

CHARITY REGISTRATION NUMBER: 1160509

Munchkins Miniature Shetland Rescue
Unaudited Financial Statements
31 August 2021

Munchkins Miniature Shetland Rescue

Financial Statements

Year ended 31 August 2021

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Munchkins Miniature Shetland Rescue

Trustees' Annual Report

Year ended 31 August 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2021.

Reference and administrative details

Registered charity name Munchkins Miniature Shetland Rescue

Charity registration number 1160509

Principal office Morganhayes Farmhouse
Southleigh
Colyton
Devon
EX24 6RY

The trustees

T Marx	Chair of trustees
A Leggett	
N Hitchcock	Resigned 9 September 2021
J Walters	
M Dean	Resigned 8 January 2022
Dr J Richardson	Appointed 30 April 2021
J Ward	Appointed 2 May 2021
C Harris	Appointed 10 January 2022

Independent examiner Mr S J Carrington (FCA)
For and on behalf of Thomas Westcott Chartered Accountants
Timberly
South Street
Axminster
Devon
England
EX13 5AD

Munchkins Miniature Shetland Rescue

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Structure, governance and management

Munchkins Miniature Shetland Rescue is a charitable incorporated organisation governed by a constitution dated 16 February 2015. The charity is managed by a group of up to 8 Trustees who are appointed by the existing Trustees.

Munchkins has no paid employees, but is run by volunteers of whom there are currently 30 adults on roll, plus teenage helpers at the weekends. Most come regularly every week, providing hands-on help with the ponies. Others perform administrative tasks or help to maintain the facilities. Others help on special occasions, notably the annual summer fayre and other fund-raising activities. The Trustees wish to record once again their grateful thanks for the hard work, dedication and commitment of all our volunteers.

Objectives and activities

The charitable objective of the charity is 'for the benefit of the public to relieve the suffering of miniature Shetland ponies in need of care and attention and, in particular, to provide and maintain a rescue home or other facilities for the reception, care and treatment of such ponies.'

In the last year we have cared for 55 ponies, of which 15 were new arrivals and 14 have been rehomed. All have been provided with suitable grazing and additional feed, hay and supplements as appropriate. All receive regular veterinary treatment including vaccination, worming and dental care. In addition, several ponies have been treated for ongoing chronic conditions and many others need specialist management to control laminitis.

Purpose built stables and sand turn out area are available for those who need it and field shelters are also provided. In addition, a large concrete area around the barn is used in adverse weather conditions. A track system is available for use primarily by laminitic ponies. All ponies are checked and handled daily by our team of volunteers, who also ensure that all facilities are kept clean and safe.

We are contacted several times a week by members of the public reporting ponies in need or requesting help for their own ponies owing to personal circumstances. In choosing those most in need, the Trustees have regard for the guidance issued by the Charity Commission on public benefit.

Where the physical and behavioural condition of the ponies is suitable, we seek long-term foster homes, which are rigorously checked both before and during placement.

Munchkins Miniature Shetland Rescue

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

Achievements and performance

Munchkins continues to thrive as a busy and effective rescue centre with a well established reputation within the UK and overseas. We have been recognised by many visitors and professionals as exemplifying best practice in our work with miniature Shetlands, whose requirements are highly specialised.

Our seventh year as a charity has again been one of many ups and downs continuing to navigate through the Covid-19 pandemic. The centre was closed to visitors from March 2020 and we have gradually begun to welcome visits from members of the public who are on our 'sponsor a pony scheme'. We also begun gradually increasing our volunteer numbers again once restrictions allowed and we would like to express our thanks to those volunteers who continued to provide exemplary care for the ponies during the national lockdowns.

All our summer fundraising was cancelled again including our annual summer fayre which is our main fundraiser of the year. We were lucky enough to receive financial support in the form of grants from the following organisations and we would like to say a big thank you to them for supporting the work that we do.

- Animal Friends Pet Insurance
- PetPlan
- The Jean Sainsbury Animal Welfare Trust
- The Pets at Home Foundation (formerly Support Adoption for Pets)
- The Animal Rescue Foundation
- Tesco Groundworks
- The Hilda Homes Trust Fund

In October 2020, Munchkins was very proud to be accepted as a member of the National Equine Welfare Council (NEWC). NEWC is a nationally recognised body, representing and supporting equine welfare charities throughout the UK. Its aims are to educate and to lobby for regulation and law enforcement to protect the health and welfare of all horses, ponies and donkeys in the UK. By becoming a NEWC member, Munchkins demonstrates that as a charity we have the welfare and care of our ponies as our top priority at all times. It is a 'Quality Mark' for what we do and the high standards that we keep. With over 70 charity members, joining NEWC means that we are now part of

a large equine welfare network where ideas are discussed and experiences shared. We are looking forward to the possibility of working with NEWC and other NEWC members in the future.

