to ensure that every abandoned pet that arrives at Battersea gets the second chance they so rightly deserve. And, even in these unprecedented times we all currently face, we will never close our gates to any dog or cat that needs us.

Amanda Burton
Chairman

A MESSAGE FROM OUR CHIEF EXECUTIVE

Last year Battersea helped over 5,000 dogs and cats across our three centres, and tens of thousands more beyond our gates. More than ever, our focus is on using our profile, voice, and years of expertise to help animals we will never see.

So much of what we achieved in 2019 is a result of working together with others to achieve greater impact for dogs and cats, whether through our Academy and Grants programme, our work with Government and the wider animal rescue sector to drive up animal welfare standards, or teaming up with StreetVet to help expand their services to homeless people and their pets.

We continue to use our voice and our influence to champion changes in the law to improve the lives of dogs and cats and following our campaign and cross-party political work, backed by over 70,000 Battersea supporters and 122 MPs, we hope to see the Animal Welfare (Sentencing) Bill proceed this year, ensuring those who commit animal cruelty are punished proportionately.

The introduction of Lucy's Law in April 2020 followed months of campaigning from Battersea and other charities and made it illegal for anyone other than a breeder to sell puppies or kittens commercially. This landmark achievement will stop third-party sellers and dealers – who often put profit before animal welfare – from selling poorly bred animals to the public.

We know that the majority of pets are sourced from breeders, dealers and online sellers, and demand for puppies, kittens and 'designer' breeds continues to grow. In the 12 months leading up to October 2019, there were, on average, 165,000 monthly searches online for 'French Bulldogs'.

Over the period of our new strategy, we have an ambitious goal to disrupt established buying patterns and put rescue front of mind. We need to position rescue as the most compelling, responsible and relevant choice



Claire with Bella the Shi-Tzu, who found a happy new home after spending time in foster care.

for those seeking a dog or cat, and shift preference away from breed and age.

As I write this, we are making gradual steps out of a long period of lockdown, and charities are going to be under growing pressure to provide their vital services. This makes me all the more grateful to our generous supporters. I would like to personally thank every person who has offered help and support, donated much-needed funds, or provided a home for one of our animals. Battersea simply could not exist without you.

In 160 years Battersea has helped over 3.1 million dogs and cats, but we cannot rest on our laurels. There is still much to do and as a charity we are always looking ahead, ready to explore new opportunities to ensure that we can continue to improve the lives of dogs and cats everywhere.

Claire Horton CBE
Chief Executive

OUR PROMISE

OUR VISION

Battersea is here for every dog and cat, and we believe they should have the chance to live where they are treated with compassion, care and respect.

OUR MISSION

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

OUR VALUES

Everything we do as individuals and teams, as vets and volunteers, nurses, animal care and rehoming staff, fundraisers and foster carers is underpinned by Battersea's Values.



CARE

We are passionate about the welfare of dogs and cats, and all our work is inspired by the needs of, and our love for, animals.



EXCELLENCE

We have been working tirelessly to provide shelter for animals for 160 years. We are one of the oldest animal charities in the world and the knowledge and experience we have gained has made us credible leaders in our field.



DETERMINATION

We deal with some of the most challenging situations that impact the lives of dogs and cats. We seek to tackle problems at source by working actively with communities and wider society, challenging misconceptions and encouraging owners to take responsibility for their pets and treat animals humanely. We will not shy away from difficult issues.



RESPECT

We treat all animals and people with respect and dignity.



INTEGRITY

We are trustworthy. We are indebted to our supporters and greatly value all the donations given to us, ensuring that they are carefully spent on providing the best possible future for animals.



COMMITMENT

We strive to find every dog and cat a loving home. We put no limit on the time an animal stays with us, and we will never put an animal to sleep unless significant medical, safety or legal reasons compel us to do so. Our staff and volunteers are hugely committed.

OUR 2019 HIGHLIGHTS



2019 marked the first year of our new strategic plan: 'Here for Every Dog and Cat'. This new strategy will enable us to use our voice and expertise to make a difference to animals we may never see, but that are in desperate need of help.

We will substantially grow the number of animals we help by expanding our direct

services and improving the effectiveness of the wider animal welfare sector in the UK and internationally through our Academy and Grants programme. We will also use our voice and influence to champion legislative changes, and work to shift public perception of rescue animals through an ambitious behaviour-change campaign.

IN 2019, WE...



- Helped over 5,000 dogs and cats across our three centres, and tens of thousands more animals around the country and across the world by training and helping rescue and rehoming organisations.
- Began our long-term strategic objective to reframe rescue, with the launch of our 'Rescue Is Our Favourite Breed' campaign.
- Launched a partnership with StreetVet, which will see Battersea support the charity to help them deliver free care to homeless people and their pets.
- Helped 74 UK and international organisations through our Battersea Academy: a professional development centre for animal welfare practitioners.
- Launched our first Battersea Community in Guildford, Surrey, with a second location identified for 2020.
- Continued our major site redevelopment programme across all three centres to provide the highest standard of care to our dogs and cats.
- Helped influence a ban on third-party puppy and kitten sales, making it illegal for anyone other than a breeder to sell kittens and puppies commercially.
- Received the prestigious Queen's Award for Voluntary Service for our visits to the Royal Hospital Chelsea with Battersea dogs, running monthly since 2011.
- Awarded 34 grants for projects likely to be of benefit to dog and cat welfare and/or the rescue and rehoming sector, totalling £261,000.
- Expanded our Muddy Dog Challenge across eight UK locations, surpassing £1m gross income.
- Achieved viewing figures of 42 million across the entire eighth series of *Paul O'Grady: For the Love of Dogs* and delivered a broadcast-quality original YouTube series.
- Pioneered digital fundraising and rehoming processes to improve our customer and supporter experience, leading to industry awards for digital transformation.
- Further reduced our mean gender pay gap from 11.4% in 2018 to 8.8% through a clear and robust job evaluation system, strong pay and grading framework, and regular salary benchmarking.

Top left: Lurcher Belle stars in our Rescue Is Our Favourite Breed campaign. Top right: the Muddy Dog Challenge. Bottom: Battersea Academy supports rescue centres caring for dogs and cats around the world.

OUR ENABLERS

Retaining talented and committed people

Attracting talented and committed people

Inspiring supporters

Generating income

Strengthening brand and reputation

Embracing innovation and technology

Foster carer network

Partnership working

Online presence

Calendar of local events

BATTERSEA COMMUNITIES

Community fundraising

More rehoming

Promoting pet ownership

Expanded support and advice

Refined operating models

Further rehoming centres

DIRECTLY HELPING MORE DOGS AND CATS IN NEED

Refurbished London kennels

Wellness Centre

New Old Windsor facilities

Heritage Centre

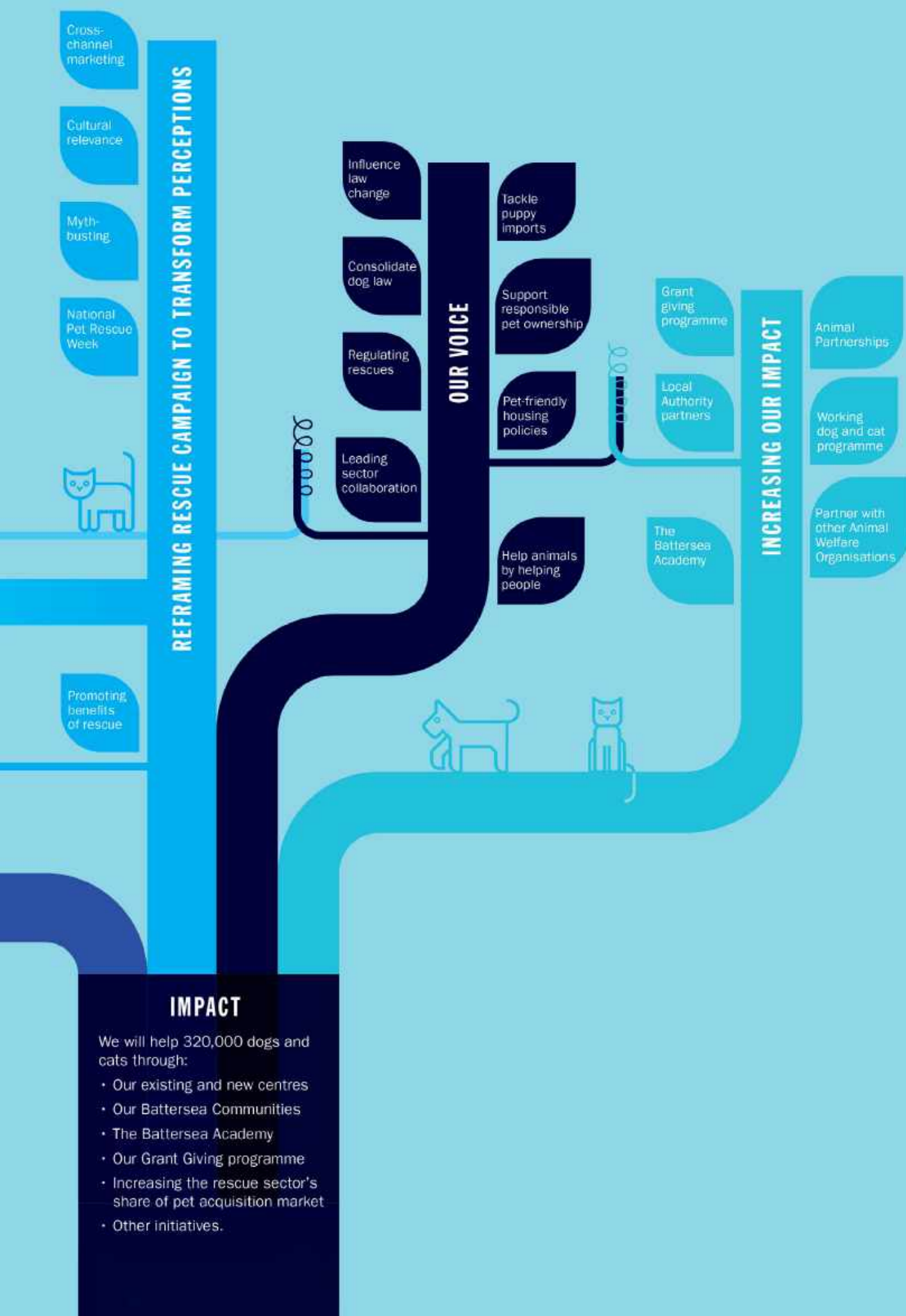
Enhanced customer experience

GENERATIONAL CHANGE

Influencers

New partnerships

OUR FIVE-YEAR STRATEGY



DIRECTLY HELPING MORE DOGS AND CATS IN NEED

THROUGH INNOVATION,
SERVICE EXPANSION AND
CONTINUOUS IMPROVEMENT

BATTER
ERE FOR EVERY DO

HELPING MORE DOGS AND CATS

We promise to never turn away a dog or cat in need of our help, no matter how long it takes to find them a suitable new home.





HERE FOR EVERY DOG AND CAT

Battersea directly helped 3,002 dogs and 2,334 cats in 2019, even with the challenge of refurbishment works impacting capacity at times. In 2019, 26% of dogs and 27% of cats were strays. 485 stray dogs were received from Local Authority dog wardens and another 290 were brought in by members of the public. However, there was a reduction in stray cats brought to our centres.

The number of puppies received was 196 (a decrease of 53% since 2015), and the number of kittens received was 38% lower than in 2015. This suggests that the number of young animals being bought and sold online on websites such as Gumtree and Facebook continues to grow. Of dogs brought to Battersea last

year by their owner, 20% were originally bought online. It's often when owners are faced with unexpected veterinary or behavioural issues that rescue centres are left to pick up the pieces.

In 2019 we implemented a new digital advertising strategy to interrupt the online journeys of people searching to buy a pet, and promote the benefits of rehoming instead. This innovative project led to our Digital team picking up the Drum Search Award.

We aim to find the best possible outcome for every dog and cat we receive. In 2019, we successfully reunited or rehomed 83% of dogs and 94% of cats that came to us.

THE AVERAGE LENGTH OF STAY AT BATTERSEA



DOGS – 34 DAYS



CATS – 25 DAYS

HOME FROM HOME

We recognise the need to offer those looking for a pet the ease and convenience provided by popular classifieds websites. In 2019, much work took place to refine our operating models and harness technological opportunities to ensure that bringing in and rehoming a Battersea animal is as straightforward, quick and convenient as possible.

Work included the rollout of a new online rehoming process to streamline the experience for our customers. An appointment-booking system was put in place, and regular email and SMS updates kept customers engaged and informed at every step.

We rehomed 4,180 animals last year, (2,076 dogs and 2,104 cats), across all three centres. This equates to an average of 12 a day: six dogs and six cats.

Rehoming figures for dogs were down 10% from 2,301 in 2018



despite a 14% increase at our Windsor centre, while cat rehoming was down 2% from 2,140.

The most significant factor influencing the decline in dog rehoming remained the mix of dogs available to meet customer demand, with fewer typically

'popular' breeds and a greater number of more challenging animals entering our care.

We also had fewer animals available for rehoming at certain times due to ongoing refurbishment works to upgrade our clinic, cattery, and kennel facilities.

Battersea's Working Dogs Manager placed 13 dogs in a range of outlets over the year, including with Thames Valley Police, Cumbria Police, the Ministry of Justice and HM Prison Service.

Additionally, a new initiative was launched to provide specialised training for German Shepherd dogs.

Eighty-four cats were placed in rural outlets, such as farms and stable yards, and Battersea worked with Cats Protection to trap, neuter and release 43 feral cats in a colony in rural Sussex.

CLINICAL CARE

The popularity of brachycephalic (flat-faced) dog and cat breeds continues to be reflected in the number of airway surgeries performed by our team of 12 vets and 26 nurses. In 2019 we took in 58 Pugs, compared to 46 in 2018, and 47 French Bulldogs, compared to 40 in 2018.

We performed 77 Brachycephalic Obstructive Airway Syndrome (BOAS) surgeries on dogs in 2019, compared to 62 in 2018. These dogs often endure prolonged stays at Battersea as they frequently require multiple surgeries and complicated aftercare. Battersea continues to do all it can to raise awareness of how brachycephalic breeds often suffer the real cost of 'beauty' when their innate

breathing difficulties require surgical intervention. In 2019 we achieved nationwide press coverage on this issue. Veterinary Director Shaun Opperman was interviewed or quoted in 26 press articles including the Jeremy Vine show, *The Guardian*, BBC World Service, *Daily Telegraph*, *The Sun*, Mail Online and BBC Radio 5 Live – reaching a total of 29 million people.



