

DOGS TRUST

ANNUAL REPORT AND ACCOUNTS

2012



DogsTrust

A Dog is for Life

**Registered Charity Numbers: 227523 (England & Wales)
SC037843 (Scotland)**

BDO LLP registered number is OC305127

Dogs Trust

PATRON Her Majesty the Queen

COUNCIL MEMBERS (TRUSTEES) as at date of signing and who served throughout the year.

Mrs BH Woodall*	(Vice President)
Mr CP DeVile BVetMed, MRCVS# (resigned on 28 th February 2012)	(Vice President)
Miss R McIlrath BA, MVB, MRCVS#	(Vice President)
Mr PG Daubeny#*	(Chairman)
Mr JD Gaye*	(Vice Chairman)
Mr SP Langton FCA*	(Honorary Treasurer and Chairman of the FGPC)
Mrs CM Baldwin OBE#	(Secretary and Chief Executive Officer)
Prof D Argyle BVMS, PhD, DECVIM-CA, MRCVS#	(Chairman of the CWGC)
Mr JC Beveridge QC	
Mr K Butt MA, VetMB, MRCVS#	
Mrs V Carbone	
Mr EA Chandler BVetMed, FRCVS#	
Ms E Gill	
Ms R Mahapatra LLB	
Mr T Pearey MA ACMA*	
Mr M Radford LLB OBE	
Mr I Rose LLB*	

* Member of the Finance and General Purposes Committee ("FGPC")

Member of the Canine Welfare Grants Committee ("CWGC")

Eligibility for membership of the Council is open to any duly nominated member of the Charity. Prospective Council members must be paid-up members of the Charity nominated and seconded by other Charity members and sponsored by a member of the Council.

Prof D Argyle BVMS PhD DECVIM-CA MRCVS, Mrs V Carbone and Ms E Gill are to retire by rotation, and are eligible to stand for re-election at the Annual General Meeting to be held on 12th June 2013.

Registered Office & Principal Address 17 Wakley Street, London EC1V 7RQ.
www.dogstrust.org.uk

ADVISERS

BANKERS

Barclays Bank plc,
Level 28, 1 Churchill Place, London E14 5HP

AUDITORS

BDO LLP,
55 Baker Street, London W1U 7EU

INVESTMENT MANAGERS

Sarasin & Partners LLP,
Juxon House, 100 St Paul's Churchyard,
London EC4M 8BU

SOLICITORS

Druces LLP,
Salisbury House, London Wall,
London EC2M 5PS

The Trustees submit their report and the accounts for the year ended 31st December 2012. The Trustees confirm that they comply with the Charities Act 2011, the Trust Deed and the Charities SORP 2005.

CONSTITUTION

The Charity is an unincorporated charitable association governed by a constitution embodying its rules and principles. The Council (whose members are the Charity's Trustees) act as agent of the Charity in the management of its affairs and have powers to delegate management to officers of the Charity. Eligibility for membership of the Council is open to any duly nominated member of the Charity. Prospective Council members must be paid-up members of the Charity nominated and seconded by other Charity members and sponsored by a member of the Council. New Trustees receive an induction course covering all the operations and activities of Dogs Trust and may attend seminars and training courses on relevant subjects. The Council meets four times a year.

The Finance and General Purposes Committee, which meets twice a year, and the Canine Welfare Grants Committee, have terms of reference which are provided by the Council.

ORGANISATION and MANAGEMENT

The Trustees administer the affairs of the Charity, set policies and approve any major expenditure. Day to day management of Dogs Trust is delegated by the Trustees to the Chief Executive Officer, Mrs Clarissa Baldwin.

The organisation of the Charity covers six principal spheres of responsibility:

- **Operations** – the management and operation of the Rehoming Centres.
- **Veterinary** – the veterinary care of dogs at the rehoming centres and Outreach Projects.
- **International** – the capacity building of overseas charities through conferences and training and funding of selected projects and campaigns.
- **Communications** - the promotion of public awareness about the work of the Charity and all dog-related matters.
- **Marketing and Campaigns** - fundraising activities and legacy promotion, the initiation of canine welfare campaigns and the promotion of responsible dog ownership through education.
- **Administration & Finance** - management of the Charity including head office functions of accounting, IT, legal affairs and human resources.

VOLUNTEERS OF DOGS TRUST

The Charity continued to benefit from all the help provided by its many volunteers at the Rehoming Centres and from the funds raised by its supporter groups around the country. In 2012 volunteers worked for over 11,000 days at our rehoming centres, an increase of over 10% on 2011.

OBJECTIVES

Dogs Trust is working towards the day when all dogs can enjoy a happy life, free from the threat of unnecessary destruction.

To achieve this we aim to rescue, care for and rehome lost, unwanted and abandoned dogs and work to reduce and, ultimately, see the end of homeless dogs in the U.K. Also we aim to educate people in the UK and, within financial limits worldwide, in responsible dog ownership and care.

We rely on the prevention and cure approach. Our rescue and rehoming work aims to deal with the immediate needs of abandoned dogs; preventative measures such as neutering, microchipping, education and lobbying are used as longer term solutions. Whilst our immediate priority is the UK, we take the prevention/cure approach to as many countries as funds allow.

We have built up and work to maintain a staff of the highest quality in every area of our operation, which, together with the fruits of our scientific research, enables us to take a leading part in canine matters.

PUBLIC BENEFIT

Our Canine Charter for Human Health promotes the great benefits of dog ownership, which helps us to find homes for dogs whilst helping to keep the Nation's humans happy and healthy, and reducing costs to the NHS. Our free Canine Care Card scheme gives peace of mind to dog owners – particularly the elderly – in providing a safe haven for dogs whose owners pre-decease them.