We have a number of further plans including the installation of CCTV, possible erection of a winter barn, enlarging our track system and much needed drainage works heading into winter.

Munchkins provides a safe and comfortable home for our rescued ponies and a beautiful and peaceful place to visit and enjoy.

Munchkins Miniature Shetland Rescue

Trustees' Annual Report *(continued)*

Year ended 31 August 2021

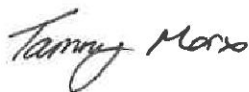
Financial review

The total reserves as at the year-end stood at £210,521 (2020: £189,397). Of this, £2755 was restricted (2020: Nil). Income increased slightly on last year to £115,076 (2020: £113,892). Similarly, expenditure increased to £93,952 (2020: 62,157).

The Trustees aim to maintain a current balance sufficient for at least six months' essential running costs. This balance also allows for unexpected costs such as major vet bills or infrastructure repairs. The Trustees take care to consider further improvements and to prioritise spending on future projects. Munchkins continues to raise funds from the public by way of donations and fund-raising events.

The trustees' annual report was approved on 2nd March 22 and signed on behalf of the board of trustees by:

T Marx
Trustee



A Leggett
Trustee



Munchkins Miniature Shetland Rescue

Independent Examiner's Report to the Trustees of Munchkins Miniature Shetland Rescue

Year ended 31 August 2021

I report to the trustees on my examination of the financial statements of Munchkins Miniature Shetland Rescue ('the charity') for the year ended 31 August 2021.

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 Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 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 accounts to be reached.



Mr S J Carrington (FCA)
For and on behalf of Thomas Westcott Chartered Accountants
Timberly
South Street
Axminster
Devon
England
EX13 5AD

22.3.2022

Munchkins Miniature Shetland Rescue

Statement of Financial Activities

Year ended 31 August 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	4	83,558	11,000	94,558	99,765
Charitable activities	5	17,033	—	17,033	11,940
Other trading activities	6	3,482	—	3,482	2,187
Investment income	7	3	—	3	—
Total income		<u>104,076</u>	<u>11,000</u>	<u>115,076</u>	<u>113,892</u>
Expenditure					
Expenditure on charitable activities	8,9	85,707	8,245	93,952	62,157
Total expenditure		<u>85,707</u>	<u>8,245</u>	<u>93,952</u>	<u>62,157</u>
Net income and net movement in funds		<u>18,369</u>	<u>2,755</u>	<u>21,124</u>	<u>51,735</u>
Reconciliation of funds					
Total funds brought forward		189,397	—	189,397	137,662
Total funds carried forward		<u>207,766</u>	<u>2,755</u>	<u>210,521</u>	<u>189,397</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 8 to 16 form part of these financial statements.

Munchkins Miniature Shetland Rescue

Statement of Financial Position

31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	16	149,511	160,513
Current assets			
Stocks	17	487	—
Debtors	18	4,336	—
Cash at bank and in hand		58,951	28,884
		<u>63,774</u>	<u>28,884</u>
Creditors: amounts falling due within one year	19	2,764	—
Net current assets		<u>61,010</u>	<u>28,884</u>
Total assets less current liabilities		<u>210,521</u>	<u>189,397</u>
Net assets		<u>210,521</u>	<u>189,397</u>
Funds of the charity			
Restricted funds		2,755	—
Unrestricted funds		207,766	189,397
Total charity funds	20	<u>210,521</u>	<u>189,397</u>

These financial statements were approved by the board of trustees and authorised for issue on 2nd March 2022 and are signed on behalf of the board by:

T Marx
Trustee

Tammy Marx

A Leggett
Trustee

A. Leggett

The notes on pages 8 to 16 form part of these financial statements.

