

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 7
Independent Examiner's Report	8
Statement of Financial Activities	9
Balance Sheet	10 - 11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 30

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees	Jan Lake, Chair Patricia Wilder (resigned 30 June 2021) Andrew Kirchin (resigned 8 May 2021) Jo Haylock (resigned 8 August 2020) Peter Stevenson, Secretary Judith Adams (appointed 8 May 2021) Adina Claire (appointed 8 May 2021) Grace Natrass (appointed 8 May 2021) Bethany Evans (resigned 9 February 2020)
Company registered number	06985367
Charity registered number	1131399
Registered office	The Dovecote, Little Baldon Nuneham Courtenay Oxford OX44 9PU
Company secretary	Peter Stevenson
Accountants	Bishop Fleming LLP Chartered Accountants 10 Temple Back Bristol BS1 6FL
Bankers	Santander UK PLC Bridle Road Bootle Merseyside GIR 0AA HSBC UK 86 High Street Honiton Devon EX14 1JN NatWest Bank 740 Waterside Drive Aztec West Almondsbury BS99 5BD

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees present their annual report together with the financial statements of the Charity for the year 1 January 2020 to 31 December 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The charity has two principal objects:

- To relieve the suffering of greyhounds and lurchers who are in need of care and protection, in particular by rescue, rehabilitation and homing, or by the provision and maintenance, or assisting in the provision and maintenance, of kennels and other facilities for the reception and care of greyhounds and lurchers who are retired and unwanted or who are otherwise in need of care and protection;
- To advance the education of the public in matters relating to the welfare of greyhounds and lurchers and the prevention of cruelty and suffering among such dogs.

Alongside the homing of dogs, we also enable dogs to stay in their original homes by providing support to owners, thus preventing the dogs from ending up in rescue; we give advice to those looking to rescue a dog, and offer space to dogs with high welfare or behavioural need who would otherwise not have a safe place to go. These activities have contributed to the welfare of individual dogs and owners in alternative ways, in addition to the homing of dogs.

The charity also seeks to improve the general welfare standards within the greyhound racing industry. Forever Hounds Trust's revised Position Statement issued in November 2018, calling for a phasing out of greyhound racing, was well received by our supporters and the wider welfare community. We are proud and excited to be working in partnership with other groups to bring greyhound welfare to the top of the agenda.

b. Activities undertaken to achieve objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

a. Review of activities

The charity acquired its own kennels in November 2020, and this is described in more detail on page 6. The activities are fully documented in the Annual Review 2020 available to accompany the Trustees' Report on request. The key points are summarised below.

Homing and kennelling

During 2020 we brought 233 dogs into our care, an increase of 19% on 2019; we homed 224 dogs from our rented kennel spaces in the regions, a decrease of 2.5%.

2020 presented us with numerous challenges during lockdown, affecting intake, access to dogs in kennels, and homing operations. We had a large increase in the number of people interested in homing dogs, and had to restrict operations to those we could realistically match to a dog within a reasonable time.

At the new centre in Devon, the first dogs arrived in early December, nine from Somerset & Wiltshire, and then one from Eastern Region. More or less full occupancy has continued through the first half of 2021.

Once the dogs are in their forever homes, new families continue to receive ongoing support and advice from our qualified behaviourists, for the dog's entire life.

We continue to build on homing initiatives from recent years that are proving to be very successful, such as our Out of Area homing service, offering homings to those living outside of our operating regions. We have developed a team of home callers and checkers who efficiently support this service. And our 'Home from Home' for people who wish to relinquish their dog to us; we enable them to keep the dog until the point of homing. This frees up kennel space for other needy dogs.

Welfare

2020 was a difficult year for everyone, but it was very disappointing that animal welfare charities were excluded from the list of beneficiaries of Government emergency funding.

The steady stream of racing greyhounds in need of rescue and emergency funding continued, and during the pandemic it proved difficult to organise veterinary treatment, move and home dogs, and even care for them in kennels whilst having to restrict the number of people who could visit and help.