Our Freedom Project helps families fleeing domestic violence by finding foster homes for their dogs until they find alternative accommodation. Our HOPE project gives peace of mind to homeless dog owners by giving preventative healthcare treatment to their pets, as well as providing treatment for injury and disease. We also work with housing providers to encourage them to adopt pet-friendly policies for dog owners seeking accommodation. Schools and schoolchildren also benefit from our work. Thousands of schools use our free curriculum-linked learning resources to teach children about a variety of subjects including Maths, English and Science. These materials also include key messages about responsible dog ownership – helping to ensure that tomorrow's dog owners are aware of their responsibilities. Our education officers also visit schools to teach children about kindness to animals while also instructing them in how to be safe around dogs.

By encouraging responsible dog ownership and in caring for abandoned dogs (2012: 14,876), we are helping to ensure that our communities do not have to deal with packs of unwanted dogs. This also helps to reduce dog fouling as does our campaign to "scoop the poop".

We believe that neutering is a central part of responsible ownership that helps to reduce the numbers of strays on our streets. As the cost of the operation can be beyond some dog owners, we run a subsidised neutering programme to assist those on means-tested benefits in areas with an acute stray dog problem.

We aim to educate people worldwide, within financial limits, in responsible dog ownership and we believe that all communities will benefit from a reduction in the number of unwanted dogs.

REVIEW of SIGNIFICANT ACTIVITIES

In meeting our objectives, we carry out the following key activities and an in-depth review of our activities in 2012 is in our Annual Review at www.dogstrust.org.uk.

- **Rehoming** - We have a network of 19 Rehoming centres across the United Kingdom and Ireland. Each centre is centrally funded and operated by a professional team led by a manager. Each centre provides dog accommodation, puppy houses, isolation blocks and treatment rooms. They are open to the public 6 days a week.

In 2012 our 19 Rehoming Centres cared for 14,876 dogs, reuniting 202 with their owners. No healthy dog was destroyed. The number of dogs rehomed increased by 8% to 12,822. The opening of our new centre at Loughborough in June 2012 contributed 496 rehomed dogs. We were delighted by the increase in the number of dogs for whom we found new owners as the economic crisis undoubtedly hampered our rehoming efforts and disappointingly, we also saw a notable increase in the number of dogs handed over by their owners; some of whom could no longer afford to keep them, and some of whom had not fully considered the effort involved in looking after the dog before buying it.

The year got off to a great start as we secured planning permission to create a new rehoming centre in Essex, following a lengthy search and planning application process.

The two mobile rehoming units continue to be a successful showcase, taking even more dogs to meet people not living near our Rehoming Centres. Our dedicated training centre provides extra training care for our more difficult dogs, and the sanctuary has proven to be a success in giving freedom to 14 dogs unlikely to be rehomed but enjoying canine companionship.

The Home from Home scheme continues to find temporary homes for dogs that are stressed by being in a kennel environment pending finding a permanent home.

- **Neutering** - We provide financial assistance to allow owners in genuine need to have their dogs neutered. This scheme operated in areas of greatest need across the country through participating veterinary practices.

Any person living in one of these campaign areas who is receiving means-tested benefit can contact a participating veterinary practice who will arrange for their dog to be neutered at a reduced rate. We give free neutering vouchers to Councils, Police and dog owners for “dogs at risk” to help in particular cases (“status dogs”, dogs with health or behavioural problems and if in the hands of irresponsible dog owners).

In 2012 we spent £4.5 million on these campaigns, enabling 67,244 dogs to have a neutering operation at a fraction of the regular price (2011: £4m neutering 64,691 dogs).

- **Microchipping** - A microchipped dog can more easily be traced back to its owner, which is why we have convinced the government that the mandatory microchipping of all dogs in the UK is the way forward. In 2012 we microchipped 144,600 (2011: 62,367) dogs both at our rehoming centres and in outreach areas. We gave 35,000 microchips to councils and housing associations.
- **Emergency veterinary help** - Our Emergency Help Fund provided £74,587 (2011: £73,645) in financial assistance for dog owners on means-tested state benefits who are unable to pay for emergency veterinary treatment for their dogs.
- **City Dogs** - Young urban dog owners are often portrayed as uncaring and unthinking, when the majority are quite the opposite. Our City Dogs project in London is a free service aimed at helping young owners and their dogs. We offer advice, dog training classes, microchipping and neutering for their dogs, and help with preventative veterinary costs.
- **Greyhounds** – We continue to Chair the Greyhound Forum both in the UK and in Ireland. Working with all the major animal charities and the governing bodies we are slowly making improvements to the lives of greyhounds “cradle to grave”. There is still a lot of work to be done.
- **Lets with Pets** - Supported by the private lettings industry, our Lets with Pets scheme aims to make the process of privately renting with pets easier for tenants, while highlighting the benefits of allowing pets to landlords and lettings agencies. The scheme recruited 78 new letting agents in 2012, bringing our total to over 220 active scheme supporters. There were 45,257 visitors to the Lets with Pets website and 7,738 Lets with Pets advice booklets were sent out or downloaded from our website.
- **Pro-Dog Support for Social Housing Providers** - We support housing providers (local authorities, housing associations and other landlords) by giving them a full set of services to encourage their residents to be responsible dog owners. This included giving microchips for dogs living on their estates (10,000 chips in London alone), microchip scanners and chip training for their staff and free legal advice on amending tenancy agreements.