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements

Year ended 31 August 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Morganhayes Farmhouse, Southleigh, Colyton, Devon, EX24 6RY.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 5% straight line
Fixtures and fittings	- 20% straight line
Motor vehicles	- 25% reducing balance
User defined asset	- 10% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations	68,828	—	68,828
Legacies	—	—	—
Grants receivable	14,500	11,000	25,500
Sponsorship	230	—	230
	<u>83,558</u>	<u>11,000</u>	<u>94,558</u>

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations	73,165	—	73,165
Legacies	5,000	—	5,000
Grants receivable	21,400	—	21,400
Sponsorship	200	—	200
	<u>99,765</u>	<u>—</u>	<u>99,765</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Sale of goods/services as part of direct charitable activities	<u>17,033</u>	<u>17,033</u>	<u>11,940</u>	<u>11,940</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Fundraising events	<u>3,482</u>	<u>3,482</u>	<u>2,187</u>	<u>2,187</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>3</u>	<u>3</u>	<u>—</u>	<u>—</u>

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Charitable activities	38,665	7,500	46,165
Support costs	47,042	745	47,787
	<u>85,707</u>	<u>8,245</u>	<u>93,952</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	28,993	—	28,993
Support costs	33,164	—	33,164
	<u>62,157</u>	<u>—</u>	<u>62,157</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable activities	<u>46,165</u>	<u>47,787</u>	<u>93,952</u>	<u>62,157</u>

10. Activities undertaken directly

	Total 2021 £	Total 2020 £
Clipping	377	200
Feed, bedding, supplies	7,929	5,487
Hay	2,975	2,650
Massage/behavioural	4,124	3,315
Trimmer	5,558	3,421
Vet fees	<u>25,202</u>	<u>13,920</u>
	<u>46,165</u>	<u>28,993</u>

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2021

11. Support costs

	Total 2021	Total 2020
	£	£
Premises	4,936	4,182
PayPal fees	2,311	2,572
General office	8,495	7,152
Human resources	1,136	2,621
Governance costs	2,215	1,147
Depreciation	23,599	13,061
Sundry costs	219	50
Profit/loss on disposal	—	2,000
Motor and travelling costs	1,614	379
Fundraising costs	3,202	—
	<u>47,727</u>	<u>33,164</u>

12. Net income

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	23,599	13,061
Loss on disposal of fixed assets	—	2,000
	<u>—</u>	<u>—</u>

13. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	500	259
	<u>—</u>	<u>—</u>

14. Staff costs

The average head count of employees during the year was Nil (2020: Nil).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

The land that the charity operates on is owned by one of the trustees. The charity does not pay rent and there is a lease in place until 2030. The charity receives £140 per month from this trustee to cover the cost of the stock used by her own personal horses.

During the year, expenses totalling £467 were reimbursed to two of the trustees.

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements (continued)

Year ended 31 August 2021

16. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	User defined asset £	Total £
Cost					
At 1 September 2020	78,880	5,046	50,862	66,900	201,688
Additions	—	1,515	—	11,082	12,597
At 31 August 2021	78,880	6,561	50,862	77,982	214,285
Depreciation					
At 1 September 2020	13,123	3,865	8,222	15,965	41,175
Charge for the year	3,944	1,197	10,660	7,798	23,599
At 31 August 2021	17,067	5,062	18,882	23,763	64,774
Carrying amount					
At 31 August 2021	61,813	1,499	31,980	54,219	149,511
At 31 August 2020	65,757	1,181	42,640	50,935	160,513

17. Stocks

	2021 £	2020 £
Raw materials and consumables	487	—

18. Debtors

	2021 £	2020 £
Prepayments and accrued income	4,036	—
Other debtors	300	—
	4,336	—

19. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,609	—
Accruals and deferred income	1,155	—
	2,764	—

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements (continued)

Year ended 31 August 2021

20. Analysis of charitable funds

Unrestricted funds

	At 1 September 2020	Income	Expenditure	At 31 August 20 21
	£	£	£	£
General funds	189,397	115,076	(93,952)	210,521

	At 1 September 2019	Income	Expenditure	At 31 August 20 20
	£	£	£	£
General funds	137,662	113,892	(62,157)	189,397

Restricted funds

	At 1 September 2020	Income	Expenditure	At 31 August 20 21
	£	£	£	£
Tesco Groundworks	-	1,000	(334)	666
Animal Friends Pet Insurance	-	2,500	(2,500)	-
Animal Rescue Foundation	-	2,500	(411)	2,089
Pets at Home Foundation	-	5,000	(5,000)	-
		11,000	8,245	2,755

21. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	2021 £
Tangible fixed assets	147,422	2,089	149,511
Current assets	63,108	666	63,774
Creditors less than 1 year	(2,764)	-	(2,764)
Net assets	207,766	2,755	210,521

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	2020 £
Tangible fixed assets	160,513	-	160,513
Current assets	28,884	-	28,884
Creditors less than 1 year	-	-	-
Net assets	189,397	-	189,397