**77 BOAS
SURGERIES IN
2019, A 24%
INCREASE ON 2018**





COMMUNITY SPIRIT

2019 saw the launch of our new Battersea Communities project, designed to bring Battersea to new audiences and enable more people to benefit from our services with greater ease and convenience.

Our 'Battersea Big Day Out' event, to recruit volunteers from the local Guildford community and promote our range of services, was attended by over 1,000 animal lovers.

The event also introduced us to a range of local companies, charities and care providers to discuss joint working.

In each Battersea Community we're establishing a network of Community Rehoming Volunteers. They will provide direct 'home to home' rehoming of our dogs and cats, and remove the need for potential pet owners to visit one of our centres.

It's anticipated that each Community will help at least 100 dogs and cats every year.

BUILDING A BETTER FUTURE

Several building projects have been undertaken across all three of Battersea's centres throughout 2019, thanks to the generous support of our donors.

These projects will provide our staff, volunteers and animals with improved facilities that support the highest standards of animal welfare and infection control.

Ongoing site developments during 2019 included:

LONDON

A new hydrotherapy centre and specialist facilities to help dogs with rehabilitation from serious injuries and surgery.

OLD WINDSOR

Construction of a brand-new kennel block (pictured right) that includes a dedicated maternity area and puppy paddock, improved outdoor paddocks and chill-out rooms.

BRANDS HATCH

Refurbishment of public kennels and cattery pens, and the introduction of larger kennel spaces for dog socialising.



CASE STUDY:

PARTNERING WITH STREETVET TO HELP MORE PETS IN NEED



In October we were pleased to announce a new partnership with StreetVet, a charity that provides veterinary care to animals belonging to homeless people. The partnership will see Battersea provide StreetVet with operational and logistical support, including expert advice from its staff, clinical support and kennel space for animals in urgent need of care.

Victims of the UK homelessness epidemic often have scant support, except for, in a growing number of cases, the companionship of their pets.

Sarah was unexpectedly made homeless with her beautiful Staffordshire Bull Terrier, Lola, who had been by her side since she was a small puppy.

Lola meant the world to Sarah and she faced a heartbreaking decision when she

was offered temporary Local Authority accommodation but was told she couldn't take Lola with her.

Luckily, a family member had connections to StreetVet and made contact on Sarah's behalf. With Battersea's help, StreetVet was able to arrange temporary care for Lola at our London centre while Sarah got back on her feet and found a new, permanent place to live.

Eventually, Sarah was happily reunited with Lola. She says, "I'm so very grateful to all at Battersea and StreetVet for taking care of our precious girl."

With Battersea's help, StreetVet will be able to provide a lifeline for more homeless people and their pets.



REFRAMING RESCUE

CHANGING THE WAY THE WORLD
THINKS ABOUT RESCUE ANIMALS

REFRAMING RESCUE

Tazzie is just one of thousands of rescue animals bringing joy to their new owners' lives.





RESCUE IS OUR FAVOURITE BREED

In 2019, Battersea's own research found that while 92% of people say they believe rescue is the right thing to do, only 25% of dog and cat owners got their most recent pet from a rescue centre.

We've set ourselves an ambitious strategic goal – to disrupt established pet-buying patterns and bring rescue front of mind for the UK public. To do so, we need to change the way people view all aspects of rescue, and we need to do it in a way that causes a generational shift in perceptions.

In October 2019, we launched 'Rescue Is Our Favourite Breed', a groundbreaking new campaign to celebrate the inimitable characters and quirks of rescue dogs and cats. Our aim is to get people to see rescue as the best choice when

getting a dog or cat, and to come to rescue centres with an open mind about the type of dog or cat they want to go home with.

During the first run of our new TV advert, we reached 34 million adults (69% national reach) and visits to the Battersea website increased 29% year-on-year.

To date, the campaign has delivered positive results, with one in three people¹ recalling it when prompted with the name and almost half (48%) when shown the advert².

Seventy-three per cent of survey respondents agreed 'seeing the adverts has made me more motivated to rehome from a rescue charity'³.



1 IN 3 PEOPLE
COULD RECALL
THE CAMPAIGN
WHEN PROMPTED

¹ Charity Awareness Monitor, Apr 20, nfpSynergy | Base: 1,000 adults 16+, Britain

^{2 3} RIOFB Evaluation, Apr 20, Futurethinking | Base: 600 adults 18+, UK with 65% in L/SE/EE

FOR THE LOVE OF DOGS

Our award-winning ITV series, *Paul O'Grady: For the Love of Dogs* continued to raise the profile of rescue, with viewing figures for series eight and the Christmas Special at 42 million. It picked up a third National Television Award for Factual Entertainment (previously won in 2013 and 2014) and continues to champion rescue dogs to worldwide

audiences. £81,715 was raised online and 20,000 new social media followers were gained during the latest series.

Paul meets Boo, an Albino Pekingese who required complex eye surgery before he could be rehomed.



REACHING NEW AUDIENCES

Battersea's celebrity supporters and Ambassadors continued to provide an incredible public voice for Battersea throughout 2019. They did this by championing our work, taking part in our campaigns and events, visiting our centres and talking about their own Battersea pets in interviews or through their own channels. Last year, we announced our seventh official Battersea Ambassador, actor Tom Hardy, and welcomed 35 celebrities to our centres.

We focused on creating social media content during these visits, setting up rehoming videos with our animals to showcase the overlooked breeds and older dogs and cats in our care. These videos can achieve a huge impact for our animals and help us to speak to new audiences. Greg James' rehoming video with

Greyhound Jill reached 97,000 people, and was viewed over 27,000 times within the first 24 hours. After spending 157 days in our kennels, Jill found a home within days after this video went live.

Many of our Battersea Ambassadors and celebrity supporters also supported the launch of the Rescue Is Our Favourite Breed campaign. Those who shared the campaign on their own social media channels included David Gandy (114k Twitter followers and 973k Instagram followers) and Ricky Gervais (13.4m Twitter followers).

A big part of our mission to reframe rescue revolves around creating new content and opportunities to reach, inform and inspire young people. We have worked with a range of creators and influencers across the

year to help us spread the message that rescue is best to future generations of pet owners. This includes engaging eight YouTubers to support the launch of Instagram's Donate Sticker, a new tool that allows people to donate to a charity through a one-click button on Instagram. We also hosted visits by YouTube superstars Dan and Phil, and worked with British Athletics to announce their team for the World Championships.

Thanks to continued efforts, we added over 100k social media followers in 2019, and in October, Battersea was awarded the Charity Times Award for Best Social Media Presence 2019.

[Radio 1 Breakfast Show host Greg James meeting Jill the Greyhound at our London centre.](#)



CASE STUDY:

**STILL ANOTHER
EIGHT LIVES LEFT**

Cricket was an extremely emaciated kitten when he was found inside a cat carrier with a note that read: 'Help me please.'

When Cricket was brought into Battersea's London centre, vets weren't sure if the tiny kitten was even still alive. Estimated to be around five months old, weighing less than half the healthy weight he should have been, and with two bowed front legs, it was touch and go for young Cricket.

After weeks of intensive care, shared between a dedicated team of expert foster carers from the cattery team at Battersea, Cricket pulled through and slowly started to gain weight, with some of his fur growing back.

Although he continued to have bowed legs, he gradually became a playful and affectionate



cat, who loved nothing more than cuddling on staff and volunteers' laps. Little Cricket survived because he was given the best care possible, 24 hours a day.

Luckily, Cricket's story has a happy ending. After falling in love with him at first sight, his new owner, Anna from Hampshire, took him home, and gave him a more fitting name: Hunter.

Anna recalls, "I wanted to rehome a rescue cat because I feel that they really need your love and care having had a tough start in life. I'd had Hunter for a couple of months before his hair just started to grow and grow. His tail is so fluffy, long and upright that it actually touches his head. Much to my surprise, he grew into a beautiful Maine Coon with a mischievous personality."

Cricket (now Hunter) survived after being abandoned thanks to 24-hour care from Battersea.

OUR VOICE

Now happily rehomed,
when she was found tied
up to a bench, Maggie's
microchip simply read
'Puppy No. 5'.





OUR VOICE

TACKLING ANIMAL
WELFARE ISSUES AND
REMOVING BARRIERS
TO GREATER PET
OWNERSHIP



CAMPAIGNING AGAINST CRUELTY

Following on from its 2018 launch, our campaign to increase sentences for animal cruelty remained a top priority. Throughout 2019, 9,000 new supporters signed up to the campaign and our Public Affairs team continued to push the change in law among members of Parliament.

A campaign was launched to encourage Battersea supporters to join our campaign. They sent 5,386 emails to the Government calling for the Animal Welfare (Sentencing) Bill to remain a priority. Of these, 38% were from new supporters and 62% were from previous supporters.

The Draft Bill was well on its way to a third reading in September. Unfortunately, the Bill

became collateral damage when Parliament was prorogued ahead of the General Election.

However, there is universal political support for the speedy reintroduction of the Bill and Battersea will continue to push for progress.

In Scotland, where a Bill for five-year sentences had been consulted on and published, Battersea held an exhibition over three days in September solidly campaigning for political support for five-year sentences. Sixty-one MSPs, including the leaders of three parties, signed Battersea's pledge board and the Bill subsequently began its passage through Parliament.

Caroline Lucas MP pledges her support for increasing sentences for animal cruelty.

PET-FRIENDLY PROPERTIES

Strict 'no pets' policies are common in private rentals, and research carried out by Battersea in 2018 revealed that 21% of London Councils and 64% of the capital's largest Housing Associations ban owning dogs in flats with no direct garden or street access.

To combat this, we launched our Pet Friendly Properties campaign and, in February 2019, The London Assembly voted in support of our goals, specifically the potential for tenants being able to enjoy greater access to pet ownership through more widespread pet-friendly tenancy agreements.

We raised the issue of improving access to pet ownership in



Parliament throughout the year, and our discussion of the campaign with MPs played a significant role in the

Government's plan to amend its own central tenancy agreement to encourage pet ownership, which will come to fruition later in 2020.



ELECTING FOR CHANGE

The 2019 General Election provided an opportunity to communicate with politicians and the public to produce the Battersea Manifesto, highlighting 12 of the key issues likely to come before the new Parliament.

The Manifesto was also used as an engagement tool with potential supporters, who were encouraged to vote on which three of the priorities they considered to be the most important.

More than 2,700 people completed the poll and this data has been split regionally, so we can effectively lobby prospective MPs in each constituency specifically on the issues that matter most to their constituents.

As suggested in our Manifesto, compulsory microchipping for cats would help strays like Phoenix be reunited with their owners.

RAISING STANDARDS IN DOG AND CAT WELFARE

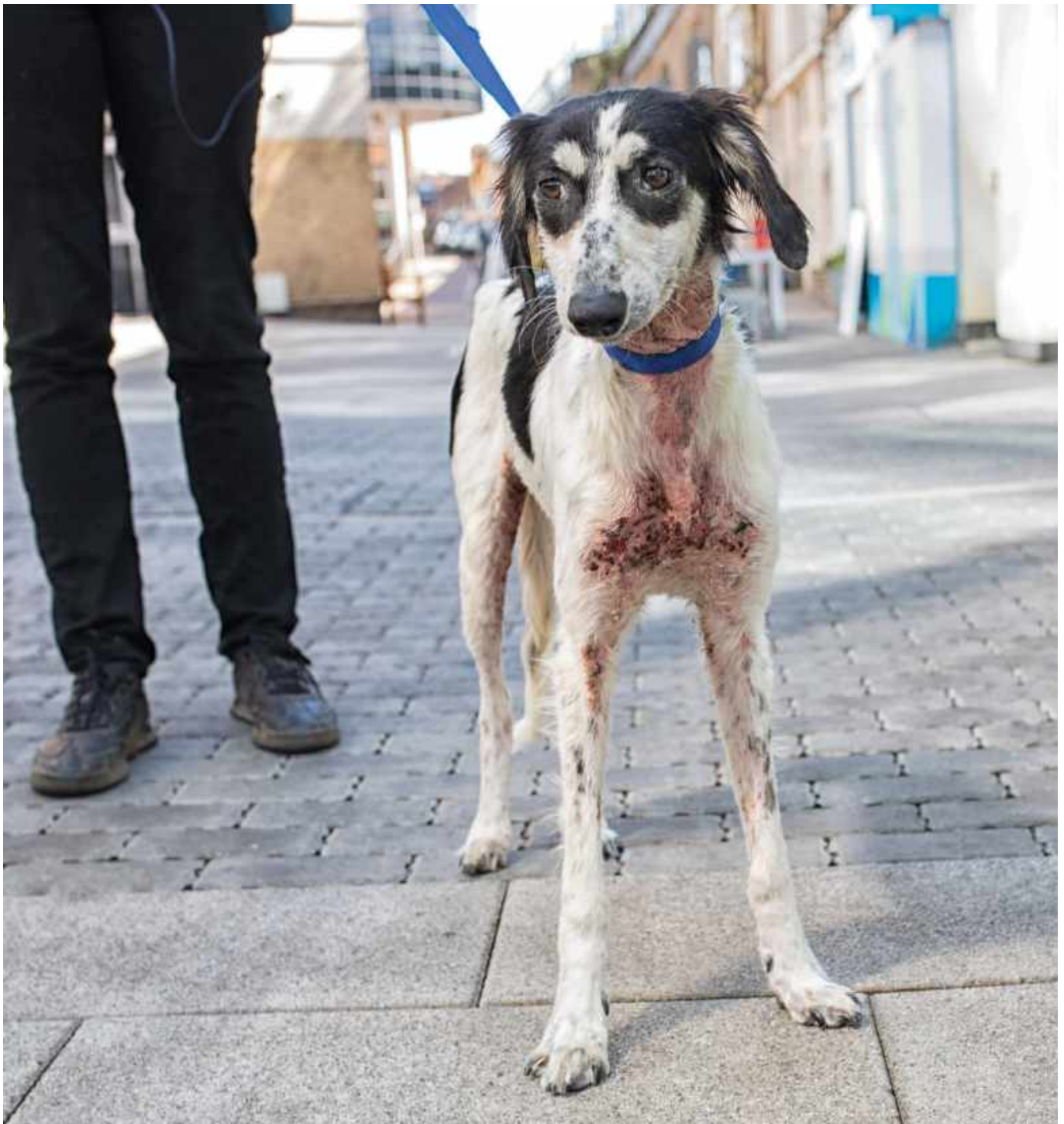
Battersea continues to play a leading role on a variety of different groups that are focused on bringing about positive change for dogs and cats in the UK.