- **Outreach Projects** - The Freedom Project is an emergency service, taking dogs and cats (in collaboration with Cats Protection in London) from families fleeing domestic violence and placing them in a foster home. This service covers Greater London, Herefordshire and Yorkshire. In 2012 131 dogs and 36 cats were cared for through the scheme.
 - The Hope Project runs a veterinary entitlement card scheme in 100 towns and cities across the UK, allowing homeless owners access to free preventative veterinary care and subsidised additional treatments for their dogs. In 2012 654 veterinary entitlement cards were issued and 1,749 veterinary treatments were carried out through the scheme. The project also works with homelessness organisations, such as hostels and day centres, by providing information and policy advice to encourage them to accept clients with pets. At Christmas we sent out more than 850 Christmas hampers for dogs via 116 homeless organisations.
 - Paws for Progress is a prison based dog training course run in partnership with the University of Stirling and the Scottish Prison Service. The key aims for the young offenders taking part are to improve their behaviour, employment prospects and enhance education. Similarly, the aims for the dogs taking part are to improve their behaviour and wellbeing, and increase their chances of being successfully rehomed. 76 of the 81 dogs taking part were rehomed as a result of the one to one training, socialisation and support they received. 25 of these dogs have also successfully completed the Association of Pet Dog Trainers Good Companion Award.
- **Education** – Our national network of Education Officers gave 3,029 (2011: 2,972) free classroom presentations in 2012, speaking to more than 90,000 (2011: 89,000) children about the fun and hard work involved in being a good dog owner. Occasionally we are contacted by teachers concerned about their pupils' fear of dogs, and we are always happy to visit classes and give workshops on what children should do when a dog approaches.
- **Research** – The Canine Welfare Grants Committee has spent in excess of £0.7m over the past decade to fund research into disease affecting the welfare of dogs. Current projects are investigations into arthritis and urinary incontinence and a PhD studentship to build on a pilot project run in 2008 to measure the quality of life of dogs in our Rehoming Centres. We do not undertake any research that harms dogs.
- **International** – We are entering the 4th year of our 5-year Dogs Trust led ('Gold') project to promote responsible dog ownership in Malta. In the final 2 years of our project we will be focusing on how to sustain our core work after Dogs Trust exit at the end of 2014. In late 2012 we celebrated the 10,000th dog neutered and micro-chipped through our project and we will soon teach the 30,000th child through our education programme. Our new Dogs Trust led project in Bosnia was launched at the end of 2012, and in 2013 we are focusing on education, neutering and political campaigning. We reached nearly 8,000 children through our education programme by the end of 2012 and launched our veterinary training programme in February 2013 in collaboration with the Sarajevo vet school. Later this year we will run a mass neuter with a target 3,000 dogs.

The scope of our Dogs Trust enabled ('silver') grants has expanded from grant funding of a campaign for better enforcement of the anti-dog meat trade legislation in the Philippines and vet training in India, to also include affordable vet care in one South African township, responsible dog ownership in underprivileged Roma communities in Slovenia, CNR (Collect, Neuter and Return) in Bahrain and Thailand and rabies control in India.

The 14th International Companion Animal Welfare Conference (ICAWC) was held in Athens in 2012. We were delighted to welcome more participants than ever before, with 260 delegates from 31 countries, representing 124 organisations from across the world.

Our International Training Programme provided three residential courses at our West London centre in Harefield in 2012, with 48 delegates attending from across Europe as well as Israel and South Africa. This focuses on management of an organisation with rehoming as its principle objective. We also conducted 3 Overseas Behaviour Workshops in the Netherlands and Poland and one Overseas Education Workshop in Greece.

- **Communications** – Our website received over seven million visits in 2012. The core focus of our work has been to promote the dogs we have available for rehoming. In 2012 we continued our work as Chair of the Pet Advertising Advisory Group to tackle the problem of pets being sold irresponsibly via websites. We engaged with the leading websites that sell pets, including Gumtree and Preloved to encourage them to adhere to a set of minimum standards. As there is a lack of regulation of the online sale of pets, we have engaged with the Government to encourage them to add weight to these minimum standards with an official endorsement. This work continues and will lead to further work to educate the public on the best way to buy a puppy or dog.

We promoted the introduction of compulsory microchipping in Northern Ireland, which became law in 2012. As chair of the Microchipping Alliance we also lobbied the government to introduce compulsory microchipping for all dogs in England and were successful in securing this important legislative announcement. We subsequently worked in partnership with Defra on the media launch, which saw the Secretary of State make a ministerial statement at Dogs Trust Harefield on compulsory microchipping and the wider package of measures. The legislation will come into force in April 2016 under the Dangerous Dogs legislation.

We lobbied the European Parliament to make changes to the regulation regarding the non-commercial movement of pets. Dogs Trust, alongside Eurogroup for Animals, has been lobbying MEPs to introduce a requirement for dogs, cats and ferrets being moved between Member States to be registered on an authorised database which is accessible across the EU. The Committee on Environment, Public Health and Food Safety has taken a number of our recommendations into account, and we now look forward to the final adoption of the draft report by the European Parliament.

- **Review of Subsidiary Activities** – The charity wholly owns Dogs Trust Promotions Limited and controls Dogs Trust Limited.

Dogs Trust Promotions Limited undertakes non-charitable trading activities for the charity. The mail order catalogue operation and contributions through sponsorship deals with our commercial partners together achieved a pre-tax profit of £217,000 in 2012 (2011: £227,000). In addition donations of £103,000 (2011: £105,000) were received on behalf of the Charity with catalogue orders.

Dogs Trust Limited was set up in Ireland in 2005 with charity number 16218. In November 2009 we opened a rehoming centre in Dublin and we rehomed 665 dogs (2011 - 731 dogs) in 2012. We have 3 Education Officers to deliver the message of responsible dog ownership to schools and there is a subsidised neutering scheme.

