

HAPPY PAWS PUPPY RESCUE

**ANNUAL REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2020

HAPPY PAWS PUPPY RESCUE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lisa Smart Michael Tomey Clare Walker Alice Ford
Charity number	1158323
Principal address	213 Kings Drive Eastbourne East Sussex BN21 2UJ
Independent examiner	Price & Company 30-32 Gildredge Road Eastbourne East Sussex BN21 4SH
Bankers	National Westminster Bank Plc 96 Terminus Road Eastbourne East Sussex BN21 3LX

HAPPY PAWS PUPPY RESCUE

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4 - 5
Balance sheet	6
Notes to the financial statements	7 - 16

HAPPY PAWS PUPPY RESCUE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objectives are to promote the care and wellbeing for animals by providing appropriate care, protection, treatment and security for the animals, as well as educating the public in matters pertaining to animal welfare in general and the prevention of cruelty and suffering among animals.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The last year has been a very productive yet with Covid 19 it has also been a very challenging year. We are rescuing more and more Golden Retrievers who need our help as well as a few setters and cocker spaniels

Our work and reputation continues to grow in Turkey and we are being asked to help more and more. The suffering of these beautiful dogs endure is very hard for the charity to see and we intend to do all we can to assist with their welfare wherever possible.

Most rescues are straight forward but some have been very challenging and upsetting. The one thing that remains the same is our dedication to readdress the balance.

All of our golden retrievers have been abandoned, thrown out to fend for themselves or handed to a pound. Supporters of the charity will know just how distressing this can be for them.

If they are thrown into public pounds they starve as they cannot fight for food.

The cruelty we see on a daily basis is very shocking. However, once we are alerted to their situation, their lives start to change. All our dogs go straight into foster care and it is really then that the journey begins to a better life. This is all only possible due to the wonderful backing we receive on a daily basis from our amazing supporters and the strong fundraising initiative which is now in place. As a charity we are so grateful for every donation, every kind comment on Facebook and each gentle word of encouragement.

The charity has set up a very successful Instagram page and our newly developed website is doing very well indeed. Our Facebook following continues to grow.

This really does give us the strength to keep fighting for our dog's futures. Without the support we receive we could not achieve our many happy endings.

As a charity we are acutely aware of the street dog's plight in Turkey. With this in mind we have set up a street dog feeding programme, vet treatment programme and a spay and neuter programme. All these programmes aim to make the life of these dogs a little more bearable. The charity has helped many thousands of dogs in this way and the programmes are continuing to expand.

HAPPY PAWS PUPPY RESCUE

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

The charity has also purchased and distributed many kennels so these poor souls can get out of the elements and feel safe.

Our centre in Turkey is doing a wonderful job for all animal welfare and we are very proud of all the people who are involved in the every day running of the centre.

When reflecting on our journey, a question we are asked a lot is to sum up in a few words why Happy Paws is successful. Well, we would all say 'love' for the retrievers we rescue, 'respect' for our partner charities and most of all the 'friendship' that we show one another. All these things keep us strong as a team and unwavering in our fight to keep our goldens safe and give them the life they so deserve.

Financial review

Gifts and donations received in the year were around £206,000 higher than the previous year, a further £40,897 of income was generated by way of a new lottery. The increase in income is extremely pleasing, strengthens our financial position and enables us to continue rescuing more and more Goldens.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at least a level equivalent to three month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a Charitable Incorporated Organisation governed by its constitution dated 31 July 2014.

The trustees who served during the year and up to the date of signature of the financial statements were:

Lisa Smart

Michael Tomey

Claire Walker

Alice Ford

(Resigned 25 June 2020)

Vanessa Barden

(Appointed 19 June 2020)

Trustees are recruited by personal recommendation and are appointed by a resolution proposal at a meeting of the charity trustees. Trustees are provided with appropriate training to undertake the role they will occupy within the charity.

The charity is run on a day to day basis by the three trustees with the help of volunteers.

The trustees' report was approved by the Board of Trustees.