Battersea's ability to influence animal welfare policy is strengthened by our Chief Executive, Claire Horton, who is a strategic link between Government and the animal welfare

sector. She champions the sector as Non-Executive Director on the Government's Animal Health and Welfare Board for England (AHWBE), represents AHWBE on the Canine and Feline Sector Group (CFSG), holds the Chairmanship of the Association of Dogs and Cats Homes (ADCH) and sits as a special advisor to the All Party Group on Animal Welfare (APGAW) in Westminster.

Battersea is committed to bringing the sector together and helping it to speak with one voice, ensuring that like-minded dog and cat rescue organisations across the British Isles are supported, informed and able to work collaboratively.

We're working tirelessly to make sure neglected dogs like Theia have a second chance at happiness.



CASE STUDY:

BRYN'S REMARKABLE RECOVERY

Staff at Battersea's Old Windsor centre were shocked when they took in Bryn, who had been discarded on a busy road in Slough. When he was found, the six-week-old was malnourished with a visibly protruding spine and was covered in fleas and lice, as well as suffering from cat flu. A member of the public discovered the tiny kitten by chance and took him to a nearby veterinary clinic, where he received medical treatment and had most of his fur shaved off before being taken to Battersea's centre to continue his recovery.

Fortunately, Bryn was rescued before it was too late. After weeks of loving care with one of Battersea's foster carers and lots of naps with his favourite toy, a cuddly seal twice his size, Bryn had transformed into a lively, affectionate kitten and was ready to go to a new home with a family in Kent.

Under current laws, the harshest punishment the person who caused harm to such a young animal would face is still only six months in jail, and most cases of alleged animal cruelty still don't even result in imprisonment. Animals like Bryn don't have a voice, so Battersea will always be there to speak up for them.



We're working hard to make sure animals like Bryn no longer have to endure needless neglect or cruelty.

INCREASING OUR IMPACT

The Battersea Academy has welcomed delegates from rescue and rehoming centres across the world.



A photograph of a modern building facade with vertical stripes of yellow, orange, and red. In the foreground, there is a purple planter with green plants and purple flowers. The text is overlaid on the right side of the image.

INCREASING OUR IMPACT

HELPING MORE ANIMALS
BY WORKING IN PARTNERSHIP
WITH OTHER DOG AND CAT
WELFARE ORGANISATIONS IN THE
UK AND AROUND THE WORLD

THE BATTERSEA ACADEMY

The Battersea Academy is an international centre of excellence in animal welfare. Its aim is to educate and empower rescue and rehoming organisations, from small volunteer-run shelters to established animal rescues, to do the best for dogs and cats with the resources they have.

In 2019, 204 delegates from 74 organisations attended a series of week-long intensive and shorter programmes. As well as those from across the UK and Republic of Ireland, delegates attended from a further 17 countries, including Cyprus, India, Italy, Romania and

South Africa. Many have already put their learnings into practice, by introducing new intake processes, hygiene protocols and assessment methods.

In July, the Academy hosted its most internationally diverse programme to date, with delegates from Malawi, South Africa, Romania, India, Sri Lanka, Cyprus and Portugal attending our flagship Intensive Rescue and Rehoming Programme. The week was a fantastic success, with delegate feedback of 100% satisfaction for customer service and 95% for facilitation and content.



ORGANISATIONS THAT
HAVE ATTENDED THE
BATTERSEA ACADEMY
HELP AN ESTIMATED
22,000 ANIMALS
A YEAR



FOR GREATER GOOD

Battersea was chosen as the first animal welfare charity to feature in the Government's GREAT campaign, its most ambitious international promotional campaign to showcase the best of our nation and inspire people to visit, do business, invest and study in the UK.

Ali Taylor and Marty the Lurcher star in the GREAT campaign.



CASE STUDY:

REACHING RESCUES EVERYWHERE

One organisation that has benefited from the Battersea Academy is Cheltenham Animal Shelter, a charity that has been helping animals since 1926.

After attending the one-week intensive programme, delegates from Cheltenham Animal Shelter returned to work ready to implement their new learnings and make a positive difference. As a priority, the charity introduced shelter metrics and trained others within their organisation on the topic. This included recording key metrics (occupancy, length of stay and departure) with the aim of reducing occupancy within their kennels.

By putting the strategies they had learnt into place, occupancy was reduced by 60% (60 dogs down to 25–35), which resulted

in the average length of stay going from 62 days to 32 days. It also improved the level of care they are able to provide their dogs. For example, increased daily walking time from 10–15 minutes to 45–60 minutes, reduced noise levels, staff reporting less stress and more time for valuable staff training.

Cheltenham Animal Shelter's learnings from the Academy programme have also resulted in improved stress management for the animals in their care, improved assessment and intake processes, and a new rehoming process. All of which are changes that it says would not have been possible without participation in the Battersea Academy. Nicky Spanswick, Operations Manager at Cheltenham Animal Shelter, says: "We would relive the Academy tomorrow if we could as it was so inspiring and a fantastic week."

Battersea Academy is helping to improve animal care at other rescue centres, such as Cheltenham Animal Shelter (pictured) and many more.



**BATTERSEA
REHOMED 13
DOGS TO WORKING
OUTLETS IN 2019**

ANIMAL PARTNERSHIPS

The work of the Animal Partnerships team remained extremely important in 2019, and throughout the year we continued to work with other rescues across the UK to pool resources and help more animals. We took in 385 dogs and 181 cats from other animal rescues across the UK in 2019, totalling

566 animals and equivalent to 10% of our total intake. Animal Partners, including specialist breed rescues, also received some animals from Battersea (predominantly dogs), on occasions when their move to a new location was considered likely to speed up their rehoming.

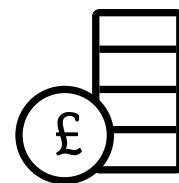


GRANT GIVING

Battersea is committed to helping more dogs and cats by supporting rescue and rehoming organisations to do more with the often limited resources they have available. In 2019 we awarded 34 grants through our Grant Giving programme, which runs alongside the Battersea Academy, totalling £261,000. Of these, 29 went to UK rescues and five to international organisations. Thirteen went to support organisations committed

to making changes to improve their work, based on their learnings from the Academy. Successful grant recipients are required to monitor the impact of the funding on the animals in their care.

The largest grant was £15,000, the smallest was £500, with an average of £7,663. They funded equipment, refurbishment, the purchase of animal ambulances, and staff, including vets and behaviourists.



**AN ESTIMATED
13,570 DOGS AND
CATS BENEFITED
FROM THE 2019
BATTERSEA
GRANTS
PROGRAMME**

CASE STUDY:

PAW PATROL

Layla was brought into Battersea when her previous owners were unable to keep her anymore.

She had experienced a turbulent start in life, but her owners did the sensible thing by bringing her into our care when they could no longer provide a stable home.

When she arrived at Battersea, Layla was extremely cautious of people and other dogs but her boundless energy meant she caught the attention of Battersea's Working Dogs Manager, Jeff Moore.

Jeff worked tirelessly on a training programme for Layla, geared towards unlocking her potential as a working dog. However, she was

still unable to get on around other dogs and struggled with life at Battersea, so all efforts were put into finding a suitable outlet for her.

Thames Valley Police were contacted and Layla was taken along to their premises for an assessment. Luckily, after all the dedication and hard work Jeff had put into her training, she passed her initial tests with flying colours and stayed with Thames Valley Police from that moment on, to continue her training and begin her new life as a police dog.

The very next day, Battersea received a video update of Layla playing with a group of puppies also in training to be police dogs. It seemed Layla had finally found her place in the world.

Layla has a new life as a police dog after initial training as a working dog at Battersea.

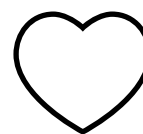
Our Chelsea Pensioners volunteer visiting group were honoured to receive The Queen's Award for Voluntary Service in 2019.



OUR ENABLERS



ENSURING OUR PEOPLE, INCOME, TECHNOLOGY
AND SYSTEMS CAN CONTINUE MAKING THEIR
VITAL IMPACT AND CONTRIBUTION



IN 2019,
VOLUNTEERS AND
FOSTER CARERS
DONATED 142,858
HOURS, EQUAL TO
76 FULL-TIME STAFF

VOLUNTEERING AND FOSTERING

Battersea could not exist without the help of our dedicated volunteers. Our volunteers donated 92,366 hours, and foster carers 50,492 hours in 2019, equivalent to 76 full-time staff working for Battersea for a year. From animal welfare roles to office and events staff, we strive to ensure that our volunteers are involved in all aspects of our work. The number of hours contributed by

foster carers was slightly higher than in 2018, driven by demand for cat fostering, and both dog and cat fostering at Brands Hatch. In 2019, 102 new foster carers were recruited, up 89% year-on-year. We were thrilled when a group of our volunteers were recognised with The Queen's Award for Voluntary Service in June. This is the equivalent of an MBE

for volunteer groups and is awarded for outstanding work to benefit local communities. Battersea's volunteers were recognised for their monthly visits with our dogs to the Royal Hospital Chelsea, an initiative which began in 2011. A wonderful relationship has developed between the neighbouring institutions and the monthly visits have become a highlight for the Chelsea Pensioners.

SUPPORTING OUR STAFF

Battersea is committed to ensuring our staff and volunteers have the appropriate support, systems and tools in place to help them achieve their full potential. We continued to invest in learning and development for our Battersea people, with staff each receiving 2.9 days of 'off the job' training.

A key focus was on building emotional resilience, mental health and wellbeing. Training workshops for all managers on Managing Mental Health focused on supporting the mental health of their staff, while targeted training was delivered to staff in challenging frontline roles who interact with vulnerable people.

We want everyone who comes into contact with Battersea to

have a positive experience, so our Safeguarding Policy was enhanced to ensure it gives clear guidance and expectations on how Battersea engages with and supports staff, volunteers, vulnerable adults and children, and everybody we come into contact with through our work.

With 550 staff across three sites, and increased online rehoming and intake, our technology has to support new ways of working. In 2019, our IT team upgraded over 400 desktop computers to Windows 10 and migrated all our servers to ensure needs are met.

Staff and volunteers took part in London Pride, celebrating Battersea's diversity and inclusiveness.





FUNDRAISING

2019 saw the highest ever year-end gross income raised for Battersea of £24.77m. We are so grateful to our supporters whose generosity enables us to continue our vital work.

Our Muddy Dog Challenge events travelled to new locations in Exeter, Cheltenham, Newcastle and Leeds in 2019 as its popularity continues to grow. Participants have almost doubled from 4,500 to 8,300 year-on-year, resulting in us raising £1.03m from the events.

Our PawDraw Lottery has now recruited over 76,000 players, and our new Ultimate Showdown gaming product used new fundraising techniques, acquiring new donors and helping us spread our brand through a new live streaming service (Twitch gaming platform).

Philanthropy and Trusts continued to perform strongly, and our ongoing relationship with People's Postcode Lottery (PPL) was a partnership that delivered £750,000 across the year. Our Corporate Partnerships Team secured two new partnerships for 2020, Regatta and Sure Petcare.

The Legacy team achieved record income of £17m in 2019, a huge success against a very uncertain economic backdrop and a flat housing market.

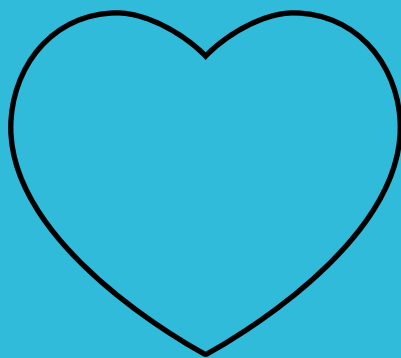


THE CLASS OF 2019

RESCUE MAY BE OUR FAVOURITE BREED, BUT
HERE'S A BREAKDOWN OF ALL THE DOGS AND
CATS BATTERSEA TOOK IN DURING 2019

DOGS

Akita/Japanese Akita Inu	37	Great Dane	3
Alaskan Malamute	15	Greyhound	130
Anatolian Shepherd Dog	1	Griffon Bruxellois	1
Australian Cattle Dog	1	Harrier	6
Australian Kelpie	1	Hungarian Vizsla	3
Beagle	69	Labradoodle	7
Belgian Shepherd Dog	15	Lhasa Apso	6
Bernese Mountain Dog	1	Lurcher	166
Bichon Frise	49	Maltese	5
Bolognese	1	Mastiff: Bull	28
Boxer	15	Mastiff: Neapolitan	1
Bulldog	26	Mastiff: Old English	1
Bulldog: Alapaha Blue Blood	4	Miniature Pinscher	2
Bulldog: American	51	Mongrel	502
Bulldog: French	47	New Zealand Huntaway	1
Bulldog: Old Tyme	10	Newfoundland	1
Cane Corso	12	Other (including not recorded)	6
Caucasian Shepherd	1	Pekingese	7
Chihuahua: Long Hr	23	Pharaoh Hound	1
Chihuahua: Smooth Hr	80	Pointer	1
Chinese Crested	1	Pointer: German Short Hr	2
Chow Chow	2	Pointer: German Wire Hr	1
Cockapoo	4	Polish Lowland Sheepdog	2
Collie	19	Pomeranian	26
Collie: Border	41	Poodle: Miniature	3
Collie: Welsh	2	Poodle: Standard	1
Corgi Welsh: Pembroke	1	Poodle: Toy	8
Coton De Tulear	1	Pug	58
Dachshund: Min Long Hr	1	Pyrenean Mountain Dog	1
Dachshund: Min Smooth Hr	7	Retriever: Golden	7
Dachshund: Std Smooth Hr	4	Retriever: Labrador	63
Dachshund: Std Wire Hr	1	Rhodesian Ridgeback	6
Dalmatian	3	Rottweiler	39
Deerhound	1	Saluki	27
Dobermann	15	Samoyed	1
Dogue de Bordeaux	11	Schnauzer: Miniature	3
German Shepherd	108	Schnauzer: Standard	1



BATTERSEA CARED FOR 5,689 ANIMALS AT OUR CENTRES IN 2019. THIS LIST DOES NOT INCLUDE THOSE PRESENT AT THE START OF THE YEAR AND ANIMALS REUNITED WITH THEIR OWNERS OFFSITE.

