

Registered number: 04311334
Charity number: 201654

Friends of Animals League
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2020

Friends of Animals League
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the company, its Trustees and advisers	1
Trustees' report	2 - 6
Independent auditors' report on the financial statements	7 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 28

Friends of Animals League
(A company limited by guarantee)

Reference and administrative details of the company, its Trustees and advisers
For the year ended 31 December 2020

Trustees	Paul Dewdney, Chair Charles Johnston, Vice Chair Elizabeth Cordingley Edward Knox Ian Price Nicholas Ulycz Carole Vernon
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Company registered number	04311334
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Charity registered number	201654
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Registered office	Jail Lane Biggin Hill Kent TN16 3AX
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Independent auditors	Kreston Reeves LLP Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
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Friends of Animals League
(A company limited by guarantee)

Trustees' report
For the year ended 31 December 2020

The Trustees present their annual report together with the audited financial statements of the company for the year ended 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 company 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. Objective

The primary objective of the Friends of Animals League (FOAL) is to relieve the suffering of animals. The mission of FOAL is to take in as many animals as can be properly cared for, restore them to health and, where possible, find them good new homes or provide sanctuary and safety for life.

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)'.

Achievements and performance

a. Key performance indicators

At the year-end our net deficit was £269,590 which compares to a net deficit of £43,388 for the previous year. With general funds at the year-end of £1,241,702 (2019: £1,480,855) and net current assets of £554,874 we remain in a secure financial position. The main income stream in 2020 switched from Legacies (£187,794 compared to £514,893 in 2019) to Donations (£374,532 compared to £127,485 in 2019). Members and donors have been more generous than ever, which has been supported by more focused fundraising campaigns by our team including targeting corporate donations more effectively.

Whilst generous benefactors continue to recognise FOAL in their wills, it is thought that delays with solicitors meant fewer were processed in 2020 than in normal years. This is further validated by legacies in excess of £500,000 already received in 2021. The Trustees recognise that Legacy income is unpredictable and remain committed to diversifying FOAL's fundraising activities to ensure the long-term future of the Farm. Unfortunately, the COVID-19 pandemic impacted many of the alternate revenue streams available to FOAL as the farm itself was closed to visitors, the Biggin Hill charity shop was also closed, and fund-raising events cancelled for most of the year. This meant income from the sale of goods and fundraising was down from £142,086 in 2019 to £68,523 in 2020. The Trustees are confident this decline can be reversed in 2021, notwithstanding the first half of the year remained very disrupted due to COVID-19 lockdowns. FOAL also engaged in the Government backed Furlough Scheme, having received £45,162.

The management team at the Farm made concerted efforts to manage costs throughout 2020 to offset the impact to income with expenditure related to Charitable activity £984,838 (2019: £1,061,438).

Friends of Animals League
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Achievements and performance (continued)

b. Review of activities and future plans

The financial year ending December 2020 was a challenging year for FOAL as it was for many charities and companies. The COVID-19 pandemic had numerous impacts including closing the farm to visitors, closing the charity shop for extended periods, cancelling fund raising events and diverting management focus from commercial activities to navigating the day-to-day challenges of operating a farm during a pandemic. The Management team, staff and volunteers handled the challenges exceptionally well and managed to continue to meet the objective of the charity throughout 2020. Their hard work and dedication are extremely appreciated by the Trustees and by the animals who ultimately benefit greatly from it. Our members and supporters in the community continued to show that this charity is important in the community in which it serves through their generosity in terms of donations, gifts and legacies.

Preserving the financial security of the charity remains one of our main priorities alongside relieving the suffering of animals. Significant financial support continues to come from generous benefactors who recognise FOAL in their wills. Whilst these legacies are gratefully received, they are also unpredictable in nature. Therefore, the management team and trustees continue to focus on generating income in other ways and carefully managing costs to ensure FOAL can continue to offer a haven for animals in the long term. The COVID-19 pandemic meant a significant amount of management attention was diverted to the day-to-day challenges of running FOAL and keeping our staff and volunteers safe. This unfortunately diverted some focus away from continued efforts to diversify income. However, progress was made with the appointment of a dedicated commercial manager who spent the year actively pursuing grants and corporate donations and also laying the foundations to increase fundraising in 2021, working on a new brand, updated website and improved infrastructure at the farm to support contactless donations in more locations.

In the lead up to the COVID-19 pandemic the Board of Trustees had agreed to invest in the upgrade of the main kennel block with £125,015 set aside in restricted funds. The Trustees were also exploring the commercial and operational benefits of improving the road access to the farm and considering an additional retail outlet to generate income. Given the uncertain outlook, the board agreed to put material investment on hold in 2020 but plans are now progressing on both fronts in 2021.