Lisa Smart

Trustee

Dated: 27 November 2020

HAPPY PAWS PUPPY RESCUE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAPPY PAWS PUPPY RESCUE

I report to the trustees on my examination of the financial statements of Happy Paws Puppy Rescue (the charity) for the year ended 31 August 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable 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 The Association of Chartered Certified Accountants, 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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 financial statements to be reached.



Nathan Coker ACCA

30-32 Gildredge Road
Eastbourne
East Sussex
BN21 4SH

Dated: 27 November 2020

HAPPY PAWS PUPPY RESCUE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

Current financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	524,759	-	524,759	318,898
Other trading activities	4	40,897	-	40,897	24,585
Income from investments	5	256	-	256	204
Other income	6	-	-	-	2,133
Total income		565,912	-	565,912	345,820
<u>Expenditure on:</u>					
Raising funds	7	33,567	-	33,567	21,614
Charitable activities	8	437,070	791	437,861	310,131
Total resources expended		470,637	791	471,428	331,745
Net income/(expenditure) for the year/ Net movement in funds		95,275	(791)	94,484	14,075
Fund balances at 1 September 2019		151,915	3,164	155,079	141,004
Fund balances at 31 August 2020		247,190	2,373	249,563	155,079

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

All income and expenditure derive from continuing activities.

HAPPY PAWS PUPPY RESCUE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	318,898	-	318,898
Other trading activities	4	24,585	-	24,585
Income from investments	5	204	-	204
Other income	6	2,133	-	2,133
Total income		345,820	-	345,820
<u>Expenditure on:</u>				
Raising funds	7	21,614	-	21,614
Charitable activities	8	306,576	3,555	310,131
Total resources expended		328,190	3,555	331,745
Net income/(expenditure) for the year/ Net movement in funds		17,630	(3,555)	14,075
Fund balances at 1 September 2018		134,285	6,719	141,004
Fund balances at 31 August 2019		151,915	3,164	155,079

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

All income and expenditure derive from continuing activities.

HAPPY PAWS PUPPY RESCUE

BALANCE SHEET AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		15,119		3,164
Current assets					
Debtors	13	-		6,656	
Cash at bank and in hand		240,638		149,337	
		<u>240,638</u>		<u>155,993</u>	
Creditors: amounts falling due within one year	14	(6,194)		(4,078)	
Net current assets			234,444		151,915
Total assets less current liabilities			<u>249,563</u>		<u>155,079</u>
Income funds					
Restricted funds	15		2,373		3,164
Unrestricted funds			247,190		151,915
			<u>249,563</u>		<u>155,079</u>

The financial statements were approved by the Trustees on 27 November 2020



Lisa Smart
Trustee

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

1 Accounting policies

Charity information

Happy Paws Puppy Rescue is a Charitable Incorporated Organisation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

1 Accounting policies (Continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	3 years straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

HAPPY PAWS PUPPY RESCUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	516,759	318,898
General grants	8,000	-
	<u>524,759</u>	<u>318,898</u>

4 Other trading activities

	Unrestricted funds	Total
	2020	2019
	£	£
Sponsorships and social lotteries	<u>40,897</u>	<u>24,585</u>

HAPPY PAWS PUPPY RESCUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

5 Income from investments

	Unrestricted funds	Total
	2020	2019
	£	£
Interest receivable	256	204
	<u>256</u>	<u>204</u>

6 Other income

	Total Unrestricted funds	
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	-	2,133
	<u>-</u>	<u>2,133</u>

7 Raising funds

	Unrestricted funds	Total
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Membership schemes and social lotteries	11,780	7,895
Other fundraising costs	21,787	13,719
	<u>33,567</u>	<u>21,614</u>
Fundraising and publicity	33,567	21,614
	<u>33,567</u>	<u>21,614</u>