CATS

Shar-Pei	42
Shiba Inu	2
Shih Tzu	46
Siberian Husky	50
Spaniel: Cavalier King Charles	17
Spaniel: Cocker	34
Spaniel: English Cocker	23
Spaniel: English Springer	41
Spaniel: Tibetan	1
Spaniel: Welsh Springer	1
Spitz: German	18
Spitz: Japanese	4
Terrier: Airedale	1
Terrier: Bedlington	2
Terrier: Border	9
Terrier: Boston	4
Terrier: Cairn	8
Terrier: English Bull	6
Terrier: Fox Wire Hr	1
Terrier: Jack Russell	224
Terrier: Lakeland	5
Terrier: Maltese	2
Terrier: Norfolk	3
Terrier: Parson Russell	13
Terrier: Patterdale	42
Terrier: Pit Bull	16
Terrier: Plummer	5
Terrier: Scottish	1
Terrier: Staff Bull	450
Terrier: Tibetan	1
Terrier: Welsh	2
Terrier: West Highland White	8
Terrier: Yorkshire	96
Weimaraner	1
Whippet	15
Grand Total	3002

Abyssinian	4
Bengal	17
Birman	5
British Blue	1
British Short-hair	32
Burmese	4
Chinchilla (Persian): Long-hair	1
Devon Rex	5
Domestic Long-hair	126
Domestic Medium-hair	192
Domestic Short-hair	1870
Maine Coon	18
Munchkin	1
Norwegian Forest	5
Oriental Short-hair	1
Other (including not recorded)	6
Persian	16
Ragdoll	12
Russian Blue	3
Savannah	2
Siamese	4
Siberian	1
Snowshoe	1
Sphynx	5
Tonkinese	2
Grand Total	2334

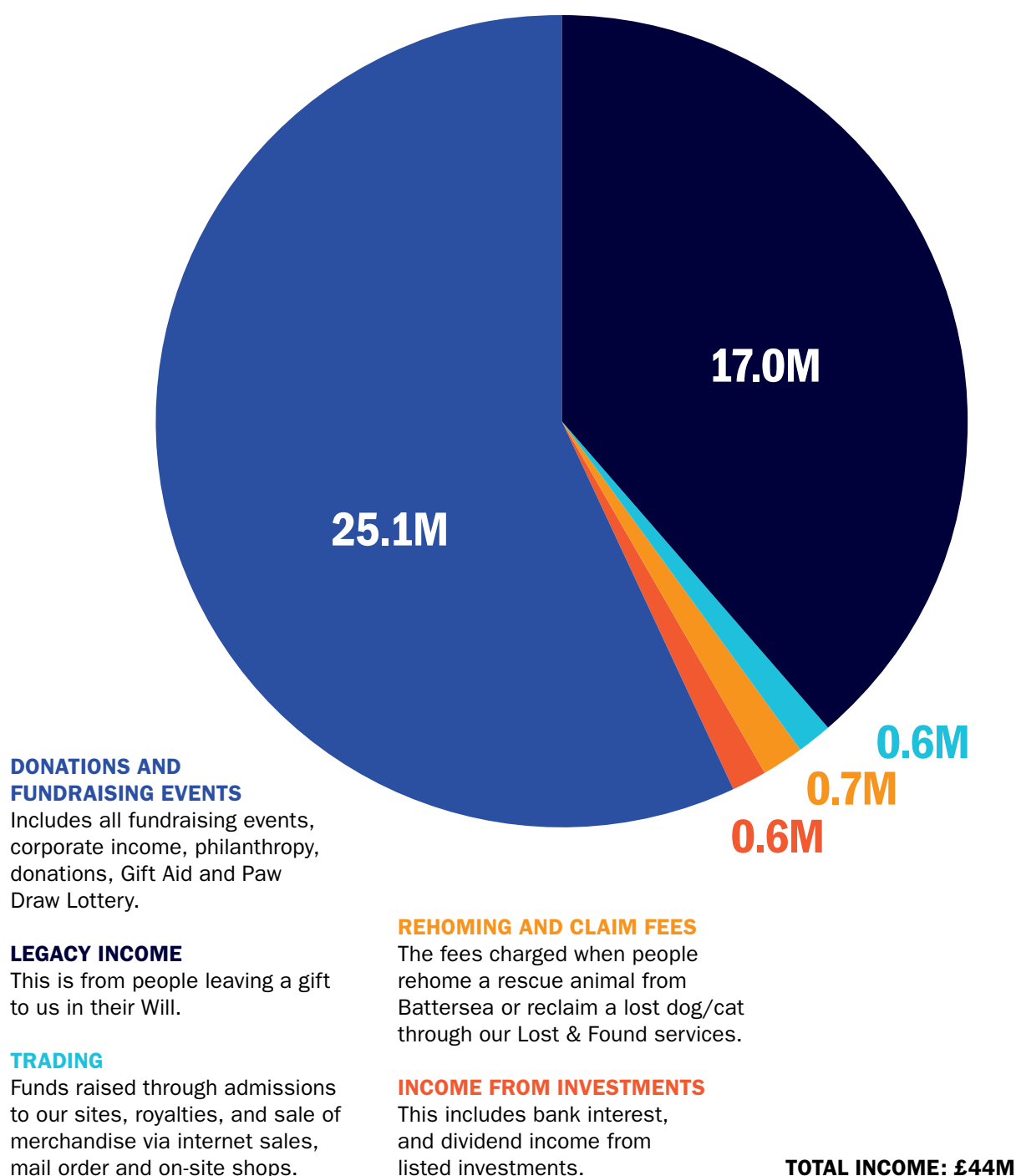


IN ADDITION TO THESE ANIMALS, WE ALSO HELPED MANY THOUSANDS MORE ACROSS THE UK AND WORLDWIDE

OUR FINANCES

AT BATTERSEA WE ENSURE EVERY PENNY COUNTS TOWARDS MAKING A BETTER FUTURE FOR DOGS AND CATS.

HOW WE RAISED OUR MONEY





OUR WONDERFUL SUPPORTERS RAISED £43.4M FOR US IN 2019

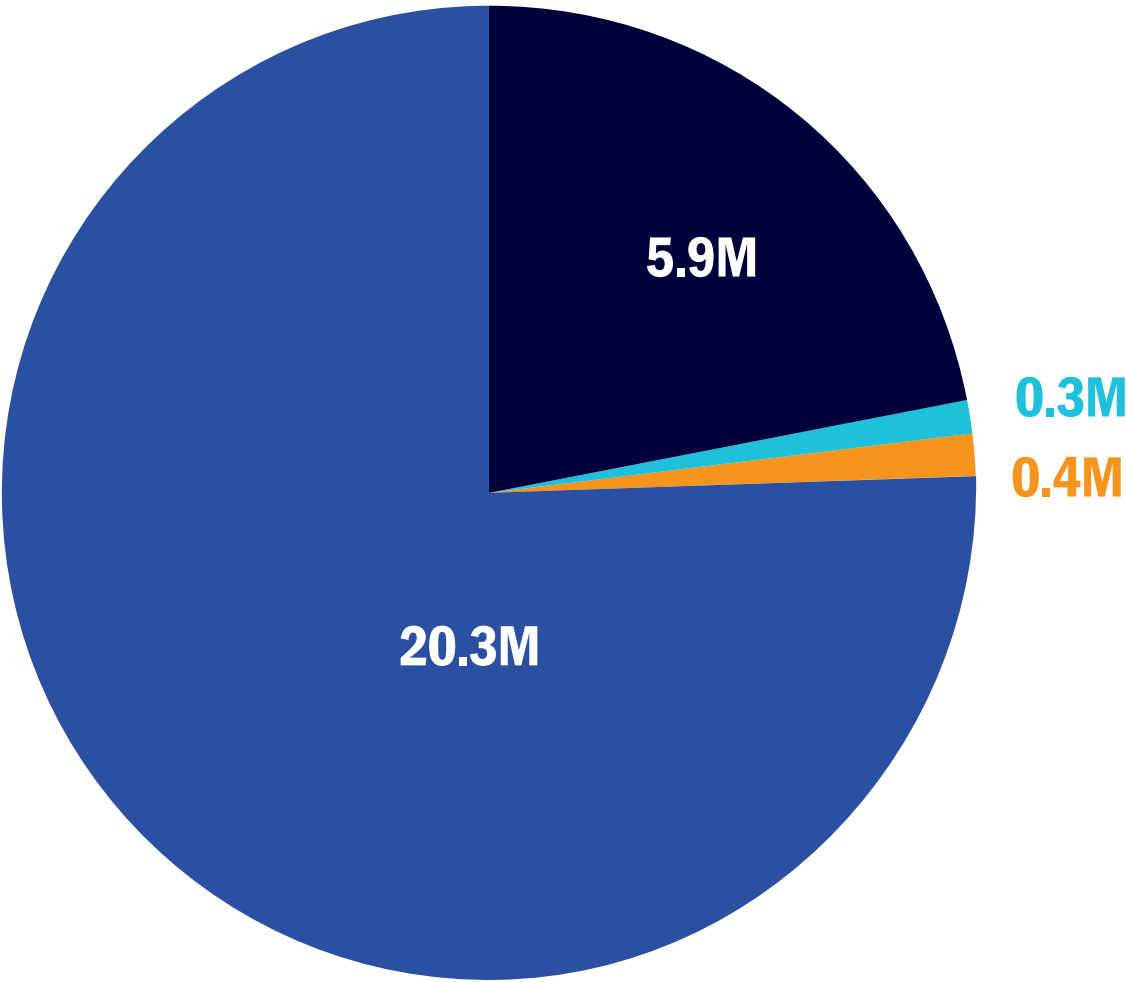
2019 total income was £44m, an increase of £5.2m from 2018. Despite uncertainties around Brexit, and a flat housing market, we achieved record legacies income of £17m, thanks to some incredibly generous supporters leaving us a gift in their Will. Donations were up 5% year-on-year, an increase of

£0.9m. We continued to see strong and growing performance from our Direct Debit mailings and campaigns, with our Paw Draw Lottery growing rapidly to over 76,000 players. Cash and raffles also performed well, with every cash appeal delivering record income.



**WE ACHIEVED RECORD
LEGACY INCOME OF
£17M THANKS TO
SUPPORTERS LEAVING
A GIFT IN THEIR WILL**

HOW WE SPENT OUR MONEY ON OUR CHARITABLE AND TRADING ACTIVITIES



CARE OF ANIMALS

Includes the operational costs of running our three centres and two veterinary clinics and also includes the running costs of our volunteering, fostering and communities programmes.

CAMPAIGNING AND RAISING AWARENESS

We campaign for changes to improve the lives of dogs and cats and raise awareness of the issues most important to them.

GRANT GIVING

During 2019, we awarded 34 grants to other rescue and rehoming organisations, benefiting an estimated 13,570 dogs and cats.

BATTERSEA ACADEMY

Battersea feels a strong responsibility to help and support other rescues and their animals. 2019 was the second operational year of the Battersea Academy, a centre for professional development for animal welfare practitioners around the world.

TOTAL EXPENDITURE ON CHARITABLE AND TRADING ACTIVITIES: £26.9M

TOTAL EXPENDITURE ON RAISING INCOME: £16.9M

TOTAL EXPENDITURE: £43.8M

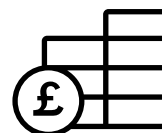
INVESTING IN THE FUTURE

In 2019, 65p in every £1 was spent on delivering our charitable activities, and 35p on raising the next pound and making sure Battersea can continue to make a difference to thousands of dogs and cats for many years to come.

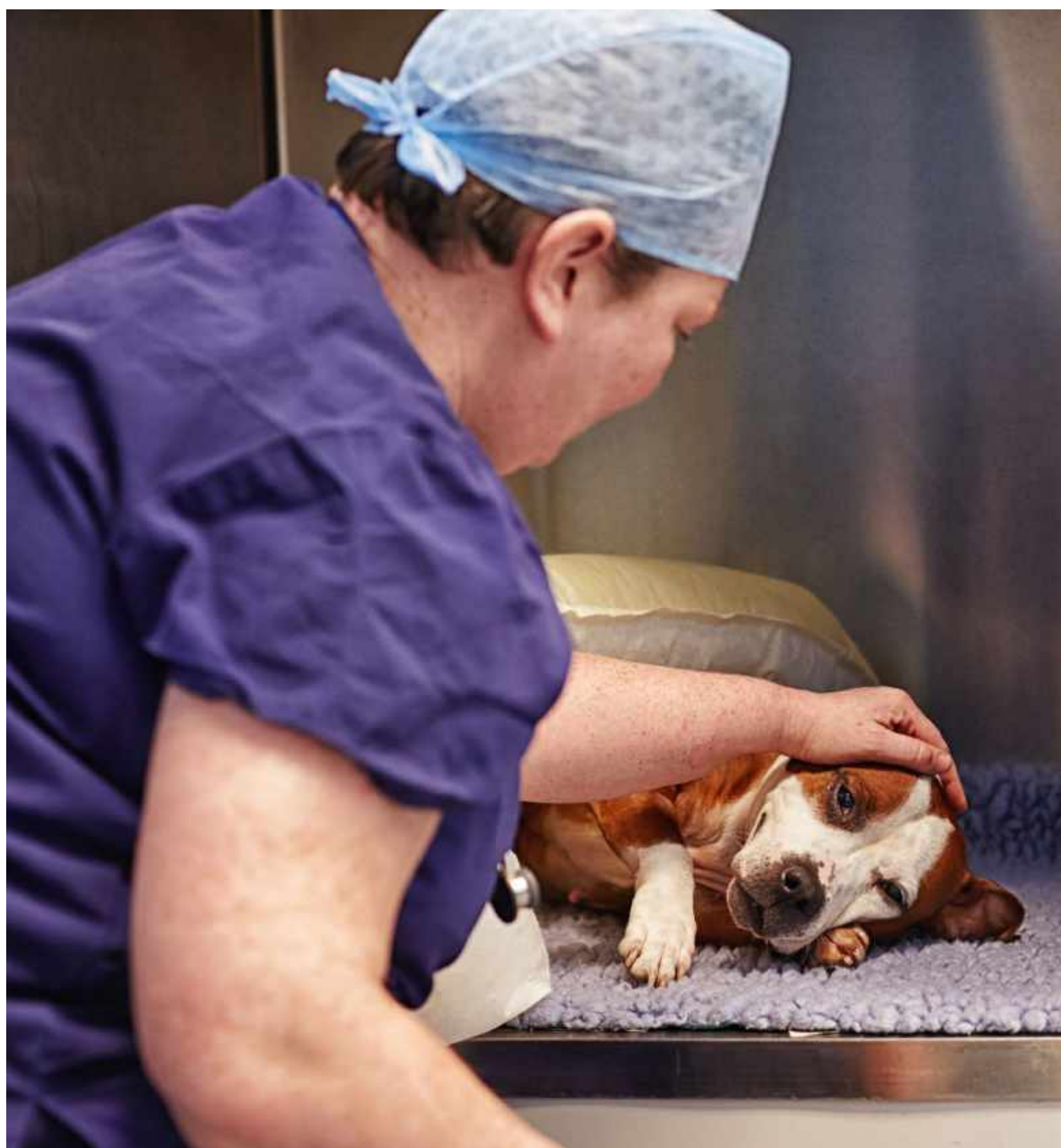
Supporter donations enable us to be here for dogs and cats, ensuring that every animal that arrives at

our centres receives the very best of care, and helping Battersea to improve the lives of many more animals across the UK and beyond.