ENVIRONMENT

Dogs Trust recognises that it has a responsibility to care for the natural environment and we do all that we reasonably can to:

- Comply with environmental legislation
- Prevent pollution and nuisance through our work
- Integrate sustainability into all new building projects
- Measure, benchmark and monitor our environmental impact
- Continually seek to improve our environmental performance by reducing our use of energy, water and other materials
- Continually seek to improve environmental performance through minimisation and responsible disposal of waste
- Instil environmental awareness in employees and volunteers
- Promote the benefits of environmental care to suppliers, contractors, customers and local communities

The importance of sustainable design and energy conservation has been a core brief of Dogs Trust's latest Rehoming Centre developments. The two projects at Shrewsbury and Loughborough have been independently assessed under the 'BREEAM' (Building Research Establishment Environmental Assessment Method) accreditation process. The Shrewsbury Rehoming Centre recently achieved the highest rating of any project of any type to have been assessed through this method worldwide. The Loughborough Rehoming Centre is also expected to receive accreditation at the highest rating band which is achievable. Dogs Trust will continue to design our centres to meet independent environmental accreditation assessments wherever appropriate.

FUTURE PLANS

Dogs Trust is planning to rehome more dogs than ever before in the years ahead. In 2013 we expect to build our new centre at Basildon. We will complete the redevelopment of our centre at Ilfracombe and we will continue to improve our facilities for dogs in the United Kingdom.

We were delighted to welcome the introduction of compulsory microchipping for all dogs in Northern Ireland. We have been campaigning for many years for this to be introduced across the whole of the UK, and in February 2013 we welcomed the Government's announcement for the planned introduction of compulsory microchipping in England.

FINANCIAL REVIEW

Key Performance Indicators

	Change	2012	2011	Budget '12
	%	Number	Number	Number
Dogs Rehomed	8%	12,822	11,915	14,616
Neuters subsidised	4%	67,244	64,691	55,223

We rehomed 8% more dogs than in 2011 with our new Loughborough centre, opening in June, rehoming 496 dogs. In 2012 we aim to rehome 13,500 dogs.

22% more dogs were neutered under the subsidised neuter scheme than we budgeted.

Income

	Change	2012	2011	Budget '12
	%	£000s	£000s	£000s
Donations	9%	44,640	41,079	42,618
Legacies	8%	19,998	18,487	17,325
Other income	15%	7,361	6,407	6,700
Total income	9%	71,999	65,973	66,643

Donations grew in line with the growth in numbers of committed donors.

Expenditure

	Change	2012	2011	Budget '12
	%	£000s	£000s	£000s
Costs of charitable activities	12%	41,629	37,110	46,194
Costs of generating funds	5%	23,272	22,133	23,500
Other costs	3%	325	316	325
Total costs	10%	65,226	59,559	70,019

Total costs are 7% under budget.

Tangible Fixed Assets

£3.6 million has been spent on acquiring and developing our new centre at Basildon and £3.3 million has been spent completing our new centre at Loughborough.

The Investment Portfolio

The investment portfolio increased by £4.8m mainly due to net investment gains of £2m in the year, of which £1m are unrealised. The investment portfolio produced a total return of 5.6% from April 2012 when our new manager was appointed. This is 1.4% above the investment manager's benchmark for the period. £37 million is held in cash to fund the Rehoming Centre Development Fund.

Net Movement in Funds and Investable Funds

Net incoming resources for 2012 were £6.8 million and, after investment gains, funds have increased by £8.8 million.

The value of the group's investable funds (investments plus net current assets) are £74 million, of which £39 million is earmarked for acquiring new rehoming centres and redeveloping existing centres.

Reserves policy and related funds

The primary function of the Charity is to provide temporary care, food and shelter for stray and abandoned dogs prior to reuniting them with their owners or finding new homes for them, and to provide a permanent home for life for those that cannot be rehomed.

It is the duty of the Trustees to ensure that funds are available at all times to pay for these activities at the Rehoming Centres together with the Charity's related administration costs.

The Charity's reserves policy is to maintain the following funds:

- 1) **The Rehoming Centre Base Fund.** The majority of the Charity's income comes from legacies and fundraising, which being uncertain sources of revenue may not always provide the funds to cover these essential costs. The Trustees' policy is to set aside funds ("the free reserves") to cover up to a maximum of the next two years' planned running costs. As at 31st December 2012 the Trustees set aside £34 million representing the next 19 months' planned running costs of rehoming centres.
- 2) **Rehoming Centre Development Fund.** This is set aside for future capital expenditure on the Charity's operations as approved by the Trustees for the next five years. This stood at £39 million at 31st December 2012, inclusive of the capital commitments noted below and in note 12 of the Accounts.
- 3) **Funds for Tangible Fixed Assets.** This represents the land, buildings, motor vehicles and equipment owned and used by the Charity to run its Centres and administer the organisation. At 31st December 2012 their net book value stood at £44 million.

Capital commitments

As at 31st December 2012 the Council had authorised capital expenditure for rehoming centre developments for the next five years of £39 million. See note 12 to the Accounts for details.

Investment powers

The Council has the power to retain any money or investments belonging to the Charity, or to sell them and re-invest the proceeds as it thinks fit, subject to the approval of the Charity Commissioners if required by law. The Council has the power to appoint and delegate its investment powers to an

investment manager legally authorised to carry on investment business under the Financial Services Act 2012.