We have reported any evidence uncovered of neglect of racing or former racing greyhounds to the Greyhound Board of Great Britain (GBGB) and also, where appropriate, to the RSPCA. We also gather evidence to inform the wider picture of the welfare issues and exploitation of greyhounds by the greyhound racing industry. We continue to support the promotion of improved greyhound and lurcher welfare through our membership of appropriate bodies, and are a fully active member of the Association of Dogs and Cats Homes (ADCH).

Partnership

There are a large number of groups working throughout the UK for the welfare of unwanted greyhounds and lurchers. Forever Hounds Trust is in contact with many of these groups and individuals. We have a policy of assisting those where there are established links and where the organisation's aims are in line with our charitable objectives. This often takes the form of accepting rescued dogs from them for homing, especially where those dogs come from areas with a high number of abandoned or unwanted dogs.

Throughout 2020 we built a strong mutually beneficial working relationship with Teckels Animal Sanctuary, funded by Battersea, and have 35 dogs with them, 31 of which have been homed. We are also extending our partnership working to rescues in other regions.

As well as working with these groups, we also accept greyhounds directly from trainers when we are able to do

**FOREVER HOUNDS TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Achievements and performance (CONTINUED)

so, and from individual sighthound owners who are no longer able to keep their dogs.

We continue to have a good relationship with police forces in Thames Valley and Hampshire; we assist in homing dogs which have been seized during illegal activities (namely coursing).

b. Fundraising activities and income generation

These are fully documented in the Annual Review 2020 available to accompany the Trustees' Report on request. The key points are summarised below.

Members, Friends and Supporters

Throughout 2020, our members, supporters and volunteers have continued to find innovative and effective ways to raise funds and public awareness for our charity and our work.

We now have 471 Friends, who support us with monthly or annual gifts, and 122 Friends for Life.

Our Big Give Christmas Challenge, asking people to support the unpredictable costs associated with rescue, brought in a record total of £21,419.

Online fundraising

Facebook continues to be our best performing platform, with 26,000 followers. The Instagram platform helped us to drive our merchandise sales at Christmas.

Charitable Trusts and Corporate Support

There were several successful grant applications made during 2020, including funding from Battersea Animal Grants Programme towards a new van for our behaviourist, and emergency Covid funding from various bodies, including Support Adoption for Pets and the DM Frances-Hayhurst Charitable Trust.

We have retained and enlarged our corporate support base during the year.

Legacies

Legacies continue to be an important area of income for us, and we are extremely grateful to those who remember our work in their Will. Income credited for the year, including sums accrued, totalled £249,815 (2019: £368,496). Since the year-end a large legacy of shares in excess of £400,000 has been received from the sale of investments from the estate of Phyllis Green, deceased.

We have also received a small number of In Memory gifts, and this additional revenue stream is promoted on our web site, with a specific page of remembrance. We also supply special envelopes to friends and families should they wish to make a collection in memory of one of our supporters.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for at least 12 months from the date of signing this report. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

b. Reserves policy

In accordance with Charity Commission guidance, the Trustees' policy is to aim for reserves equal to at least six months of normal expenditure. At the end of the period, unrestricted free reserves after adjusting for amounts tied up in the freehold property less loans is £289,994 (2019: £313,811), and represents 4 months' normal expenditure. Significant reserves are necessary as the charity depends largely on fundraising and on homing dogs, which can be extremely variable both in time taken and in expenditure related to the welfare of the dogs.

c. Material investments policy

The Charity's investment policy was directed towards building up its reserves out of the legacy income it was fortunate enough to receive, and units were purchased in CCLA Income Fund and M&G Charifund. Between 2017 and 2019 all these units were sold, and the reserve funds of the charity have been held with a range of cash deposit takers, so that funds were immediately available when the charity was in a position to acquire suitable kennels of its own.

d. Financial review

The Charity made a deficit of £31,469 for the year (2019: surplus £103,429); resulting in total funds of £602,022 (2019: £633,491). This is after accounting for legacies of £249,815 (2019: £368,496).

In addition to general income from donations of £202,350 (2019: £206,873), homing donations continue to be a significant source of income £42,470 (2019: £35,494). These income streams are dependent on the generosity of the public and the hard work of our many vital volunteers; Trustees remain overwhelmed by the kindness and dedication of all the charity's supporters.

Structure, governance and management

a. Constitution

Forever Hounds Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 8 August 2009; it is also a registered charity (number 1131399).