We spend every pound of our income incredibly carefully, mindful of the need to take a long-term view and ensure we can continue our vital work well into the future.



**£55,000 WAS
INVESTED EVERY
DAY TO CARE FOR
OUR DOGS AND
CATS IN 2019**



REPORT OF THE COUNCIL OF TRUSTEES

The Council of Trustees is pleased to present the annual report and financial statements of Battersea Dogs & Cats Home for the year ended 31 December 2019.

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.

PENSION

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

Despite this, Battersea will continue to have ongoing liabilities, the funding of which is agreed between the trustees of the pension scheme and the charity's Trustees. These liabilities are subject to fluctuation as assumptions change over time. As at 31 December 2019 the pension scheme was in a surplus position.

Full detailed information on Battersea's pension schemes, including the defined contribution scheme, can be found in Note 17.

INVESTMENT POWERS AND POLICY

Under the Memorandum and Articles of Association, the charity has the power to make any investments which the Council of Trustees see fit. The Trustees are aware of the need to maximise the investment return without jeopardising the Home's reputation. They therefore require their investment advisers, Adam & Co, to refrain from investing in any company that is involved directly in the use of experimental animals for non-clinical research, or sub-contracts to companies that make use of such animals, unless there is a legal or regulatory requirement to do so. The mandate also prohibits Adam & Co from investing in tobacco companies. If in doubt, they are asked to refer to the Chair of the Finance Audit and Risk Committee. Our investment advisers confirm adherence to this policy through a formal quarterly screening of our investment portfolio and the issuing of a compliance report to the Finance Audit & Risk Committee.

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

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

The asset allocation of the portfolio at 31 December 2019 was as follows:

	Benchmark	Actual Weighting
Equities	70%	71.3%
Bonds	25%	20.8%
Cash	5%	6.4%
Property	0%	1.5%
	100%	100%

Departure from benchmarks above, at year end, reflects the need to respond to the market situation, thereby maximising investment returns.

The Council of Trustees place the emphasis on maximising long-term, maintainable investment growth and the actual performance is reviewed against the benchmark return with Adam & Co every quarter.

The result in the year to 31 December 2019 was as follows:

	Benchmark	Actual Performance
Portfolio total return	+15.1%	+17.7%

RESERVES

The aim of Battersea's Reserves Policy is to ensure that the charity's ongoing activities are protected from unexpected fluctuations in its income and expenditure. In setting the Reserves Policy, the Council of Trustees are influenced by strategic risks facing the charity (which are kept under regular review) – not least the fact that the Home is heavily reliant on voluntary income (legacies and fundraising) to continue its charitable undertakings – which being uncertain sources of revenue may not always provide the necessary funds to cover essential costs.

With this in mind, the Trustees have affirmed the targeted range for free reserves to be maintained between £10m and £15m, which equates to between six to nine months of 2020 budgeted charitable expenditure and would allow

for our activities to continue as normal during temporary falls in income or allow contingency plans to be implemented in the event of a more significant downturn in income or unanticipated increase in expenditure.

This level is deemed appropriate when considered alongside the major strategic and operational risks currently faced by the Charity.

Free reserves (that is, those unrestricted funds not tied up in tangible fixed assets or other designated funds, excluding any pension assets) decreased during 2019 to £8.0m (2018: £11.2m), representing five months' operating expenditure. The free reserves at 31 December 2019 are £2.0m below Battersea's minimum level reserve target. Free reserves are likely to be adversely affected in the short-term by the COVID-19 pandemic. Plans to rebuild them to the targeted range include further investment within Individual Giving, continued investment in Legacy marketing and stewardship, and building our brand through the Reframing Rescue campaign.

Trustees balance the need to maintain an appropriate level of free reserves with funding key strategic initiatives such as investment in the Home's infrastructure and facilities.

In order to achieve this, in 2010 Trustees authorised a freehold acquisition fund of £10m to be set aside to enable the Home to increase its geographical reach by acquiring an additional site for the Home. At 31 December 2019, this fund stands at £6.4m (2018: £6.0m).

The need for the development of existing facilities, particularly at the London and Windsor sites, has already been identified. The Home has a vision where every dog and cat coming through our doors can stay in the safe and hygienic conditions they truly deserve during their time in our care. To achieve this vision the Site Development Fund, which at year end 2019 stands at £20.8m (2018: £19.5m), represents the Trustees' short-to medium-term programme of improving the facilities needed to provide the highest standards of animal welfare for the cats and dogs in our care.

The Fixed Asset Fund of £55.4m (2018: £52.1m), represents the value of the Home's fixed assets – principally the value of the land and buildings on our three sites. Trustees review and monitor this policy annually.

PLANS FOR FUTURE PERIODS

The impact of COVID-19 on plans for 2020

The COVID-19 pandemic and Government social distancing measures saw us reviewing how we achieve our core operational and strategic initiatives, ensuring these can continue in light of changing events.

To maximise our financial resources, decisions were made to pause face-to-face fundraising until the end of summer, with a gradual return to market towards the end of the financial year. Fundraising events scheduled throughout the financial year have been postponed, where possible, to the latter half of 2020, although cancellations to 2021 are likely.

Major capital works have also been deferred, with the refurbishment of the Kent Building rescheduled from March 2020 to September 2020, and all non-essential IT projects moved to 2021. We have also taken advantage of the Government Jobs Retention Scheme by furloughing a small number of staff, agreeing to top up salaries to the full amount during the period of furlough. Since the Government introduced social distancing measures, Trustees and the Executive Team have kept the organisational cashflow under regular review, conducting full reforecasts of all income streams to 2021, as well as maintaining regular contact with investment advisors Adam & Co, and bankers, Barclays.

Theme 1: Directly helping more dogs and cats in need

Before the COVID-19 restrictions, we expected to rehome nearly 4,700 animals in 2020 across our three sites and two Communities. With Government social distancing guidelines and the closure of our three sites, we introduced new measures to continue rehoming animals safely.

We will continue to establish our Battersea Communities Programme. Communities are expected to deliver the cost-effective expansion of rehoming and supporter engagement opportunities in new geographical areas. While we have not been able to deliver community engagement activities during the COVID-19 restrictions, we have successfully rehomed our first Community animal during the lockdown and have recruited four further Community Rehoming Volunteers. We are still planning to launch our second Community in Ashford, Kent later this year. The Strategic Plan provides for the establishment of 10 Battersea Communities by 2023, although it is likely eight communities will be established.

Set to open towards the end of 2020, our new Wellness Centre will be in regular use for the benefit of Battersea dogs from all three sites, seven days per week. The Centre will comprise a heated pool for canine hydrotherapy and a hydrotherapy treadmill, along with a dog shower, drying and grooming area, and staff/client shower and changing facilities. Up to 100 dogs from across all three Battersea centres are expected to use the facilities weekly.

Improvements to our kennel facilities will include comprehensive refurbishment of the Kent Building in London, which have been postponed to September 2020 due to COVID-19. At Old Windsor, work will focus on the opening and first operational use of the newly constructed Pippin Kennels, and refurbishment works to the Trumpton Kennels.



Theme 2: Reframing rescue

Battersea will work to reframe the public's perceptions toward rescue and seek to help more dogs and cats to live where they are treated with compassion, care and respect.

We aim to position rescue animals as the desirable and aspirational choice for a wide range of audiences. In 2020, Battersea will continue to establish the #rescueismyfavouritebreed movement through activities including an integrated advertising campaign running across a mix of channels, resulting in long-term change of perception about rescue animals.

We will continue to address misconceptions and bust myths around breed and age and challenge the trend for designer breeds and private online sales by celebrating rescue and promoting the benefits of Battersea's detailed behaviour and medical assessments, our matching processes and post-rehoming support.

We will create generational change for rescue through creating new content and opportunities to reach, inform, and inspire engagement amongst young people through a growing range of channels and partnerships.

Theme 3: Our Voice

Battersea will continue to use our respected, authoritative and influential position as a leader in the sector to tackle existing and emerging animal welfare issues and to remove barriers to greater pet ownership.

Key objectives of 2020 include:

- continuing to support the animal sentencing welfare bill in England and Wales and maintaining focus on getting the legislation passed in Scotland;
- hosting a hustings event at Battersea as part of the London Mayoral Election campaign;
- highlighting ways to tackle the illegal puppy trade and reduce the risk of disease entering the UK post-Brexit; and
- supporting the Department for Environment, Food & Rural Affairs' (DEFRA) five-year review on the effectiveness of compulsory microchipping, and its possible extension to cats.

As a result of the COVID-19 pandemic, Battersea worked together with the rescue sector and DEFRA to produce new guidelines that will enable rescue organisations to responsibly rehome the animals in our care, whilst continuing to adhere to the latest Government guidelines on social distancing.

We will continue to work with key partners to help drive legislative change within Breed-Specific Legislation, and will work hard to secure a proportionate, fair and enforceable licensing system for rescue and rehoming centres.

Theme 4: Increasing Our Impact

Battersea will continue to extend our impact beyond the

confines of our physical centres to help more animals, by working in partnership with other dog and cat welfare organisations in the UK and around the world.

Before COVID-19 restrictions, the Battersea Academy aimed to increase the number of organisations it reaches to 100, extending its impact to help 20,000 dogs and cats. As a result of social distancing guidelines and restricted travel, a number of Academy events scheduled for 2020 have been cancelled. Battersea is currently planning to utilise technology and develop online resources to facilitate offsite learning.

Academy programmes will be externally accredited by City & Guilds through their Assured scheme, and participants of intensive programmes will have the opportunity to unlock funding through a Battersea Change Plan Grant.

In 2020, it is planned that Grants will be awarded across up to eight funding streams, benefiting around 144 rescues from across the UK and overseas, and totalling £450,000. Grants are continuing to be awarded during the COVID-19 pandemic to support rescue centres in need during the period.

Theme 5: Our Enablers

Battersea will continue to invest in direct marketing fundraising campaigns and its regular giving lottery products to help generate financial returns over a longer-term period. These have, however, been suspended due to the COVID-19 pandemic and will resume activity towards the end of the summer.

We will look at driving value by doing fewer, bigger and more profitable fundraising events, and assessing our Philanthropy and Corporate new prospect pipelines. Most fundraising events have been rescheduled to the latter half of the financial year and continue to be reviewed against the latest Government guidelines.

Battersea will continue to ensure our people, income, technology and systems support the effective delivery of our strategy, recognising their vital impact and contribution.

We will ensure Battersea remains innovative, agile and committed to continuous improvement, building on our culture and values and using technology to improve efficiency and effectiveness across our teams, whilst not compromising on quality and service levels.

We will continue to attract, develop and retain talented people by promoting collaborative working between teams and across all centres, investing in learning and development, growing our volunteering and fostering programme, and ensuring we have appropriate support and tools in place for staff and volunteers to build emotional resilience, mental health and wellbeing.

Key strategic outcomes over the life of the Strategic Plan are:

- 30,000+ animals rehomed from our existing three centres;
- 4,500 animals rehomed from a fourth centre;
- 2,000+ animals rehomed via Battersea Communities;
- 60,000 more animals rehomed annually by the UK rescue sector;
- 150,000 animals helped by the Battersea Academy; and
- 70,000 animals helped by Battersea Grants.

EQUAL OPPORTUNITIES

Battersea is committed to providing equality of opportunity and valuing diversity. This is reinforced in our organisational values and is embedded in our day-to-day working practices. We demonstrate our commitment by:

- building a workforce whose diversity is valued;
- drawing on the skills and talents of this diverse workforce;
- enabling everyone at Battersea to achieve their full potential in an environment characterised by dignity and mutual respect;
- valuing equally the unique contribution that individual experience, knowledge and skills can make.

FUNDRAISING STANDARDS

Open and accountable

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

Complaints

We record and monitor all complaints received and these are reported to our Trustees twice a year.

We aim to acknowledge complaints within one working day, with the vast majority being resolved within three working days.

As a percentage against the volume of fundraising activity Battersea undertakes, we have received a very low number of complaints (a total of 391 complaints in 2019 – 0.0001% of our total volume of fundraising activity), and we strive to continue to improve how we measure, record and resolve complaints across Battersea. In 2019, we received no complaints being referred by the Fundraising Regulator.

We have also trained around 160 public-facing members of staff across all Battersea locations in best practice in complaint handling.

Protecting the vulnerable

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

Contacting our supporters and supervising our fundraisers

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

We undertake extensive programmes of mystery shopping, fundraiser shadowing, call listening, training and compliance support with our agencies. This facilitates the continued delivery of high-quality and sustainable fundraising. We deliver a robust training programme to agencies working on our behalf, adhering to the Fundraising Code of Practice, and demonstrating best practice. Each training session has a section on compliance, consent for future contact preferences and dealing with vulnerable people. We actively engage with and encourage our agency fundraisers to be proud Battersea ambassadors.

Our mystery shopping programme ensures that fundraisers are treating our potential donors fairly, respectfully and appropriately. This is supported via the periodic shadowing of fundraisers by Trustees and members of the Executive Team. We also regularly attend the agency induction training sessions to observe and score the content and delivery of the fundraisers' initial training, using an Institute of Fundraising (IOF) checklist. Battersea is a member of the IOF and takes part in their compliance round-table events.

Our staff and senior management shadow our third-party fundraisers across all channels on a regular basis and provide feedback and/or recommendations for any improvements. These visits are recorded and form part of an annual report to our Council of Trustees.



STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustee appointments

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

New Trustees are nominated via an external search led by the Chair of Trustees, interviewed by a panel of Trustees and the Chief Executive, and appointed where they have the necessary skills to contribute to the Home's governance and strategic development.

An individual induction programme is agreed for each new Trustee to brief them on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee structure and decision-making processes, the strategic plan and recent financial performance of the Home. As part of their induction they meet key employees and other Trustees.