Investment policy

The Charity's investment policy is to achieve a balance between income and capital growth. Investment assets allocated to world stock markets have been delegated to a professional fund manager. The Trustees require the fund manager to ensure that it does not invest in any companies which undertake or contract out any experiments, or other scientific procedures on dogs, which may cause pain, suffering, distress or lasting harm. This restriction also extends to research that is contracted out.

RISK MANAGEMENT

The Trustees have assessed the identified major risks to which the Charity is exposed, in particular those related to its operations and finances. They are satisfied that adequate systems are in place to manage the adverse effects of any such exposure.

The key controls used by the charity include:

- Detailed annual budget and five year business plan.
- Monthly comparison of actual results with budget, previous years and forecasts.
- Review of financial systems.
- Business continuity planning.
- A formal agenda for Trustee and Council meetings, with professional advice on significant issues.
- Established organisational structure and lines of reporting.
- Authorisation and approval levels.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Scotland

Dogs Trust is registered with the Office of the Scottish Charity Regulator (SC037843). We operate rehoming centres in Glasgow and West Calder and receive income from Scottish supporters.

Specific restrictions

The Charity's constitution allows the acquisition of a site and the construction on it of a new rehoming centre only if a full and balanced report recommending the acquisition has first been submitted to the Council by the Finance and General Purposes Committee.

Trustees' responsibilities regarding the accounts

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping 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 Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

Signed on behalf of the Trustees by:

P.G.Daubeny

23rd April 2013

Chairman of the Council

Date

Dogs Trust INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DOGS TRUST

We have audited the financial statements of Dogs Trust for the year ended 31 December 2012 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on pages 10-11), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2012 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper and sufficient accounting records have not been kept; or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- we have not received all the information and explanations we require for our audit.

BDO LLP, Statutory Auditor, 55 Baker Street, London W1U 7EU, United Kingdom. Date: 23rd April 2013

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

Accounting basis

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the revised Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Charities Act 2011 and applicable accounting standards.

Group Financial Statements

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiaries, Dogs Trust Promotions Limited and Dogs Trust Limited. The results of the subsidiaries are consolidated on a line by line basis. The Charity's gross income was £69 million (2011: £64 million) and net incoming resources were £9 million (2011: £9 million).

Dogs Trust Limited is treated as a subsidiary company because all its members are Trustees or senior managers of Dogs Trust.

Foreign Currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rate of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

Pension costs

Pension costs comprise the costs of the Charity's contribution to its employees' pension schemes. It provides a money purchase scheme which is available to all employees and, alternatively, it also contributes to certain employees' personal pension plans.

Fixed assets

Tangible fixed assets are stated at cost, net of depreciation. The Charity adopted the carrying valuation of freehold land and buildings, as at 31st December 2000, at historical cost under the transitional provisions of Financial Reporting Standard 15. The Charity regularly reviews the net book value of its fixed assets and writes their values down to their depreciated replacement cost if net book values are higher.

All additions to fixed assets purchased for more than £5,000 are included at cost and depreciated on the basis outlined below. Those that cost less than £5,000 are written off in the year of acquisition.

Depreciation is provided on the following basis:

Freehold Land	- nil
Freehold Buildings	- over 15 years
Motor Vehicles	- 33% straight line
Equipment & fittings	- 25% straight line

An impairment charge represents additional depreciation to write down the value of some rehoming centres to their depreciated replacement cost.

Investments

Listed investments are included in the balance sheet at market value. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the balance sheet date are included in the statement of financial activities for the relevant underlying funds. The historical cost of investments is shown in note 9 to the financial statements.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price.

Incoming resources

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. In accordance with this policy, legacies are included when the Charity is advised by the personal representative of an estate that payment will be made or assets transferred and the amount can be quantified with reasonable accuracy, provided 6 months has elapsed since the date of probate.

No amounts are included in the financial statements for services donated by volunteers.

Resources expended

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

Governance costs

Governance costs include the costs of the general running of the charity, costs of public accountability and costs of strategic planning.

Taxation

Dogs Trust is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period. The subsidiary trading companies make qualifying donations of all taxable profit to the charity. No corporation tax liability on the subsidiaries arises in the accounts.

Irrecoverable VAT

Irrecoverable VAT is included in the cost of those items to which it relates.

Funds Policy

Endowment funds represent those assets which must be permanently held by the charity, principally investments. Income arising from the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Restricted funds

Where expenditure on projects, funded from restricted income, exceeds income the balance is applied out of general funds.

Designated funds

Rehoming Centre Base Fund: The majority of the Charity's income comes from legacies and fundraising, which being uncertain sources of revenue, may not always provide the funds to cover these essential costs. The Trustees' policy is to set aside funds to cover up to the next two years' planned running costs.

Rehoming Centre Development Fund: This is set aside for future capital expenditure on the Charity's rehoming centres as approved by the Trustees in the five year plan.

Tangible Fixed Assets Fund: This represents the land, buildings, motor vehicles and equipment owned and used by the Charity to run its Centres and administer the organisation.

Special Project Fund: This fund is earmarked by the Trustees for large special projects, currently nil.