HAPPY PAWS PUPPY RESCUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	2020 £	2019 £
Depreciation and impairment	5,040	1,255
Transportation of animals	145,645	110,179
Foster and veterinarian fees	170,252	140,073
Pet food	28,208	9,896
Travel, subsistence and mileage	3,117	5,460
Donations	57,958	18,853
Sundry	1,654	2,228
	<u>411,874</u>	<u>287,944</u>
Share of support costs (see note 9)	23,947	20,147
Share of governance costs (see note 9)	2,040	2,040
	<u>437,861</u>	<u>310,131</u>
Analysis by fund		
Unrestricted funds	437,070	306,576
Restricted funds	791	3,555
	<u>437,861</u>	<u>310,131</u>

HAPPY PAWS PUPPY RESCUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Printing, postage and stationery	17,602	-	17,602	12,892
Telephone	1,024	-	1,024	1,545
Website costs	302	-	302	28
Advertising	125	-	125	1,567
Bank charges	-	-	-	20
Insurance	369	-	369	393
Office rent	4,400	-	4,400	3,600
Sundry	125	-	125	102
Independent examination fees	-	2,040	2,040	2,040
	<u>23,947</u>	<u>2,040</u>	<u>25,987</u>	<u>22,187</u>
Analysed between Charitable activities	<u>23,947</u>	<u>2,040</u>	<u>25,987</u>	<u>22,187</u>

Governance costs includes payments to the auditors of £2,040 (2019 - £2,040) for independent examination fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration from the charity during the year.

Lisa Smart, Trustee, was paid £4,400 (2019: 3,600) for use of home and premises as office/storage during the year.

11 Employees

There were no employees during the year.

HAPPY PAWS PUPPY RESCUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Computers	Motor vehicles	Total
	£	£	£
Cost			
At 1 September 2019	600	10,000	10,600
Additions	-	16,995	16,995
	<u>600</u>	<u>26,995</u>	<u>27,595</u>
At 31 August 2020	600	26,995	27,595
Depreciation and impairment			
At 1 September 2019	600	6,836	7,436
Depreciation charged in the year	-	5,040	5,040
	<u>600</u>	<u>11,876</u>	<u>12,476</u>
At 31 August 2020	600	11,876	12,476
Carrying amount			
At 31 August 2020	-	15,119	15,119
	<u>-</u>	<u>15,119</u>	<u>15,119</u>
At 31 August 2019	-	3,164	3,164
	<u>-</u>	<u>3,164</u>	<u>3,164</u>

13 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	-	6,287
Prepayments and accrued income	-	369
	<u>-</u>	<u>6,656</u>
	<u>-</u>	<u>6,656</u>

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	2,500	548
Accruals and deferred income	3,694	3,530
	<u>6,194</u>	<u>4,078</u>
	<u>6,194</u>	<u>4,078</u>

HAPPY PAWS PUPPY RESCUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2018 £	Resources expended £	Balance at 1 September 2019 £	Resources expended £	Balance at 31 August 2020 £
Motor vehicle	4,219	(1,055)	3,164	(791)	2,373
Neutering work in Turkey	2,500	(2,500)	-	-	-
	<u>6,719</u>	<u>(3,555)</u>	<u>3,164</u>	<u>(791)</u>	<u>2,373</u>

Purpose of Restricted funds

Motor vehicle

A donation of £10,000 was received in 2016 for the purchase of a motor vehicle. This vehicle was treated as a fixed asset and is depreciated annually.

16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:					
Tangible assets	12,746	2,373	15,119	-	3,164
Current assets/ (liabilities)	234,444	-	234,444	151,915	151,915
	<u>247,190</u>	<u>2,373</u>	<u>249,563</u>	<u>151,915</u>	<u>155,079</u>

HAPPY PAWS PUPPY RESCUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Related party transactions

Transactions with related parties

	2020 £	2019 £
Sale of a motor vehicle at fair value to a charity connected by a common Trustee in Lisa Smart	-	10,000
Money owed to a charity connected by a common Trustee in Lisa Smart	2,500	-
	<u>2,500</u>	<u>10,000</u>