A skills audit is undertaken regularly to ensure appropriate expertise and diversity of experience is represented on Council to enable effective challenge, governance and oversight of the Home to take place.

In 2019, a review was carried out by the National Council for Voluntary Organisations (NCVO) on Battersea's governance arrangements. The review saw formal processes put in place within trustee induction programmes, and committee meetings as well as updated Scheme of Delegation and Governance Framework. Key areas of focus in 2020 for Trustees will be diversity, safeguarding, and learning and development, through the formation of a People Committee to be chaired by a member of the trustee board.

Trustee delegation

The Council is responsible for setting strategic direction, agreeing the financial plan and approving the delegation of financial authority through the Chief Executive, with specific limits imposed on delegation. The Council acts on advice and information from regular meetings with the Chief Executive. The Council met formally six times during 2019.

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

The Finance Audit & Risk Committee meets

quarterly to oversee all financial aspects of the charity. It takes delegated responsibility for ensuring there is a framework for accountability and for ensuring that the charity complies with all financial aspects of the law, relevant regulations and good practice. The Committee also takes delegated responsibility for the performance of the Home's investment portfolio. It met four times during 2019.

The Building Committee is established to oversee all capital projects carried out by the Home. It met five times during 2019.

A Governance and Nominations Committee was established to review compliance with appropriate legislation and codes issued by the Charity Commission and other regulatory bodies, and to lead on any process for appointments to Council and committees. The Committee met once in 2019.

RELATED PARTIES

None of our trustees receive remuneration or other benefit from their work with the Home. Any connection between a trustee or senior executive with a related party or competitor of the charity must be disclosed to the Council of Trustees. In the current year, no such related party transactions were reported. Donations made by Trustees to the Home totalled £185 (2018: £16,165) for the year.

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

PAY POLICY FOR THE EXECUTIVE TEAM

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

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

Executive pay is reviewed annually based on the performance of the relevant business area, contribution to the achievement of wider organisational goals and individual impact based on delivery against annual objectives in accordance with Battersea's values.

RISK MANAGEMENT

Effective risk management is key to successfully delivering our strategy. An organisation-wide risk-management approach is in place which identifies our key strategic and operational risks and ensures that they are effectively managed through clear accountability and procedures for escalation as required.

The Battersea risk-management strategy comprises:

- ongoing review by the Executive team of strategic and operational risks (both existing and emerging risks) which have the potential to adversely affect the organisation;
- a quarterly review by the Finance Audit & Risk Committee and Council of the principal risks and uncertainties that the charity and its subsidiary BDH Ltd face;
- the establishment of policies, systems and procedures to mitigate the risks identified in the quarterly review; and
- the implementation of procedures to minimise or manage any potential impact on the Home should those risks materialise.

The Council of Trustees consider the specific major risks to the Home to be:

Risk	Mitigation
COVID-19	<p>The COVID-19 pandemic and Government policy having an impact on Battersea's ability to generate fundraising income. In line with Government guidelines on social distancing, face-to-face fundraising activities and fundraising events have been suspended and postponed, respectively. There is also a risk of lower income generated through major donors, trusts and corporate sponsors if funds are being diverted to organisations directly impacted by COVID-19.</p> <p>Mitigating these risks is an increase in digital and online fundraising methods, deploying stewardship support across all supporter types, and hosting virtual fundraising events.</p>
Financial	<p>The most significant financial risk for Battersea is income uncertainty, specifically loss of fundraising income through changes in staff and/or fundraising environment, and through loss of legacy income through significant declines in property values as a result of political uncertainties, and more recently, COVID-19.</p> <p>We review our financial plans on a regular basis and manage any material risks via budgetary control, income pipeline reviews, investing in staff, carefully valuing properties, capital expenditure planning and cash flow forecasting.</p> <p>Also mitigating these risks is the level of free reserves which are set at a level sufficient to withstand any short-term financial risks.</p>

Risk	Mitigation
Compliance	<p>Non-compliance with GDPR, such as data breaches, data retention, training and awareness, remains a key focus for Battersea.</p> <p>We recognise the importance of having a resilient approach to managing compliance and have worked extensively in 2019 to develop a GDPR plan and appointed a full-time Compliance Manager to support the implementation.</p> <p>The Home has focused extensively on mitigating its data protection risk, through the appointment of internal auditors to review high-risk areas, and has substantially revised its data protection and data retention policies.</p>
Business continuity	<p>The Home has in place business continuity plans to reduce those risks which would disrupt operations at any of our sites and contingency arrangements that would be put in place should these risks materialise.</p>
Reputational	<p>We are proud of our reputation of global excellence and review our activities and relationships carefully to reflect this, recognising that breaches in these can lead to significant loss of public support and income for the Home, and a possible reduction in people rehoming animals with Battersea.</p> <p>Mitigating activities include being members of sector bodies bound by Codes of Practice, compliance with Fundraising Regulations, embedding ethical policies, carrying out risk assessments and ensuring HR policies such as Safeguarding, Codes of Conduct, and Complaints & Concerns are in place.</p>
Information security	<p>We fully recognise the importance of defending our IT systems (including telephony) from malicious attacks and protecting the information we hold from unauthorised access and misuse.</p> <p>Risks around information security and data protection are reported to the Finance Audit and Risk Committee as part of their regular review of strategic risks. Our major systems are subject to regular penetration testing to ensure their defences are robust enough to withstand a sustained malicious attack.</p>

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL OF TRUSTEES

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

Company law requires the Council of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the Council of Trustees is required to:

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

The Council of Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

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

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

By order of the Council of Trustees



Amanda Burton (Chair)
Approving Trustees and Strategic Report
19 May 2020





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATTERSEA DOGS' AND CATS' HOME

Opinion

We have audited the financial statements of Battersea Dogs' and Cats' Home for the year ended 31 December 2019 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's and parent 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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements

are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 52, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant

to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business

activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

Use of our report

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

Luke Holt

Luke Holt (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD
24 June 2020





CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2019

		Unrestricted	Restricted	Total	Total
		2019	2019	2019	2018
	Notes	£000	£000	£000	£000
Income from:					
Donations and legacies	2	38,974	1,437	40,411	34,871
Gifts in kind	3	325	-	325	418
Trading activities	4	1,930	-	1,930	2,211
Investment income	5	641	-	641	588
Charitable activities:					
Animal sales and claim fees		727	-	727	752
Total income		42,597	1,437	44,034	38,840
Expenditure on:					
	6				
Raising donations and legacies		14,254	-	14,254	12,814
Gifts in kind		325	-	325	418
Trading activities		3,036	-	3,036	2,762
Investment management fee		54	-	54	53
		17,669	-	17,669	16,047
Charitable activities:					
	6				
Care of dogs and cats		19,621	637	20,258	18,296
Education and awareness		5,857	-	5,857	6,015
Total expenditure		43,147	637	43,784	40,358
Net gains/(losses) on investments	12	2,394	-	2,394	(1,435)
Net income/(expenditure)		1,844	800	2,644	(2,953)
Net movement in funds		1,844	800	2,644	(2,953)
Reconciliation of funds:					
Total funds at 1 January		88,752	347	89,099	92,052
Total funds at 31 December		90,596	1,147	91,743	89,099

All amounts are derived from continuing activities.

All gains and losses recognised in the year are included above.

CONSOLIDATED AND CHARITY BALANCE SHEET

As at 31 December 2019

	Notes	Group		Charity	
		2019	2018	2019	2018
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9	663	333	663	333
Tangible assets	10	54,706	51,733	54,706	51,733
Investments:					
Investment in subsidiary undertakings	11	-	-	5	5
Other fixed asset investments	12	19,304	16,911	19,304	16,911
		74,673	68,977	74,678	68,982
Current assets					
Stock	13	87	150	-	120
Debtors	14	6,781	5,766	7,530	6,245
Cash at bank and in hand		14,728	18,546	14,051	18,068
		21,596	24,462	21,581	24,433
Liabilities					
Creditors: amounts falling due within one year	15	(4,526)	(4,340)	(4,516)	(4,316)
Net current assets		17,070	20,122	17,065	20,117
Total assets less current liabilities		91,743	89,099	91,743	89,099
Net assets		91,743	89,099	91,743	89,099
Funds					
Unrestricted funds					
- Designated	16	82,558	77,571	82,558	77,571
- General	16	8,038	11,181	8,038	11,181
		90,596	88,752	90,596	88,752
Restricted funds	16	1,147	347	1,147	347
Total funds		91,743	89,099	91,743	89,099

As permitted by s408 Companies Act 2006, the company has not presented its own income and expenditure statement and related notes. The company's profit for the year was £2,000 (2018: loss of £3,000).

The financial statements were approved and authorised for issue by the Council of Trustees and were signed on its behalf on 19 May 2020.

 A. Burton, Chairman
  P. Aylmer, Honorary Treasurer

Company registration number 278802

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	Group	
		2019 £000	2018 £000
Cash inflow from operating activities	(a)	2,146	1,896
Returns on investments	(b)	641	588
Capital expenditure and financial investment	(c)	(6,605)	(3,038)
Cash outflow before use of liquid resources		(3,818)	(554)
Decrease in cash in the year	(d)	(3,818)	(554)

Notes to the cash flow statement**a) Net cash from operating activities**

Net income/(expenditure)	2,644	(2,953)
(Gains)/losses on investments	(2,394)	1,435
Depreciation	3,041	2,983
Amortisation	262	152
Decrease/(increase) in stocks	63	(20)
Increase in debtors	(1,015)	(530)
Increase in creditors	186	1,317
Bank interest receivable	(78)	(71)
Investment income receivable	(563)	(517)
Sale of fixed asset investments	-	100
Net cash inflow from operating activities	2,146	1,896

b) Returns on investments

Returns on investments	78	71
Interest received	563	517
	641	588

c) Capital expenditure and financial investment

Purchase of tangible fixed assets	(6,014)	(2,757)
Purchase of intangible fixed assets	(592)	(282)
Purchase of investments	(559)	(2,638)
Proceeds from sale of investments	868	891
(Increase)/decreases in portfolio cash	(308)	1,748
	(6,605)	(3,038)

d) Analysis of consolidated net cash resources

	At 1 January 2019 £000	Cash Flow £000	At 31 December 2019 £000
Cash at bank and in hand	18,546	(3,818)	14,728

NOTES AND ACCOUNTING POLICIES

1. ACCOUNTING POLICIES

(a) Basis of preparation

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

(b) Basis of consolidation

The consolidated accounts include the accounts of the charitable company, Battersea Dogs' & Cats' Home and its trading subsidiary Battersea Dogs' Home Limited, which is consolidated on a line-by-line basis. No separate Statement of Financial Activities ("SOFA") has been presented for the charity as permitted by Section 408 of the Companies Act 2006. Bell Mead Kennels remains dormant and therefore is not included in the consolidated accounts. For 2019 the Charity entity had income of £42.8m (2018: £37.6m) and incurred expenditure of £43.2m (2018: £39.6m).

(c) Incoming resources

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

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

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

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

Income from trading activities predominately relates to income generated by Battersea Dogs' Home Limited and paid to the Home annually. The accounts of the Company set out the income recognition policies applied.

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

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

All other income is accounted for on a receivable basis.

(d) Expenditure

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

(e)(i) Tangible fixed assets and depreciation

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

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

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

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

(e)(ii) Intangible fixed assets and amortisation

Intangible fixed assets comprise website, trademarks and management system costs. Intangible fixed assets are recognised at cost and are subsequently measured



at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised to write off the cost or valuation of the assets less their residual values over their useful lives on the following bases:

Website development and management systems	4 years
Trademarks	10 years

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

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

(e)(iii) Impairment of fixed assets

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

(f) Going concern

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

In making this assessment the Trustees have considered the impact of COVID-19 and, as set out in note 22, have considered the charitable group's revised forecasts and projections for income and expenditure, as well as long-term cash flow, taking into account pressures of fundraising income. These continue to be regularly monitored by Directors and Trustees. Battersea holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash.

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

(g) Financial instruments

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

Basic financial assets

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

Other financial assets

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

Basic financial liabilities

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

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

h) Investments

Fixed Asset Investments are stated at market value. It is the Home's policy to keep valuations up-to-date so that, when investments are sold, no gain or loss arises.

As a result, the SOFA includes those unrealised gains and losses arising from the revaluation on the investment portfolio throughout the year.

The SOFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio.

(i) Stocks

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

(j) Pensions

In accordance with FRS 102 'Retirement Benefits', the movement in the defined benefit pension scheme liability, as determined by the actuary, is charged to the SOFA each year. Current and past service costs and experience gains are allocated across the SOFA expense categories in proportion to total salary costs in each category. Where expected returns on assets and interest costs result in a net charge this is also allocated on the above basis. Where it results in a net income this is included within investment income. Actuarial gains or losses are shown separately on the face of the SOFA.

(k) Operating leases

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

(l) Funds

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

(m) Gifts in kind

Gifts in kind and donated services and facilities are

recognised within incoming resources and expenditure at an estimate of the value to the charity of the donated services or goods.

(n) Employee benefits

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

(o) Critical accounting estimates and areas of judgment

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

The charity operated a defined benefit pension scheme, which closed to further accrual at the end of September 2013. An actuarial valuation of the scheme is undertaken to reflect the current position as at the year ended 31 December 2019. Assumptions used in this calculation, which include the level of future salary increases and the applicable discount rate, all require elements of estimation.

2. VOLUNTARY INCOME

	2019	2018
	£000	£000
Legacies	16,977	12,537
Donations	23,434	22,334
	40,411	34,871

The estimated value of legacies notified but neither received nor accrued into income (as they do not meet the SORP recognition criteria) is £13.8m (2018: £8.8m). Included in the above figure is unrestricted income of £39.0m (2018: £34.1m) and restricted income of £1.4m (2018: £0.8m).

3. GIFTS IN KIND

	2019	2018
	£000	£000
Gala ball	-	69
Pets at Home	15	17
Cat and dog food	57	100
Furbo units	-	8
Google	243	217
Dog miscellaneous	10	-
Fencing	-	7
	325	418

4. TRADING ACTIVITIES

	2019	2018
	£000	£000
Sale of shop goods	223	146
Fundraising events	1,363	1,543
Sundry activities	344	522
	1,930	2,211

Sundry activities include admissions and rental income.