Dogs Trust
Consolidated Statement of Financial Activities
for the year ended 31st December 2012

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Permanent Endowment Funds £000's	2012 Total £000's	2011 Total £000's
Incoming Resources						
From generated funds:						
Voluntary income	2	62,542	2,571	0	65,113	59,968
Activities for generating funds	3	3,569	0	0	3,569	3,251
Investment income		2,159	0	2	2,161	1,692
From charitable activities:						
Adoption fees		1,134	0	0	1,134	1,055
Other incoming resources		22	0	0	22	7
Total Incoming Resources		69,426	2,571	2	71,999	65,973
Resources Expended						
Cost of generating funds:						
Voluntary income	6	21,376	0	0	21,376	20,388
Activities for generating funds	6	1,800	0	0	1,800	1,640
Investment management fees	6	96	0	0	96	105
		23,272	0	0	23,272	22,133
Costs of charitable activities:						
Rehoming centres	6	29,390	0	0	29,390	26,021
International	6	1,152	0	0	1,152	1,046
Publicity, education and information	6	3,038	0	0	3,038	2,885
Give a Dog A Life campaign	6	8,049	0	0	8,049	7,158
		41,629	0	0	41,629	37,110
Governance costs	6	325	0	0	325	316
Total Resources Expended	6	65,226	0	0	65,226	59,559
Net incoming resources before transfers		4,200	2,571	2	6,773	6,414
Transfers between funds		3,349	(3,347)	(2)	0	0
Net incoming resources		7,549	(776)	0	6,773	6,414
Net loss on currency		(7)	0	0	(7)	(7)
Net gains/(losses) on investments	9	2,049	0	0	2,049	(2,295)
Net Movement in Funds		9,591	(776)	0	8,815	4,112
Funds brought forward 1 January	10	107,877	1,011	325	109,213	105,101
Funds carried forward 31 December	10	117,468	235	325	118,028	109,213

All amounts relate to continuing activities.

The notes on pages 18 to 23 form part of the financial statements.

Dogs Trust
Balance Sheets
as at 31st December 2012

	Notes	Group		Charity	
		2012 £000's	2011 £000's	2012 £000's	2011 £000's
Fixed Assets					
Tangible fixed assets	8	43,937	40,315	38,174	34,019
Investments	9	66,082	61,258	66,082	61,258
		110,019	101,573	104,256	95,277
Current Assets					
Stock		109	85	105	85
Debtors	13	7,429	7,222	13,124	13,388
Cash at bank and in hand	16	4,919	5,526	4,500	5,181
		12,457	12,833	17,729	18,654
Creditors: amounts falling due within one year	14	(4,448)	(5,193)	(4,228)	(4,989)
Net Current Assets		8,009	7,640	13,501	13,665
Total Assets Less Current Liabilities		118,028	109,213	117,757	108,942
Net Assets		118,028	109,213	117,757	108,942
The Funds of the Charity					
Endowment funds	10	325	325	325	325
Restricted income funds	10	235	1,011	235	1,011
Rehoming Centre Base Fund	10	34,446	25,512	34,175	25,241
Rehoming Centre Development Fund	10	39,085	42,050	39,085	42,050
Fund for Fixed Assets	10	43,937	40,315	43,937	40,315
Total Charity Funds		118,028	109,213	117,757	108,942

The financial statements were approved by the Board of Trustees and authorised for issue on 23rd April 2013:

P.G. Daubeny
Chairman of the Council

J.D. Gaye
Vice Chairman of the Council

The notes on pages 18 to 23 form part of the financial statements.

Dogs Trust
Consolidated Cashflow Statement
for the year ended 31st December 2012

	Notes	2012		2011	
		£000's	£000's	£000's	£000's
Net incoming resources for the year					6,414
Exchange loss			(7)		(7)
Interest received			(1,131)		(684)
Dividends received			(1,030)		(1,008)
			(2,168)		4,715
Depreciation charge			4,948		4,367
Impairment charge			769		0
Gain on disposal of fixed assets			(22)		(7)
(Increase)/Decrease in stock			(24)		1
Increase in debtors			(207)		(50)
Decrease in creditors			(745)		(150)
Net cash inflow from operating activities			2,551		8,876
Returns on investments					
Interest received			1,131	684	
Dividends received			1,030	1,008	
Cash inflow from returns on investments			2,161	1,692	
Capital expenditure and financial investment					
Purchase of tangible fixed assets			(9,339)	(8,864)	
Proceeds from sale of fixed assets			22	7	
Purchase of investments			(28,359)	(6,743)	
Proceeds from sale of investments			25,584	7,629	
			(12,092)	(7,971)	
(Decrease)/increase in cash	15 & 16		(7,380)	2,597	

All amounts relate to continuing activities.

The notes on pages 18 to 23 form part of the financial statements.

Dogs Trust
Notes to the Consolidated Accounts for the year ended 31st December 2012

1 Results from Trading Activities of Subsidiary

The Charity has two subsidiary companies. Dogs Trust Promotions Limited is incorporated in the UK and its primary activity is to sell gifts and Christmas cards. Dogs Trust Limited is incorporated in Ireland and its primary activity is to reduce and, ultimately, see the end of homeless dogs in Ireland. A summary of their trading results is shown below (the figures include intercompany trading).

	Dogs Trust Limited		Dogs Trust Promotions Limited	
	2012 £000's	2011 £000's	2012 £000's	2011 £000's
Incoming resources				
Donations	1,677	960	0	0
Legacies	106	168	0	0
Merchandising	16	0	1,232	1,054
Rehoming centre	55	84	0	0
Grant from Dogs Trust	1,966	3,202	0	0
Interest received	57	0	0	0
Total incoming resources	3,877	4,414	1,232	1,054
Total costs	(3,877)	(4,414)	(1,016)	(827)
Net movement for the year	0	0	216	227
Gift Aid payment	0	0	(208)	(227)
Retained profit for the year	0	0	8	0
Funds brought forward 1 January	264	271	5	5
Exchange loss on opening net assets	(7)	(7)	0	0
Funds carried forward 31 December	257	264	13	5
Total assets	6,280	6,568	270	296
Total liabilities	(6,023)	(6,304)	(257)	(291)
Total funds	257	264	13	5

2 Voluntary income

	2012 £000's	2011 £000's
Donations	44,640	41,076
Legacies	19,998	18,487
Membership fees	475	405
	65,113	59,968

3 Activities for generating funds

	2012 £000's	2011 £000's
Sale of goods	2,473	1,974
Fundraising events	132	288
Raffles	964	989
	3,569	3,251

4 Trustees' remuneration and expenses

None of the Trustees or any person connected with them (other than the Secretary & Chief Executive, who is a Trustee ex officio, whose earnings are disclosed in the highest band in Note 7) received any remuneration during the year. Nine Trustees were reimbursed for expenses totalling £7,121 (2011 £6,511) covering travel, subsistence and accommodation incurred in connection with their duties as members of the Council of Dogs Trust. No allowances were paid to trustees, no direct payments to third parties were made on their behalf.

