

CHARITY REGISTRATION NUMBER: 1160509

Munchkins Miniature Shetland Rescue
Unaudited Financial Statements
31 August 2022

Munchkins Miniature Shetland Rescue

Financial Statements

Year ended 31 August 2022

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	5
Statement of financial activities	6
Statement of financial position	7
Notes to the financial statements	8

Munchkins Miniature Shetland Rescue

Trustees' Annual Report

Year ended 31 August 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2022.

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	
A Leggett	Resigned 11 May 2022
N Hitchcock	Resigned 9 September 2021
J Walters	
M Dean	Resigned 8 January 2022
Dr J Richardson	Resigned 9 December 2022
J Ward	Resigned 14 December 2022
C Harris	Resigned 7 December 2022
A Foxcroft	Appointed 15 March 2023
K Lavery	Appointed 5 January 2023

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

Munchkins Miniature Shetland Rescue

Trustees' Annual Report *(continued)*

Year ended 31 August 2022

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 56 ponies, of which 11 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 vaccinations, 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 which need it and field shelters are also provided. In addition, a large concrete area around the barn is used in adverse weather conditions. We are working on a new track system 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 regularly 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 after placement.

Public benefit

In planning the activities for the year, the Trustees have kept in mind the Charity Commission guidance on public benefit.

Munchkins Miniature Shetland Rescue

Trustees' Annual Report *(continued)*

Year ended 31 August 2022

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 eighth year as a charity has again been one of many ups and downs following on from the Covid-19 pandemic. The centre was pleased to open up again after the pandemic and we have been able 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 continue to provide exemplary care for the ponies.

We were able to attend a number of local summer fundraising events but, unfortunately, some were cancelled due to bad weather. We held our annual summer fayre which was very successful, being 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
- Movement for Good (Ecclesiastical)
- The Hilda Homes Trust Fund

Munchkins continues to be a very proud member of the National Equine Welfare Council. 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. In October 2022 Munchkins was delighted to have been nominated as a finalist in the Equestrian Business Awards (Charity of the Year) and attended the prize giving ceremony in Nottingham. We were runners up to Redwings, the largest horse and pony charity in the UK. We were delighted. On 1st November 2022, HAPPA (Horses and Ponies Protection Association) contacted our Manager and Founder, Tammy Marx to announce that she had been awarded the Ken Cranage Memorial Trophy which is presented to an employee or volunteer from any recognised agency who has made an outstanding contribution to equine welfare.

We have now installed CCTV and are looking forward to working towards the erection of a new barn, a new track system, an office and possible veterinary room hopefully in the coming year.

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

Financial review

The financial statements and the accounting policies used in their preparation comply with all the current statutory requirements and with the governing document.

The Statement of Financial Activities shows the charity had total income of £124,310 (2021: £115,076) and total expenditure of £122,222 (2021: £93,952) during the period. Expenditure exceeded income in the period by £2,088 (2021: £21,124).

The total reserves held at the year end were £212,609 (2021: £210,521). Of this £7,965 (2021: £2,755) was restricted.

Munchkins Miniature Shetland Rescue

Trustees' Annual Report *(continued)*

Year ended 31 August 2022

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 13/06/23 and signed on behalf of the board of trustees by:



T Marx
Trustee



J Walters
Trustee

Munchkins Miniature Shetland Rescue

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

Year ended 31 August 2022

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 2022.

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 Westcotts (SW) LLP
Timberly
South Street
Axminster
Devon
England
EX13 5AD

20-6-2023

Munchkins Miniature Shetland Rescue

Statement of Financial Activities

Year ended 31 August 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	93,301	8,000	101,301	94,558
Charitable activities	5	7,192	—	7,192	17,033
Other trading activities	6	15,811	—	15,811	3,482
Investment income	7	6	—	6	3
Total income		<u>116,310</u>	<u>8,000</u>	<u>124,310</u>	<u>115,076</u>
Expenditure					
Expenditure on charitable activities	8,9	<u>119,432</u>	<u>2,790</u>	<u>122,222</u>	<u>93,952</u>
Total expenditure		<u>119,432</u>	<u>2,790</u>	<u>122,222</u>	<u>93,952</u>
Net income and net movement in funds		<u>(3,122)</u>	<u>5,210</u>	<u>2,088</u>	<u>21,124</u>
Reconciliation of funds					
Total funds brought forward		207,766	2,755	210,521	189,397
Total funds carried forward		<u>204,644</u>	<u>7,965</u>	<u>212,609</u>	<u>210,521</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

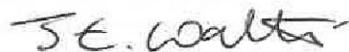
31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	15	141,235	149,511
Current assets			
Stocks	16	1,351	487
Debtors	17	6,189	4,336
Cash at bank and in hand		66,295	58,951
		73,835	63,774
Creditors: amounts falling due within one year	18	2,461	2,764
Net current assets		71,374	61,010
Total assets less current liabilities		212,609	210,521
Net assets		212,609	210,521
Funds of the charity			
Restricted funds		7,965	2,755
Unrestricted funds		204,644	207,766
Total charity funds	19	212,609	210,521

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:


T Marx
Trustee

J Walters
Trustee



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 2022

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.

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

Going concern

The Trustees have prepared the accounts on the going concern basis as there are no future planned or committed expenditure beyond that which can be supported from known income or current levels of reserves.