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees, who are elected and co-opted under the terms of the Memorandum of Association.

Candidates for appointment as new Trustees are interviewed by the existing Trustees. If accepted, all candidates are provided with copies of minutes from the previous four Trustee meetings, a copy of the last accounts and an update on the current financial situation, and are requested to read Charity Commission documentation on the responsibilities of Trusteeship. Candidates must then confirm their willingness to be appointed and attend the next formal Trustee meeting.

Training for Trustees comes mainly from what is gained in the course of service. Matters are discussed in detail at Trustees' Meetings, the style of which encourages sharing of knowledge and provides an opportunity for exploring the governance of the charity. The Head of Operations also attends these meetings. Trustees are encouraged to attend relevant seminars and training courses.

The following changes in the membership of the Trustee Board occurred in the year or since the year-end: Judith Adams, Adina Claire and Grace Natrass joined the Board on 8 May 2021. Bethany Evans resigned from the Board on 9 February 2020, Andrew Kirchin on 8 May 2021 and Patricia Wilder on 30 June 2021. Further appointments to the Board will be made at the appropriate time.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Structure, governance and management (CONTINUED)

c. Organisational structure and decision-making policies

Forever Hounds Trust operates as a voluntary charity. Overall strategy and policy decisions are made by the Trustees. Trustees meet formally in Board meetings at least four times a year, all online during 2020; there are also a number of frequent and less formal interactions via sub committees, telephone conferences, email, ad hoc meetings, etc.

The Board of Trustees acts in place of any executive directors; the Head of Operations, Head of Homing Kennelling & Welfare, and the Centre Manager currently represent the senior management team in the organisation, though there are plans to appoint a Chief Executive and revamp the Senior Management Team in the near future. Within the current staff team, 18 of the posts are part time and 4 are full time. Most of the staff work mainly or partly from home, as has been the case for several years. There are regular team conference and video calls which provide effective communication, in addition to quarterly all staff meetings which are also attended by one or more Trustees.

The major operational event in 2020 was the successful acquisition of our own kennels in Devon in November, at a total cost of £583,000. This was made possible as a result of a substantial legacy from the estate of Ros Hawley, one of our former trustees, and a loan of £300,000 from Charity Bank. The Centre is now fully operational for rescuing and caring for dogs, and further services and facilities are being developed. We are very grateful for all the support we have had in making this possible.

Further details are available in our Annual Review 2020, available on request.

d. Financial risk management

The Trustees believe that there will continue to be a large number of unwanted dogs in need of new homes, and therefore a continuing demand for the charity's work in accordance with our objectives.

In pursuing the charity's objectives, the Trustees recognise that there are a number of risks inherent in the operation of the charity. The Finance and Governance sub-committee is charged with monitoring risk matters on behalf of the Board.

The principal identified risks, and the mitigation employed are as follows:

- (i) Kennels and homing issues: the charity now has kennels at its own Centre in Devon, but continues to rent other kennel spaces where needed, under strict supervision; this helps to improve operational effectiveness, and reduce costs
- (ii) Negative publicity, including the particular potential threat of social media: the fundraising and communications team are geared up to react and respond to issues as they arise
- (iii) Volunteers, Trustees and/or staff being overstretched: a staffing structure is in place under the Head of Operations to ensure that all staff are managed effectively; backup HR and occupational health support is in place, and can be accessed as required
- (iv) Finance and Reserves: strenuous efforts are being made to develop new income streams to replace those curtailed by Covid-19 and ensure that the charity's appeal is broadly based; a further substantial legacy has been received in 2021, which provides a cushion whilst new funding streams are developed
- (v) Risk assessments have been carried out in accordance with Government regulations in respect of the Health and Safety of staff and volunteers during the Covid-19 pandemic
- (vi) Fraud, Misappropriation of Assets and Money Laundering: The Finance & Governance Subcommittee is alert to the risks involved, and reports to the Board on a regular basis.

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Plans for future periods

Our Vision remains a day when every sighthound is free from risk or need. Our future plans are driven by our Mission and Values, which were discussed and reconfirmed in 2019; in our Values we aim to be passionate, compassionate, and professional in everything we do.