Dogs Trust
Notes to the Consolidated Accounts (continued)

5 Indemnity Insurance

The Charity paid a premium of £5,490 (2011 - £4,374) for the purchase of Trustees' indemnity insurance.

6 Analysis of Total Resources Expended

	Activities undertaken directly £000's	Support Costs £000's	2012 Total £000's	2011 Total £000's
Costs of generating funds:				
Voluntary income	21,031	345	21,376	20,388
Activities for generating funds	1,780	20	1,800	1,640
Investment management fees	96	-	96	105
	22,907	365	23,272	22,133
Costs of activities in furtherance of the Charity's objects:				
Rehoming centres	27,367	2,023	29,390	26,021
International	1,130	22	1,152	1,046
Publicity, education, international and information	2,492	546	3,038	2,885
Give a Dog A Life campaign	7,732	317	8,049	7,158
	38,721	2,908	41,629	37,110
Governance costs	63	262	325	316
Total resources expended	61,691	3,535	65,226	59,559

Voluntary income is mainly generated by donors who sponsor dogs.

Support costs totalling £3,535,000 (2011 - £3,123,000) have been allocated across the activities. These include costs associated with IT, HR, finance, property and other central services to the charity's staff and rehoming centres across the group. The costs have been allocated based on time spent by departments supporting the various activities.

Governance costs include audit fees of £39,500 (2011 - £38,000). Our auditors received £39,373 (2011 - £11,586) in respect of other financial services.

Total irrecoverable VAT was £2,984,000 (2011 - £3,043,000)

A grant of £2m was made to Dogs Trust Limited (2011 - £3.2m).

7 Staff numbers and emoluments

	2012	2011
Rehoming centres	518	470
Fundraising, campaigns and publicity	113	102
Management and administration	33	32
The average monthly number of employees (full time equivalent)	664	604

	2012 £000's	2011 £000's
Their aggregate emoluments were as follows:		
Wages and salaries	14,487	12,787
Social security costs	1,246	1,128
Pension costs	923	726
	16,656	14,641

Number of employees of the group who earned from:

£60,001 to £70,000	2	2
£70,001 to £80,000	1	4
£80,001 to £90,000	3	1
£90,001 to £100,000	1	0
£100,001 to £110,000	1	2
£120,001 to £130,000	1	1
All the employees above received pension contributions	9	10

	£000's	£000's
Employer pension contributions for all above employees	139	143

Dogs Trust
Notes to the Consolidated Accounts (continued)

8 Tangible Fixed Assets

Group	Freehold Land & Buildings £000's	Motor Vehicles £000's	Equipment & Fittings £000's	Total £000's
Cost				
Balance at 1 January 2012	65,637	2,350	5,691	73,678
Additions	8,963	455	139	9,557
Disposals	0	(500)	0	(500)
Foreign exchange movement	(209)	0	(9)	(218)
Balance at 31 December 2012	74,391	2,305	5,821	82,517
Accumulated depreciation				
Balance at 1 January 2012	26,546	2,035	4,782	33,363
Depreciation charge for year	4,093	385	470	4,948
Impairment	769	0	0	769
Disposals	0	(500)	0	(500)
Balance at 31 December 2012	31,408	1,920	5,252	38,580
Net book value at 31 December 2012	42,983	385	569	43,937
Net book value at 31 December 2011	39,091	315	909	40,315

Freehold land and buildings includes the cost of freehold land of £11.8 million (2011 - £8.8 million) which has been valued at £10.7 million and is not depreciated.

Charity	Freehold Land & Buildings £000's	Motor Vehicles £000's	Equipment & Fittings £000's	Total £000's
Cost				
Balance at 1 January 2012	55,170	2,227	5,633	63,030
Additions	8,957	378	30	9,365
Disposals	0	(500)	0	(500)
Balance at 31 December 2012	64,127	2,105	5,663	71,895
Accumulated depreciation				
Balance at 1 January 2012	22,338	1,928	4,745	29,011
Depreciation charge for year	3,661	345	435	4,441
Impairment	769	0	0	769
Disposals	0	(500)	0	(500)
Balance at 31 December 2012	26,768	1,773	5,180	33,721
Net book value at 31 December 2012	37,359	332	483	38,174
Net book value at 31 December 2011	32,832	299	888	34,019

Freehold land and buildings includes freehold land of £9.2 million (2011 - £6.5 million) that is not depreciated.

9 Fixed Asset Investments

	2012 £000's	2011 £000's
Market value at 1 January	26,150	28,180
Investment cash at 1 January	35,108	36,259
	61,258	64,439
Less: disposals at market value	(25,584)	(7,629)
Add: acquisitions at cost	25,784	7,743
: investment cash	2,575	(1,000)
Net realised and unrealised gains and (losses)	2,049	(2,295)
Market value at 31 December	66,082	61,258

Dogs Trust
Notes to the Consolidated Accounts (continued)

9 Fixed Asset Investments (continued)

Investments at market value comprised:

	2012 £000's	2011 £000's
UK fixed interest securities	1,689	3,087
UK equities	12,555	10,809
Non UK equities	11,860	10,392
£ sterling bonds	2,217	1,772
Other investments	78	90
Cash	37,683	35,108
	66,082	61,258
The historical cost of investments held at 31 December was	64,155	58,145

No investment (other than cash) represented more than 5% of the portfolio valuation at 31st December 2012 or 2011.