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

5. INVESTMENT INCOME

	2019	2018
	£000	£000
Listed investment income	563	517
Deposit and bank interest	78	71
	641	588

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

6. GROUP ANALYSIS OF TOTAL EXPENDITURE

	Direct activities	Support costs	2019	Direct activities	Support costs	2018
	£000	£000	£000	£000	£000	£000
Cost of raising funds						
Donations and legacies	13,668	586	14,254	12,366	448	12,814
Gifts in kind	325	-	325	418	-	418
Trading activities	2,684	352	3,036	2,450	312	2,762
Investment management fee	54	-	54	53	-	53
Total cost of raising funds	16,731	938	17,669	15,287	760	16,047
Charitable activities						
Care of dogs and cats	17,310	2,948	20,258	15,985	2,311	18,296
Education and awareness	5,251	606	5,857	5,448	567	6,015
Total Group expenditure	39,292	4,492	43,784	36,720	3,638	40,358



ANALYSIS OF SUPPORT COSTS

SUPPORT COSTS 2019	Donations and legacies	Activities for raising funds	Care of cats and dogs	Education and awareness	2019
	£000	£000	£000	£000	£000
Support cost					
Finance	111	67	559	115	852
Volunteer management	67	40	335	69	511
Facilities	16	9	79	16	120
IT	131	79	659	135	1,004
HR	130	78	656	135	999
Secretariat	100	60	502	103	765
Governance	31	19	158	33	241
	586	352	2,948	606	4,492

SUPPORT COSTS 2018	Donations and legacies	Activities for raising funds	Care of cats and dogs	Education and awareness	2018
	£000	£000	£000	£000	£000
Support cost					
Finance	94	65	480	118	757
Volunteer management	61	43	317	78	499
Facilities	15	11	79	19	124
IT	108	75	557	137	877
HR	112	78	580	142	912
Secretariat	52	36	268	66	422
Governance	6	4	30	7	47
	448	312	2,311	567	3,638

Support costs are apportioned to differing activities in proportion to salary costs.

7. NET INCOME BEFORE TRANSFERS

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

	2019	2018
	£000	£000
Auditor's remuneration:		
- Home	24	24
- Subsidiary	4	4
- Other	1	3
Accountancy, taxation and other services	26	16
Depreciation	3,041	2,983
Amortisation	262	152
Operating lease rentals:		
- Land	222	215
- Other	82	85
Cost of stock recognised as an expense	410	742



8. STAFF COSTS

	2019	2018
	£000	£000
Salaries and wages	14,989	14,134
Social security costs	1,315	1,236
Pension costs	822	571
Other employee benefits	195	141
	17,321	16,082

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

	2019	2018
	Number	Number
Donations and legacies	45	43
Trading activities	28	29
Care of dogs and cats	369	358
Education and awareness	49	57
Support staff	53	44
	544	531

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

	2019	2018
	Number	Number
£60,001 – £70,000	1	2
£70,001 – £80,000	2	2
£80,001 – £90,000	1	2
£90,001 – £100,000	2	1
£100,001 – £110,000	1	-
£130,001 – £140,000	1	1

During the year, retirement pension benefits of £54,000 and other benefits of £11,000 were accrued to 8 higher-paid employees (2018: 8).

No remuneration or reimbursed expenditure was paid to members of the Council of Trustees during the year (2018: nil), nor were any emoluments waived in the year (2018: nil). Indemnity insurance was provided in the year, covering trustees and staff, at a cost of £2,021 (2018: £1,245) to the charity.

Additional information

The key management personnel of the Home comprise the Trustees, the Chief Executive Officer and the seven Directors of Finance and Corporate Services, Operations, Veterinary, Fundraising, Marketing & Communications and Human Resources. The total employee benefits (including salaries, employer pension contributions and national insurance) of the key

management personnel of the Home were £863,000 (2018: £930,000).

The Home operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. The amount for pension cost shown above includes the Home's contribution to this scheme during the year of £822,000 (2018: £571,000).

Pension costs also include the operating costs of the Home's defined benefit pension scheme of £81,000 (2018: £76,000).

Total redundancy and termination payments during the year of £25,000 (2018: £13,000) were recognised as an expense and did not give rise to a funding requirement.

9. INTANGIBLE FIXED ASSETS

Charity and Group	Intangible assets	Assets under construction	Total
	£000	£000	£000
Cost			
At 1 January 2019	1,252	-	1,252
Additions	481	111	592
At 31 December 2019	1,733	111	1,844
Amortisation			
At 1 January 2019	919	-	919
Charge for the year	262	-	262
At 31 December 2019	1,181	-	1,181
Net book value			
At 31 December 2019	552	111	663
At 31 December 2018	333	-	333

10. TANGIBLE ASSETS

Group and Charity	Land and buildings			Equipment, fittings and vehicles	Assets under construction	Total
	Freehold land and buildings	Long leasehold	Short leasehold			
	£000	£000	£000	£000	£000	£000
Cost:						
At 1 January 2019	20,253	48,717	2,406	4,275	2,077	77,728
Additions	89	109	-	359	5,457	6,014
At 31 December 2019	20,342	48,826	2,406	4,634	7,534	83,742
Depreciation:						
At 1 January 2019	9,554	11,322	1,901	3,218	-	25,995
Charge for the year	734	1,780	46	481	-	3,041
At 31 December 2019	10,288	13,102	1,947	3,699	-	29,036
Net book value:						
At 31 December 2019	10,054	35,724	459	935	7,534	54,706
At 31 December 2018	10,699	37,395	505	1,057	2,077	51,733

11. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

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

	2019	2018
	£	£
Shares at cost:		
Bell Mead Kennels Limited	5,000	5,000
Battersea Dogs' Home Limited	100	100
	5,100	5,100

A summary of the Company's trading results and balance sheets is shown below:

	2019	2018
	£000	£000
Profit and loss account		
Turnover	876	840
Administrative expenses	(410)	(498)
Interest paid on intergroup balance	(1)	(1)
Net profit	465	341
Tax on ordinary activities	-	-
Profit on ordinary activities for the year before distribution	465	341
Amounts distributed to parent charity	465	341
Balance sheet		
Current assets	1,072	762
Current liabilities	(1,072)	(762)
Net current assets and total assets	-	-
Capital and reserves		
Called up share capital	-	-
Profit and loss account	-	-
Equity shareholders' funds	-	-

Bell Mead Kennels Limited ceased trading on 31 December 1998 and has been dormant since that date. It has a current asset debtor of £5,000 and called up share capital of £5,000 at 31 December 2019 and 31 December 2018.

12. OTHER FIXED ASSET INVESTMENTS

	2019	2018
	£000	£000
Shares at cost and market valuation		
Market value at 1 January	15,980	15,657
Acquisitions at cost	559	2,638
Disposal proceeds	(868)	(891)
Realised gain on disposal	26	9
Gain/(loss) on revaluation during the year	2,368	(1,433)
Market value at 31 December	18,065	15,980
Cash held in portfolio at 31 December	1,239	931
	19,304	16,911
Historical cost at 31 December	14,233	14,337
Cash held in portfolio at 31 December	1,239	931
Historical cost and cash held in portfolio at 31 December	15,472	15,268
Listed investments at market value comprise:		
	2019	2018
	£000	£000
UK Government stock	1,357	1,363
UK fixed interest securities	2,529	2,568
Overseas fixed interest securities	120	128
UK equity investments	9,517	8,075
Overseas equity investments	2,365	1,935
UK and European alternative investments	2,177	1,911
Cash deposits held as part of portfolio	1,239	931
	19,304	16,911
Investment property		
Market value at 1 January	-	111
Disposals	-	(100)
Loss on revaluation and disposal	-	(11)
Market value at 31 December	-	-
Total market value of investments at 31 December	19,304	16,911

As at 31 December 2019 no single investment was held which represented more than 5% of total investments.

13. STOCK

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Goods for resale	87	30	-	-
Consumables	-	120	-	120
	87	150	-	120

14. DEBTORS

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts due within one year:				
Operating debtors	343	462	64	234
Due from subsidiary undertaking	-	-	1,058	732
Other debtors	1,394	1,051	1,394	1,051
Prepayments and accrued income	5,044	4,253	5,014	4,228
	6,781	5,766	7,530	6,245

15. CREDITORS

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Amounts falling due within one year:				
Operating creditors	3,115	2,923	3,104	2,906
Amounts due to subsidiary undertaking	-	-	5	5
Taxation and social security	352	326	352	326
Other creditors	-	78	-	78
Accruals	1,059	1,013	1,055	1,001
	4,526	4,340	4,516	4,316

16. GROUP FUNDS

	At 1 January 2019	Income	Expenditure	Gains/ (losses)	Transfers	At 31 December 2019
	£000	£000	£000	£000	£000	£000
Unrestricted funds:						
General fund	11,181	41,641	(39,373)	730	(6,141)	8,038
Battersea Dogs' Home Limited	-	876	(411)	-	(465)	-
Designated funds						
Fixed asset fund	52,066	-	(3,303)	-	6,606	55,369
Site development fund	19,500	-	-	1,272	-	20,772
Freehold acquisition fund	6,000	-	-	392	-	6,392
Welfare of dogs and cats	-	80	(60)	-	-	20
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	88,752	42,597	(43,147)	2,394	-	90,596
Other restricted funds						
Welfare of dogs and cats	7	409	(80)	-	-	336
Kennel appeal	214	209	(423)	-	-	-
Volunteering, Fostering and Communities	100	750	(100)	-	-	750
Other	26	69	(34)	-	-	61
	347	1,437	(637)	-	-	1,147
Total funds	89,099	44,034	(43,784)	2,394	-	91,743



GROUP FUNDS – PRIOR YEAR

	At 1 January 2018	Income	Expenditure	Gains/ (losses)	Transfers	At 31 December 2018
	£000	£000	£000	£000	£000	£000
Unrestricted funds:						
General fund	15,080	34,078	(35,362)	(559)	(2,056)	11,181
Battersea Dogs' Home Limited	379	840	(499)	-	(720)	-
Designated funds						
Fixed asset fund	52,162	3,039	(3,135)	-	-	52,066
Site development fund	17,000	-	-	(631)	3,131	19,500
Freehold acquisition fund	6,600	-	-	(245)	(355)	6,000
Service acquisition fund	-	-	-	-	-	-
Welfare of dogs and cats	-	35	(35)	-	-	-
Capital fund						
Bell Mead Kennels	5	-	-	-	-	5
	91,226	37,992	(39,031)	(1,435)	-	88,752
Other restricted funds						
Veterinary hospital	-	16	(16)	-	-	-
Welfare of dogs and cats	20	289	(176)	-	-	133
Kennel appeal	806	543	(1,135)	-	-	214
	826	848	(1,327)	-	-	347
Total funds	92,052	38,840	(40,358)	(1,435)	-	89,099

The fixed asset fund represents the net book value of the Home's fixed tangible and intangible assets. These are all used for operational purposes in pursuance of the Home's charitable activities.

The site development fund is an amount set aside to develop the Home within its capital and maintenance programme. Major site development works across all centres will largely be complete by the end of 2021, in which the balance on the fund will be reduced to nil.

The freehold acquisition fund is to enable the Home to increase its geographical reach by acquiring a new site. At time of signing, no such site for the acquisition has been identified; however, this remains a key deliverable for the five-year strategy.

The welfare of dogs and cats fund are monies where the donor has requested their use to the care and welfare of either dogs or cats across the Home as a whole, or specifically to clinic equipment at any of the three sites.

Transfers between funds reflect the year end status of these funds. It is envisaged that the freehold acquisition and site development funds will be expended by December 2020.

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

The capital fund represents shares in Bell Mead Kennels.

There were four restricted funds in the year: Welfare restricted are monies where the donor has restricted their use to the care and welfare of either dogs or cats across the Home as a whole or specifically to one of its three locations; Kennel appeal, whose use is restricted to the building of kennels; Volunteering, Fostering and Communities is to cover volunteering, fostering and Communities costs; Other includes funds for capital projects (not including kennel construction) and donations for clinic construction costs, clinic equipment purchases or clinic running costs.

Except for the fixed asset fund, these funds are substantially invested in the Home's investment portfolio, which is used to generate an annual income to maintain the operational activities of the Home.



ANALYSIS FUNDS BETWEEN NET ASSETS

2019	Fixed assets	Investments	Net current assets	2019
	£000	£000	£000	£000
General funds	-	-	8,038	8,038
Fixed asset fund	55,369	-	-	55,369
Site development fund	-	19,304	1,468	20,772
Freehold acquisition fund	-	-	6,392	6,392
Welfare of dogs and cats	-	-	20	20
Capital fund designated	-	-	5	5
Restricted fund	-	-	1,147	1,147
Total funds	55,369	19,304	17,070	91,743

2018	Fixed assets	Investments	Net current assets	2018
	£000	£000	£000	£000
General funds	-	-	11,181	11,181
Fixed asset fund	52,066	-	-	52,066
Site development fund	-	16,911	2,589	19,500
Freehold acquisition fund	-	-	6,000	6,000
Capital fund designated	-	-	5	5
Restricted fund	-	-	347	347
Total funds	52,066	16,911	20,122	89,099

17. PENSIONS

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

The most recent full actuarial valuation was carried out as at 1 January 2018. Employer contributions ceased in

April 2016 as the scheme was deemed no longer in deficit. Employees were transferred to a group personal pension scheme where employer contributions range from between 2.1% and 10.3% dependent on employee contributions.

The most recent FRS 102 valuation was based on the state of affairs as at 31 December 2019.

The principal financial assumptions are:

	2019	2018	2017
Inflation	2.9%	3.1%	3.1%
Rate of increase in salaries	0.0%	0.0%	2.4%
Rate of increase for pensions in payment	2.1%	3.1%	3.0%
Scheme liabilities discount rate	2.1%	2.9%	2.5%

PRE- AND POST-RETIREMENT MORTALITY TABLES USED:

S2NMA for males and S2NFA for females, improving in line with CMI_2018 projections with a 1.25% long-term improvement rate.