Our agreed Mission is set out below:

- Rescue and care for unwanted, abused or abandoned greyhounds, lurchers and other sighthounds in any part of the country, resources allowing
- Find loving permanent homes for all our hounds
- Provide, in line with best practice, care for all our hounds
- Strive for and promote improved sighthound welfare through our membership of the All Parliamentary Group for Animal Welfare, the Association of Dogs & Cats Homes and any other appropriate body.

To achieve our Mission, our plans include developing our structure and ways of working to increase the number of dogs homed and helped, year on year. Alongside this, we will strive to provide an outstanding rehoming journey for dogs and people with life-long support. We will invest in our people (staff and volunteers) by providing training, support and motivation. Our plans will be underpinned by increasing awareness of the charity, building on our successes in past years; this, in turn, will ensure a sound financial future.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

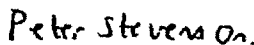
Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Approved by order of the members of the board of Trustees on 9 August 2021 and signed on their behalf by:


Jan Lake
(Chair of Trustees)


Peter Stevenson
(Trustee)

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FOREVER HOUNDS TRUST ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2020.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of (enter body here), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:



Dated:

25 August 2021

David Butler FCA DChA

BISHOP FLEMING LLP
Chartered Accountants
10 Temple Back
Bristol BS1 6FL

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	38,500	499,331	537,831	606,830
Charitable activities	4	-	122,761	122,761	107,863
Other trading activities:	5				
Fundraising		-	68,183	68,183	59,607
Trading activities		-	90,983	90,983	103,520
Investments	6	-	696	696	3,494
Total income		38,500	781,954	820,454	881,314
Expenditure on:					
Raising funds:	7				
Voluntary income		-	4,689	4,689	5,912
Fundraising trading		-	26,599	26,599	29,208
Charitable activities	8	55,465	765,170	820,635	743,663
Total expenditure		55,465	796,458	851,923	778,783
Net (expenditure)/income before net gains on investments		(16,965)	(14,504)	(31,469)	102,531
Net gains on investments		-	-	-	898
Net movement in funds		(16,965)	(14,504)	(31,469)	103,429
Reconciliation of funds:					
Total funds brought forward		39,680	593,811	633,491	530,062
Net movement in funds		(16,965)	(14,504)	(31,469)	103,429
Total funds carried forward		22,715	579,307	602,022	633,491

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 30 form part of these financial statements.

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:06985367

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	613,560	49,946
		<u>613,560</u>	<u>49,946</u>
Current assets			
Stocks		8,624	9,046
Debtors	13	209,071	240,702
Cash at bank and in hand		124,203	368,128
		<u>341,898</u>	<u>617,876</u>
Creditors: amounts falling due within one year	14	(62,023)	(34,331)
Net current assets		<u>279,875</u>	<u>583,545</u>
Total assets less current liabilities		<u>893,435</u>	<u>633,491</u>
Creditors: amounts falling due after more than one year	15	(291,413)	-
Total net assets		<u><u>602,022</u></u>	<u><u>633,491</u></u>
Charity funds			
Restricted funds	16	22,715	39,680
Unrestricted funds			
Designated funds	16	282,329	280,000
General funds	16	296,978	313,811
		<u>579,307</u>	<u>593,811</u>
Total unrestricted funds	16	579,307	593,811
Total funds		<u><u>602,022</u></u>	<u><u>633,491</u></u>

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:06985367**

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020**

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 09 August 2021 and signed on their behalf by



**Jan Lake
Chair**

Peter J. Stevenson

**Peter J Stevenson
Treasurer**

The notes on pages 13 to 30 form part of these financial statements.

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	354,212	98,309
Cash flows from investing activities		
Dividends, interests and rents from investments	696	3,494
Proceeds from the sale of tangible fixed assets	43	500
Purchase of tangible fixed assets	(598,876)	(24,479)
Proceeds from sale of investments	-	8,679
Net cash used in investing activities	(598,137)	(11,806)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(243,925)	86,503
Cash and cash equivalents at the beginning of the year	368,128	281,625
Cash and cash equivalents at the end of the year	124,203	368,128

The notes on pages 13 to 30 form part of these financial statements

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The registered office is The Dovecote, Little Baldon, Nuneham Courtenay, Oxford, OX44 9PU.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Forever Hounds Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The Trustees continue to monitor the impact that Covid-19 is having on operations and are taking actions to minimise their effect on the long-term reserves of the charity. Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