10 Total Funds

	Balance 1 January 2012	Movement in Funds			Balance 31 December 2012
		Incoming Resources	Expenditure	Gains, Revaluations & Transfers	
	£000's	£000's	£000's	£000's	£000's
Permanent endowment funds					
The Sanborn & Ellanor Doe Memorial Fund	18	0	0	0	18
The Hamilton Fellows Trust Fund	19	0	0	0	19
Sussex Home for Lost & Stray Cats & Dogs	46	0	0	0	46
Gertrude R Clarke	242	2	(2)	0	242
Total permanent endowment funds	325	2	(2)	0	325
Other restricted funds					
Ballymena	0	47	(47)	0	0
Basildon	0	38	0	0	38
Bridgend	0	4	(4)	0	0
Canterbury	0	18	(18)	0	0
Darlington	0	123	(123)	0	0
Evesham	0	134	(134)	0	0
Glasgow	0	35	(35)	0	0
Harefield	0	29	(29)	0	0
Ilfracombe	830	455	(1,244)	0	41
Kenilworth	0	219	(219)	0	0
Leeds	0	274	(274)	0	0
Loughborough	0	107	(107)	0	0
Merseyside	0	79	(79)	0	0
Newbury	0	2	(2)	0	0
Salisbury	0	39	(39)	0	0
Shoreham	95	798	(801)	0	92
Shrewsbury	0	346	(346)	0	0
Snetterton	0	34	(34)	0	0
West Calder	0	126	(126)	0	0
Leeds Education Officer	86	0	(42)	0	44
Other	0	48	(28)	0	20
Sub total other restricted funds	1,011	2,955	(3,731)	0	235

Dogs Trust
Notes to the Consolidated Accounts (continued)

10 Total Funds (continued)

	Balance	Movement in Funds			Balance
	1 January 2012	Incoming Resources	Expenditure	Gains, Revaluations & Transfers	31 December 2012
Unrestricted funds					
Designated funds					
Rehoming Centre Base Fund	25,512	69,042	(61,493)	1,385	34,446
Rehoming Centre Development Fund	42,050	-	-	(2,965)	39,085
Fund for Fixed Assets	40,315	-	-	3,622	43,937
Total designated funds	107,877	69,042	(61,493)	2,042	117,468
Total Funds	109,213	71,999	(65,226)	2,042	118,028

Transfers from restricted funds are for expenditure on rehoming centres. Details of funds are included in the Report of the Trustees.

11 Analysis of Group Net Assets between Funds

	Designated	Restricted	Permanent endowment	Total
Represented by:	£000's	£000's	£000's	£000's
Tangible fixed assets	43,937	0	0	43,937
Investments	65,999	0	83	66,082
Current assets	11,980	235	242	12,457
Current liabilities	(4,448)	0	0	(4,448)
Total Net assets	117,468	235	325	118,028

12 Capital Commitments

The Trustees have authorised the following capital expenditure over next 5 years:

	Total	Evesham Redevelop- ment	Manchester Develop- ment	Newbury Redevelop- ment	Other Redevelop- ment
	£000's	£000's	£000's	£000's	£000's
Authorised and contracted	2,860	0	2,000	0	860
Authorised not contracted	36,225	7,485	4,000	7,000	17,740
	39,085	7,485	6,000	7,000	18,600

13 Debtors' analysis

	Group		Charity	
	2012 £000's	2011 £000's	2012 £000's	2011 £000's
Trade debtors	81	162	44	50
Other debtors	888	932	612	813
VAT Claim	786	925	786	955
Amount owed by subsidiary companies	0	0	6,061	6,367
Prepayments & accrued income	5,674	5,203	5,621	5,203
Total	7,429	7,222	13,124	13,388

Dogs Trust
Notes to the Consolidated Accounts (continued)

14 Creditors' analysis

	Group		Charity	
	2012 £000's	2011 £000's	2012 £000's	2011 £000's
Trade creditors	3,497	4,458	3,418	4,264
Other creditors	471	27	429	27
VAT	0	5	0	0
Accruals & deferred income	480	703	381	698
Total	4,448	5,193	4,228	4,989

	Group		Charity	
	2012 £000's	2011 £000's	2012 £000's	2011 £000's
Movement in deferred income				
Balance at 1st January	703	264	698	264
Utilised in the year	(473)	(197)	(473)	(197)
Deferred income in the year	250	636	156	631
Balance at 31st December	480	703	381	698

Deferred income is income received during this year but in respect of next year.

15 Reconciliation of net cash flow to movement in net funds for the group

	2012 £000's	2011 £000's
(Decrease)/increase in cash in the period	(607)	2,597
Net funds at 1st January	5,526	2,929
Net funds at 31st December	4,919	5,526

16 Analysis of net funds for the group

	1st January 2012 £000's	Cashflow £000's	31st December 2012 £000's
Cash at bank and in hand	5,526	(607)	4,919

17 Forward currency contracts

The Charity had outstanding forward currency commitments of €3m at average rate of €1.23 to £1 as at 31st December 2012.

18 Related party transaction

There were no related party transactions other than those disclosed in Note 13. Advantage has been taken of the exemption permitted by FRS 8 not to disclose transactions with group entities.