WEIGHTED AVERAGE LIFE EXPECTANCY FOR MORTALITY TABLES USED TO DETERMINE BENEFIT OBLIGATIONS

Average expected future life at age 65 for:	
Member aged 65 (current life expectancy) – male	22.2 years
Member aged 65 (current life expectancy) – female	24.2 years
Member aged 45 (current life expectancy) – male	23.6 years
Member aged 45 (current life expectancy) – female	25.7 years

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

	2019		2018		2017	
	£000	%	£000	%	£000	%
Equities	9,791	2.1	8,533	2.9	10,177	2.5
Bonds	8,535	2.1	7,605	2.9	11,880	2.5
Alternatives	7,305	2.1	6,497	2.9	-	-
Cash	86	2.1	82	2.9	3,028	2.5
Annuity policies	160	2.1	165	2.9	177	2.5
Total value of assets	25,877		22,882		25,262	
Present value of scheme liabilities	(23,779)		(19,830)		(23,648)	
Surplus	2,098		3,052		1,614	
Surplus restriction per FRS 102	(2,098)		(3,052)		(1,614)	

ANALYSIS OF MOVEMENT IN SURPLUS:

	2019	2018
	£000	£000
Surplus at 1 January	3,052	1,614
Past service cost	-	(44)
Net interest	88	61
Actuarial losses	(3190)	(1,581)
Employer contributions to be (refunded)/refunded	50	(50)
Surplus at 31 December	-	-

MOVEMENTS IN FAIR VALUE OF PLAN ASSETS:

	2019	2018
	£000	£000
Value of assets at 1 January	22,882	25,262
Interest on assets	646	632
(Loss)/gain on asset return	2,750	(1,380)
Change in secured pensioners value	-	(4)
Benefits paid	(401)	(1,628)
Restriction on recognising surplus	(2,098)	(3,052)
Value of assets at 31 December	23,779	19,830

The actual return on plan assets was a gain of £2,750,000 (2018: loss of £1,380,000).
The fair value of the plan assets at the reporting period end was £25,877,000 (2018: £22,882,000).

MOVEMENTS IN THE LIABILITY VALUE OVER THE YEAR:

	2019	2018
	£000	£000
Value of liabilities at 1 January	19,830	23,648
Past service cost	-	44
Interest on liabilities	558	571
(Gains)/losses on changes in assumptions	3,842	(2,851)
Change in secured pensioners value due to scheme experience	-	(4)
Employer contributions (refunded)/to be refunded	(50)	50
Benefits paid	(401)	(1,628)
Value of liabilities at 31 December	23,779	19,830

EXPECTED CONTRIBUTIONS FOR THE YEAR ENDED 31 DECEMBER 2020

	£000
Defined benefit pension plans	
Employer	Nil – as closed to accrual and pension asset
All amounts charged to the Statement of Financial Activities relate to the current service cost.	

ANALYSIS OF ACTUARIAL LOSS:

	2019	2018
	£000	£000
Actual return less expected return on pension scheme assets	2,750	(1,380)
Experience gains and losses arising on scheme liabilities	2	1,184
Changes in assumptions underlying the present value of the scheme liabilities	(3,844)	1,667
Restriction on recognised surplus	(2,098)	(3,052)
Actuarial loss	(3,190)	(1,581)

HISTORY OF EXPERIENCE GAINS AND LOSSES

	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
Difference between the expected and actual return on assets	2,750	(1,380)	1,497	2,517	(178)
Percentage of scheme assets	10.6%	-6.0%	5.9%	10.8%	-0.9%
Experience gains arising on scheme liabilities	-	1,184	-	155	390
Percentage of present value of scheme liabilities	0.0%	6.0%	0.0%	0.7%	2.3%
Total actuarial (loss)/gain	(1,092)	1,471	(1,378)	3,013	(1,776)
Percentage of present value of scheme liabilities	4.59%	7.42%	5.83%	-13.04%	10.4%

18. FINANCIAL COMMITMENTS

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

	Land and buildings	Other	Land and buildings	Other
	2019	2019	2018	2018
	£000	£000	£000	£000
Operating lease commitments:				
- within 1 year	238	38	215	39
- between 1–5 years	952	80	862	82
- more than 5 years	4,132	-	3,811	-
From the balance sheet date				



19. CAPITAL COMMITMENTS

There were capital commitments of £2.3m at 31 December 2019 (2018: £5.5m). These sums relate to the redevelopment of Pippin Kennels at Battersea Old Windsor and the refurbishment of the Kent building at Battersea.

20. RELATED PARTY TRANSACTIONS

No disclosure has been made of transactions between the parent and subsidiary undertaking in accordance with the exemptions allowed by FRS 102. Total donations received in the year from Trustees amounted to £185 (2018: £16,165).

21. COMPANY LIMITED BY GUARANTEE

The guarantee given by the members of the charity is £1 per member in the event of there being a deficiency of assets should the charitable company be wound up. In 2019 there were 12 members (2018: 12 members).

22. Post balance sheet events

Battersea has given due consideration for the effects of the COVID-19 outbreak, which occurred before these financial statements were signed.

The Government's social distancing measures have had a significant impact on Battersea's major fundraising income streams. Income generated through face-to-face fundraising has been suspended over the summer months with an expected slow return to market in the autumn. It is anticipated the loss of face-to-face income will be partly offset by a fall in associated expenditure.

Fundraising events that were expected to take place throughout the financial year have been postponed to later in the year where it is hoped those events will be able to take place.

The impact of COVID-19 has also led to a drop in the rate of sales of properties which has had an adverse impact on legacies income in 2020, although some recovery is expected in 2021.

As at 30 April 2020 the value of the long-term investment portfolio held with Adam & Co had fallen by around £2.5m since the year end, representing a 13% fall in market value. The trustees recognise the investment portfolio is being managed as part of a long-term investment strategy and are closely monitoring performance with Adam & Co.

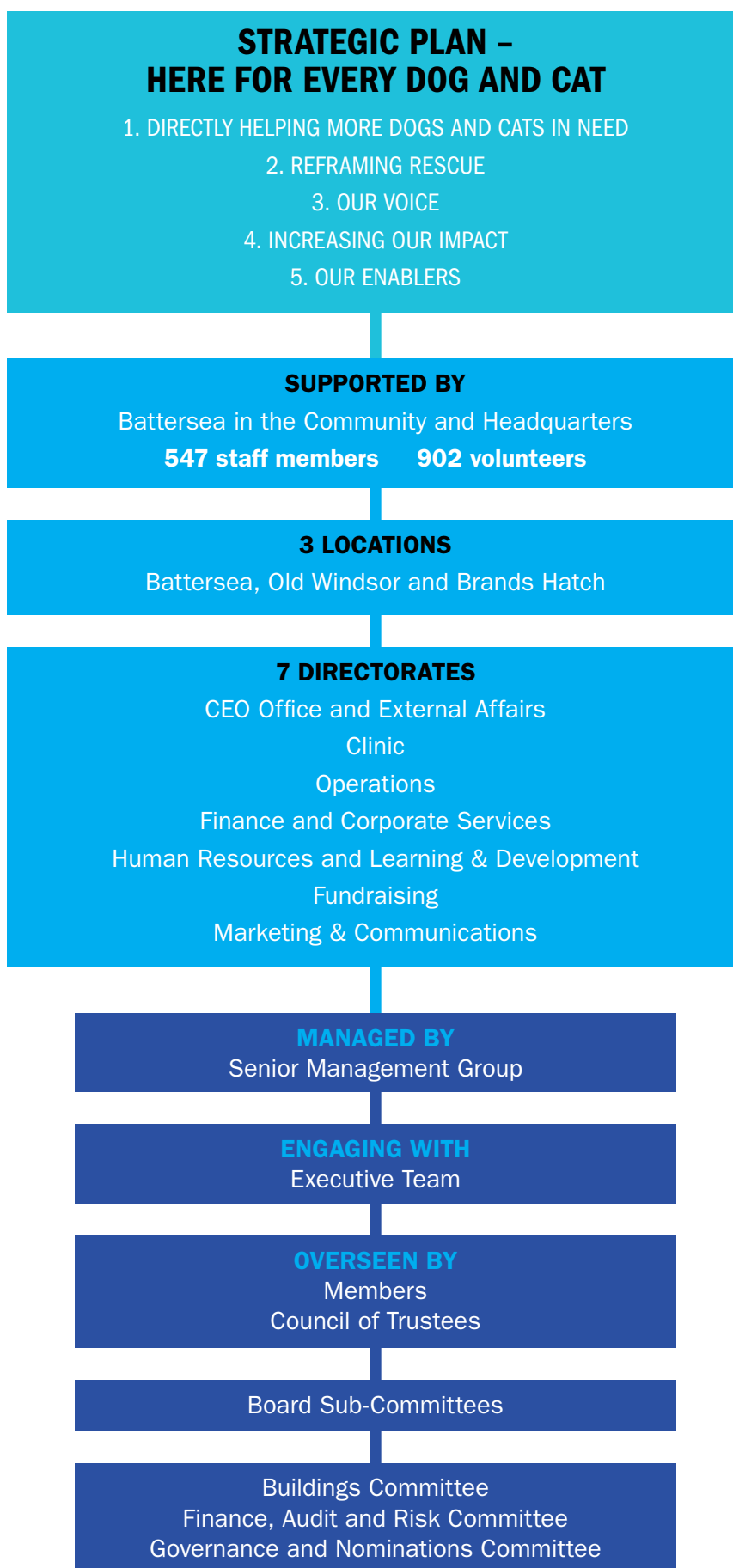
During the first quarter of 2020, the value of Battersea's defined benefit pension scheme fell by 12% from 31 December 2019 as a result of the global impact of COVID-19. However, the strong investment performance during April 2020 has resulted in an increase in the value of the Scheme's assets.

As at 5 May 2020, this stood at £23.7m reflecting a 9% fall in market value from 31 December 2019. Trustees are confident the Scheme's investments are highly diversified.

The Scheme's next triennial valuation is due at 1 January 2021 and Trustees will continue to review investments until then to determine whether the Home will need to commence payments to the Scheme.



GOVERNANCE AND MANAGEMENT STRUCTURE



OUR PARTNERS

Throughout 2019, Battersea continued to receive incredible support from our corporate and charitable trust partners. Our partners, and the support and legacies we receive from the public, make everything Battersea does possible. On behalf of our dogs and cats, we thank you.



Vets4Pets

PPL

Players of People's Postcode Lottery support Battersea across many areas of our work. A minimum of 32% of all ticket revenue goes to helping charities like Battersea and, through the Postcode Animal Trust, Battersea has received £3.65m since 2014. In 2019, players supported our veterinary teams in carrying out an average of 16 operations every weekday and helped Battersea to launch our new Battersea Community in Guildford.

Vets4Pets

Since our partnership started in July 2017, Vets4Pets and Companion Care Vets have offered everyone who rehomes a dog or cat from Battersea their Vac4Life Health Plan for free. The plan includes free vaccinations for life, as well as a free veterinary consultation.

MARS

petcare

Mars Petcare UK

2019 marked the 11th year of our partnership with Mars Petcare UK, over which time they have helped us to feed the dogs and cats in our care by providing Pedigree and Whiskas for all of our sites, supported nutritional training of staff and raised a significant amount of money for the charity.

Petplan

Petplan

We have worked closely with Petplan since 2012. All dogs and cats rehomed by Battersea are kindly offered four weeks' free insurance cover by Petplan®. For every adopter who continues to take out a full Petplan® policy, Battersea receives 10% of the premium in commission and a further 10% each year the policy is renewed*.

*Only applicable when there is no break in cover. Petplan is a trading name of Pet Plan Limited and Allianz Insurance plc.



Seresto Flea and Tick Control Collar

Seresto joined Battersea in 2019 as the Headline Sponsor of the Muddy Dog Challenge. They joined us at each of the eight locations around the country and, with their support, the event raised over £1m.

bgc

BGC Partners

In 2019 Battersea was selected to take part in the BGC charity trading day, where BGC remember friends and colleagues lost on 9/11. The BGC Group donates 100% of its global revenues on September 11th, with each charity in attendance receiving a donation. It was the sixth year Battersea has been invited to take part in the special day.



THANK YOU!

In 2019 Battersea raised over £24m from generous individuals, companies and charitable trusts. Without this incredible support, none of our work would be possible. The monies raised and donated fund every single aspect of a Battersea animal's journey – from arrival to medical care, behavioural training and eventually finding a new, happy home.

Battersea was hugely fortunate to benefit from the generous support of over 100,000 people who donated to us regularly during 2019, either by monthly direct debit or by playing our Paw Draw Lottery.

Thousands have let us know they have remembered Battersea in their Will and more than 3,000 humans and many canines took on our brilliant Muddy Dog Challenge, baked cakes, knitted toys, shook buckets or ran marathons.

Whether your support for Battersea came from attending an event, a direct debit, our raffle, a one-off donation, making a grant or delivering a corporate partnership, we are hugely grateful. With every penny you've given us, we will be able to help even more dogs and cats in need.

Our supporters are also generous with their time. Our Development Board and Giving Circle members underpin our Philanthropy programme, leading the fundraising for our major projects.

We are enormously grateful to all our supporters who give their time and money so generously. Together we can improve the lives of the dogs and cats that urgently need our help.

From all of us to all of you, thank you.

WHO'S WHO

OUR PEOPLE IN 2019

PATRON

HRH The Duchess of Cornwall, GCVO

PRESIDENT

HRH Prince Michael of Kent, GCVO

VICE-PRESIDENTS

The Earl of Buchan
Lt Col Duncan Green
John Hoerner
Heather Love

COUNCIL OF TRUSTEES

Chairman

Amanda Burton

Vice Chairman

Anne Montgomery

Honorary Treasurer

Patrick Aylmer

Sophie Andrews
Brian Dunk
Alan Martin
Cassie Newman
Matthew Pead
David Turner
Bradley Viner
Patricia Stafford
Deri Watkins (appointed December 2019)
The Worshipful Mayor of Wandsworth (Ex Officio)

DIRECTORS

Chief Executive

Claire Horton CBE

Director of Human Resources

Bryony Glenn

Director of Operations & Deputy

Chief Executive

Peter Laurie

Director of Marketing (until June 2019)

Director of Marketing and Communications

(from June 2019)

Sarah Matthews

Director of Communications & External Affairs

(until June 2019)

Dee McIntosh

Director of Fundraising (until March 2020)

Catherine Miles

Director of Veterinary Services

Shaun Opperman

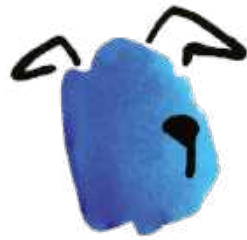
Director of Finance & Corporate Services

George Ruiz

OUR AMBASSADORS

Paul O'Grady MBE
David Gandy
Dame Jacqueline Wilson DBE
Amanda Holden
Anthony Head
Sarah Fisher
Tom Hardy

THIS ANNUAL REPORT IS DEDICATED TO
THE HONOURED MEMORY OF THE LATE
MRS MARY TEALBY, THE FOUNDESS AND
UNWEARIED BENEFACTOR OF THIS INSTITUTION.



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BATTERSEA BRANDS HATCH

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Patron HRH The Duchess of Cornwall, GCV
President HRH Prince Michael of Kent, GCV