2.3 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Nil
Motor vehicles	- 4 years straight line
Office equipment	- 3 years straight line
Moveable assets	- 4 years straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.14 PENSIONS

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.15 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	202,350	202,350	206,873
Legacies	-	249,815	249,815	368,496
Grants	38,500	38,750	77,250	31,461
Coronavirus Job Retention Scheme Grant	-	8,416	8,416	-
	<u>38,500</u>	<u>499,331</u>	<u>537,831</u>	<u>606,830</u>
TOTAL 2019	<u>25,193</u>	<u>581,637</u>	<u>606,830</u>	

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sales of dog merchandise	68,894	68,894	60,581
Homing donations	42,470	42,470	35,494
Dog intake donations	5,170	5,170	7,908
Homing fees	6,227	6,227	3,880
	<u>122,761</u>	<u>122,761</u>	<u>107,863</u>
TOTAL 2019	<u>107,863</u>	<u>107,863</u>	

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
50/50 club	6,508	6,508	5,858
Raffle and draws	4,234	4,234	1,278
Sponsorship events	617	617	150
Commission	22,611	22,611	20,980
Friends subscriptions	22,571	22,571	21,918
Sponsor-a-dog subscriptions	11,642	11,642	9,423
	<u>68,183</u>	<u>68,183</u>	<u>59,607</u>
TOTAL 2019	<u>59,607</u>	<u>59,607</u>	

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. INCOME FROM OTHER TRADING ACTIVITIES (CONTINUED)

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Trading activities	90,983	90,983	103,520
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	103,520	103,520	
	<u> </u>	<u> </u>	

6. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from local listed investments	661	661	1,254
Investment income - local cash	35	35	2,240
	<u> </u>	<u> </u>	<u> </u>
	696	696	3,494
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	3,494	3,494	
	<u> </u>	<u> </u>	

7. EXPENDITURE ON RAISING FUNDS

COSTS OF RAISING VOLUNTARY INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Costs of raising voluntary income	4,689	4,689	5,912
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	5,912	5,912	
	<u> </u>	<u> </u>	

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. EXPENDITURE ON RAISING FUNDS (CONTINUED)

FUNDRAISING TRADING EXPENSES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
50/50 club	2,618	2,618	4,018
Raffle and draw costs	500	500	-
Marketing materials	975	975	356
Friends costs	539	539	5,619
	<u>4,632</u>	<u>4,632</u>	<u>9,993</u>
TOTAL 2019	<u>9,993</u>	<u>9,993</u>	

OTHER TRADING EXPENSES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Non-dog merchandise costs	21,967	21,967	19,215
	<u>21,967</u>	<u>21,967</u>	<u>19,215</u>
TOTAL 2019	<u>19,215</u>	<u>19,215</u>	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Animal rescue	55,465	765,170	820,635	743,663
	<u>55,465</u>	<u>765,170</u>	<u>820,635</u>	<u>743,663</u>
TOTAL 2019	<u>24,061</u>	<u>719,602</u>	<u>743,663</u>	

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Animal rescue	590,926	229,709	820,635	743,663
TOTAL 2019	516,002	227,661	743,663	

ANALYSIS OF DIRECT COSTS

	Animal rescue 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	278,612	278,612	249,189
Kennel costs	154,092	154,092	145,960
Veterinary costs	105,076	105,076	76,618
Other staff costs	20	20	336
Dog merchandise	53,126	53,126	43,899
	590,926	590,926	516,002
TOTAL 2019	516,002	516,002	

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Animal rescue 2020 £	Total funds 2020 £	Total funds 2019 £
Depreciation	35,262	35,262	16,286
Advertising, Publicity and information leaflets	3,031	3,031	5,639
Postage, printing and stationery	22,535	22,535	10,998
Motor expenses	10,020	10,020	19,757
Professional and consultancy fees	32,580	32,580	44,936
Bookkeeping and administration	-	-	307
Telephone	12,017	12,017	13,254
Irrecoverable VAT	-	-	2,685
Computer expenses	22,919	22,919	18,060
Travelling costs	10,378	10,378	14,229
Insurance	6,716	6,716	4,636
Bank charges	7,712	7,712	10,683
(Profit)/Loss on sale of fixed assets	(43)	(43)	(500)
Sundry	8,505	8,505	2,639
Premises costs	47,233	47,233	53,171
Governance costs	10,439	10,439	9,026
Training	405	405	1,855
	<u>229,709</u>	<u>229,709</u>	<u>227,661</u>
TOTAL 2019	<u>227,661</u>	<u>227,661</u>	