Disclosure exemptions

The Charity has taken advantage of the exemption in FRS102 from the requirement to produce a cashflow statement because it is a small charity.

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.

There are no judgements or key sources of estimation uncertainty that have a significant risk of causing a material adjustment to assets and liabilities to be disclosed.

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 a 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.

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

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.

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.

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

3. Accounting policies *(continued)*

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.

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
Field projects	- 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.

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

3. Accounting policies *(continued)*

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.

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.

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 2022 £
Donations	78,301	–	78,301
Grants receivable	15,000	8,000	23,000
Sponsorship	–	–	–
	<u>93,301</u>	<u>8,000</u>	<u>101,301</u>

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

4. Donations and legacies *(continued)*

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

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Sale of goods/services as part of direct charitable activities	<u>7,192</u>	<u>7,192</u>	<u>17,033</u>	<u>17,033</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising events	<u>15,811</u>	<u>15,811</u>	<u>3,482</u>	<u>3,482</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>6</u>	<u>6</u>	<u>3</u>	<u>3</u>

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements (continued)

Year ended 31 August 2022

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Charitable activities	62,543	–	62,543
Support costs	56,889	2,790	59,679
	<u>119,432</u>	<u>2,790</u>	<u>122,222</u>

	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>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Charitable activities	<u>62,543</u>	<u>59,679</u>	<u>122,222</u>	<u>93,952</u>

10. Support costs

	Total 2022 £	Total 2021 £
Premises	7,211	4,936
PayPal fees	1,585	2,311
General office	11,561	8,495
Human resources	3,544	1,136
Governance costs	1,758	2,215
Depreciation	22,510	23,599
Sundry costs	673	219
Motor and travelling costs	1,840	1,614
Fundraising costs	8,997	3,202
	<u>59,679</u>	<u>47,727</u>

11. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>22,510</u>	<u>23,599</u>

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements (continued)

Year ended 31 August 2022

12. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>538</u>	<u>500</u>

13. Staff costs

The average head count of employees during the year was Nil (2021: Nil).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

14. 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 £146 (2021: £467) were reimbursed to one (2021: two) of the trustees.

15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Field projects £	Total £
Cost					
At 1 September 2021	78,880	6,561	50,862	77,982	214,285
Additions	—	9,397	—	4,837	14,234
At 31 August 2022	<u>78,880</u>	<u>15,958</u>	<u>50,862</u>	<u>82,819</u>	<u>228,519</u>
Depreciation					
At 1 September 2021	17,067	5,062	18,882	23,763	64,774
Charge for the year	3,944	2,289	7,995	8,282	22,510
At 31 August 2022	<u>21,011</u>	<u>7,351</u>	<u>26,877</u>	<u>32,045</u>	<u>87,284</u>
Carrying amount					
At 31 August 2022	<u>57,869</u>	<u>8,607</u>	<u>23,985</u>	<u>50,774</u>	<u>141,235</u>
At 31 August 2021	<u>61,813</u>	<u>1,499</u>	<u>31,980</u>	<u>54,219</u>	<u>149,511</u>

16. Stocks

	2022 £	2021 £
Raw materials and consumables	<u>1,351</u>	<u>487</u>

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements (continued)

Year ended 31 August 2022

17. Debtors

	2022 £	2021 £
Prepayments and accrued income	6,189	4,036
Other debtors	—	300
	<u>6,189</u>	<u>4,336</u>

18. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,396	1,609
Accruals and deferred income	1,065	1,155
	<u>2,461</u>	<u>2,764</u>

19. Analysis of charitable funds

Unrestricted funds

	At 1 September 2021 £	Income £	Expenditure £	At 31 August 20 22 £
General funds	<u>207,766</u>	<u>116,310</u>	<u>(119,432)</u>	<u>204,644</u>

	At 1 September 2020 £	Income £	Expenditure £	At 31 August 20 21 £
General funds	<u>189,397</u>	<u>104,076</u>	<u>(85,707)</u>	<u>207,766</u>

	At 1 September 2021 £	Income £	Expenditure £	At 31 August 20 22 £
Restricted Funds				
Tesco Groundworks	666	—	(666)	—
Animal Friends Pet Insurance	—	3,000	(1,713)	1,287
Animal Rescue Foundation	2,089	—	(411)	1,678
Pets at Home Foundation	—	—	—	—
Hilda Holmes Trust	—	5,000	—	5,000
	<u>2,755</u>	<u>8,000</u>	<u>(2,790)</u>	<u>7,965</u>

	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)	—
Hilda Holmes Trust	—	—	—	—
	<u>—</u>	<u>11,000</u>	<u>(8,245)</u>	<u>2,755</u>

Munchkins Miniature Shetland Rescue

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

Tesco Groundworks – This fund was held specifically to be spent on horse lorry maintenance.

Animal Friends Pet Insurance – This fund was held specifically to be spent on insurance.

Animal Rescue Foundation – This fund was held specifically for capital expenditure on the field shelter.

Pets at Home Foundation – These funds were held specifically to be spent on vet and feed costs.

Hilda Holmes Trust – This fund is held specifically for capital expenditure towards the new track system.

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	139,557	1,678	141,235
Current assets	67,548	6,287	73,835
Creditors less than 1 year	(2,461)	–	(2,461)
Net assets	204,644	7,965	212,609

	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