10. STAFF COSTS

	2020 £	2019 £
Wages and salaries	259,967	234,138
Social security costs	11,705	12,131
Contribution to defined contribution pension schemes	6,940	2,920
	<u>278,612</u>	<u>249,189</u>

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. STAFF COSTS (CONTINUED)

The average number of persons employed by the Charity during the year was as follows:

	2020	2019
	No.	No.
Total employees	20	16

No employee received remuneration amounting to more than £60,000 in either year.

Total employee benefits of key management personnel in the year ended 31 December 2020 amount to £Nil (2019: £Nil).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses totalling £997 were reimbursed or paid directly to 3 Trustees (2019 - £3,087 to 5 Trustees) relating to training, travel and subsistence.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Office equipment £	Moveable assets £	Total £
COST OR VALUATION					
At 1 January 2020	-	88,829	24,055	56,895	169,779
Additions	581,595	14,371	2,561	349	598,876
Disposals	-	(6,951)	-	-	(6,951)
At 31 December 2020	581,595	96,249	26,616	57,244	761,704
DEPRECIATION					
At 1 January 2020	-	66,631	21,303	31,899	119,833
Charge for the year	-	21,072	2,670	11,520	35,262
On disposals	-	(6,951)	-	-	(6,951)
At 31 December 2020	-	80,752	23,973	43,419	148,144
NET BOOK VALUE					
At 31 December 2020	581,595	15,497	2,643	13,825	613,560
At 31 December 2019	-	22,198	2,752	24,996	49,946

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Other debtors	29,115	26,854
Prepayments and accrued income	179,956	213,848
	<u>209,071</u>	<u>240,702</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans	7,853	-
Trade creditors	39,152	23,914
Other taxation and social security	7,408	3,491
Other creditors	3	3
Accruals and deferred income	7,607	6,923
	<u>62,023</u>	<u>34,331</u>

At the year end, an amount of £7,853 (2019 - £nil) of bank loans due within one year were secured against the Charity's assets.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Bank loans	<u>291,413</u>	<u>-</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	257,358	-
	<u>257,358</u>	<u>-</u>

At the year end, an amount of £291,413 (2019 - £nil) of bank loans due after more than one year were secured against the Charity's assets.

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
UNRESTRICTED FUNDS					
DESIGNATED FUNDS					
Designated Property Fund	280,000	-	-	2,329	282,329
GENERAL FUNDS					
General Funds	313,811	781,954	(796,458)	(2,329)	296,978
TOTAL UNRESTRICTED FUNDS	593,811	781,954	(796,458)	-	579,307
RESTRICTED FUNDS					
Support Adoption for Pets - Van donation	2,259	-	(2,259)	-	-
LE Andrews Charitable Trust - Van donation	6,333	-	(6,333)	-	-
L E Andrews - Van donation	15,120	-	(12,197)	-	2,923
Battersea Animal Partners Grant	13,968	-	(6,984)	-	6,984
Co-op Local Community fund	2,000	-	(1,005)	-	995
Mrs D M France- Hayhurst Foundation - Van donation	-	4,500	(562)	-	3,938
Support Adoption for Pets - Vet costs	-	20,000	(20,000)	-	-
LE Andrews - Van donation	-	5,000	(625)	-	4,375
Battersea Dogs and Cats Home - van for behaviourists	-	4,000	(500)	-	3,500
Battersea Dogs and Cats Home - extra kennel spaces	-	5,000	(5,000)	-	-
	39,680	38,500	(55,465)	-	22,715
TOTAL OF FUNDS	633,491	820,454	(851,923)	-	602,022

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. STATEMENT OF FUNDS (CONTINUED)

DESIGNATED FUNDS

The Cottage kennels fund relates to funds set aside for the purchase of kennels in Devon for the Charity to operate themselves to meet their charitable aims. The kennels were purchased in November 2020, and this designated fund now represents the cost of the property net of outstanding mortgage loan.

RESTRICTED FUNDS

VAN DONATIONS

These funds relate to donations towards the purchase and kitting out of vans. Expenditure represents depreciation and running costs on the vans purchased.

OTHER FUNDS

Support Adoption for Pets represents funds received towards vet fees, particularly dental treatment.

Battersea Animal Partners Grant is for the Home from Home cabin at Midsomer Pet Lodge.

Co-op Local Community fund represents funds received towards beds, vet sundries and other sundries in the eastern region.

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Cottage kennels	-	-	-	280,000	-	280,000
GENERAL FUNDS						
General Funds	478,057	856,121	(754,722)	(266,543)	898	313,811
TOTAL UNRESTRICTED FUNDS	478,057	-	(754,722)	13,457	898	593,811
RESTRICTED FUNDS						
Support Adoption for Pets - Van donation	5,747	-	(3,488)	-	-	2,259
LE Andrews Charitable Trust - Van donation	13,542	-	(7,209)	-	-	6,333
Mrs D M France - Hayhurst Foundation Van donation	1,350	-	(1,350)	-	-	-
Support Adoption for Pets	1,349	-	(1,349)	-	-	-
L E Andrews - Van Donation	19,556	-	(4,436)	-	-	15,120
Jean Sainsbury Animal Welfare Trust	4,461	-	(4,461)	-	-	-
Mars PetCare	6,000	-	-	(6,000)	-	-
Battersea Animal Partners Grant	-	25,193	-	(11,225)	-	13,968
Co-op Local Community fund	-	-	(1,768)	3,768	-	2,000

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
	52,005	25,193	(24,061)	(13,457)	-	39,680
TOTAL OF FUNDS	530,062	25,193	(778,783)	-	898	633,491

17. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Designated funds	280,000	-	-	2,329	282,329
General funds	313,811	781,954	(796,458)	(2,329)	296,978
Restricted funds	39,680	38,500	(55,465)	-	22,715
	633,491	820,454	(851,923)	-	602,022

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	-	-	-	280,000	-	280,000
General funds	478,057	856,121	(754,722)	(266,543)	898	313,811
Restricted funds	52,005	25,193	(24,061)	(13,457)	-	39,680
	530,062	881,314	(778,783)	-	898	633,491

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	14,736	598,824	613,560
Current assets	7,979	333,919	341,898
Creditors due within one year	-	(62,023)	(62,023)
Creditors due in more than one year	-	(291,413)	(291,413)
TOTAL	22,715	579,307	602,022

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	23,642	26,304	49,946
Current assets	21,381	596,495	617,876
Creditors due within one year	(5,343)	(28,988)	(34,331)
TOTAL	39,680	593,811	633,491

FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(31,469)	103,429
ADJUSTMENTS FOR:		
Depreciation charges	35,262	16,286
Gains/(losses) on investments	-	(898)
Dividends, interests and rents from investments	(696)	(3,494)
Profit on the sale of fixed assets	(43)	(500)
Decrease in stocks	422	3,139
Decrease/(increase) in debtors	30,594	(6,666)
Increase/(decrease) in creditors	320,142	(12,987)
NET CASH PROVIDED BY OPERATING ACTIVITIES	354,212	98,309

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	124,203	368,128
TOTAL CASH AND CASH EQUIVALENTS	124,203	368,128

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	368,128	(243,925)	124,203
Debt due within 1 year	-	(7,853)	(7,853)
Debt due after 1 year	-	(291,413)	(291,413)
	368,128	(543,191)	(175,063)

**FOREVER HOUNDS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. OPERATING LEASE COMMITMENTS

At 31 December 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	35,500	35,500
Later than 1 year and not later than 5 years	80,000	95,500
Later than 5 years	10,708	30,708
	126,208	161,708

23. RELATED PARTY TRANSACTIONS

In addition to their time, the trustees often provide support to the charity in the form of monetary donations and the donations of goods for sale in the charity's shop. During the year the trustees, in aggregate, made donations of £815 (2019 - £1,500).