With animal welfare being our reason for being, it was paramount that any actions undertaken by the charity to deal with the pandemic did not have any impact on this core value, or the operational management of the farm. The on-site management of COVID-19 was extremely robust, and as such the actual impact on our animal teams was minimal and manageable, but nonetheless challenging. The commitment to ensuring that our animals did not suffer was exceptional and delivered in an extremely positive and professional way, despite the reduction in volunteer hours which had an obvious and expected impact.

Difficulties faced during the year included not being able to carry out home adoption suitability checks for several months, which sometimes held up the homing of an animal. Our re-homing policies are extremely robust and important. As such, we had to be careful that we did not compromise on these in the face of the potential pandemic reactions where higher levels of temporary working from home could have lead to 'wrong reason' adoptions, and the long-term implications of such. With the potential of people losing their jobs and homes, we had to be prepared to deal with people who could no longer afford to keep their animals, and this was most prolific in rabbits and guinea pigs. Vet visits were still maintained, allowing all treatment needed to be done.

The table below shows total re-homed animals over 5 years

Group	2016	2017	2018	2019	2020	Total 20 v 19
Small Animals	209	273	202	91	121	+30
Cats	266	225	179	230	225	-5
Dogs	255	306	265	175	143	-32
Totals	730	804	646	496	489	-7

Friends of Animals League
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Achievements and performance (continued)

Detailed breakdown for 2020 with Return comparison v 2019

Animal Type	Admitted	Re-homed	Returned 2020	Returned 2019	Returned 20 v 19
Birds	9	0	0	0	-
Guinea Pigs	42	50	2	2	-
Small Rodents	16	3	0	0	-
Rabbits	64	65	6	1	+5
Cats	175	225	16	21	-5
Dogs	119	143	19	43	-24
Totals	425	489	43	67	-24

Financial review

a. Going concern

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

b. Reserves policy

The current policy is to have sufficient reserves as recommended by the Charity Commission to cover our annual operating costs, which are around £1.1m in an ordinary year. As a result, our reserves policy is to maintain free reserves of £1.1m. Reserves at the balance sheet date exceed the reserves policy level but the Trustees have plans to improve the site that will require additional reserves.

At the year-end we have total funds of £3,155,595 (2019: £3,425,185). These are split between unrestricted funds which are used for the day-to-day activities of the charity; a designated fixed assets fund which represents our assets which are in use and cannot be easily realised; a restricted fund which is used to cover the cost of rebuilding the kennels and the Animal Ambulance Fund to pay for a new ambulance to transport animals that require vital treatments and procedures.

c. Material investments policy

The Board's investment policy is to retain the majority of its reserve in a combination of cash across a number of instant access accounts together with longer-term accounts that provide improved rates of interest.

FOAL occasionally receives shares, unit trust investments and gilts as part of legacy proceeds and its policy remains to retain such investments as long as they are listed on the London Stock Exchange and are readily realisable should the need arise.

d. Principal risks and uncertainties

The Board have assessed the major risks to which the Charity is exposed in particular those relating to operation and finance of the Charity. Although we are satisfied that systems are in place to mitigate the Charity's exposure to major risk. The audit process for the previous year identified areas with our financial controls and returns that needed improving, and these have been addressed for this year. An updated risk register will now be reviewed on a regular basis by the Board.

Friends of Animals League
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

e. COVID-19

Whilst the pandemic continues and there remains some uncertainty, the Board feels that the impact on the charity is largely reflected in 2020 and the first 4 months of 2021, with operations and fundraising activities returning to a relatively normal state from May 2021. It is not felt that the COVID-19 pandemic or related impacts pose any significant risk going forward. As noted above, FOAL Trustees, management and staff were proactive, conscientious and organised throughout the pandemic, focused on the wellbeing of staff and animals throughout and kept the impact on the objectives and finances of the charity to a minimum.

Structure, governance and management

a. Constitution

Friends of Animals League is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

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

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company 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 . 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 company 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 judgements 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Friends of Animals League
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2020

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



Paul Dewdney
Chairman

Date:

11 / 9 / 2021

Friends of Animals League
(A company limited by guarantee)

Independent auditors' report to the Members of Friends of Animals League

Opinion

We have audited the financial statements of Friends of Animals League (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Friends of Animals League
(A company limited by guarantee)

Independent auditors' report to the Members of Friends of Animals League (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of Friends of Animals League (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Friends of Animals League
(A company limited by guarantee)

Independent auditors' report to the Members of Friends of Animals League (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Handwritten signature in black ink that reads "Kreston Reeves LLP".

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

Date: 13 September 2021

Friends of Animals League
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	595,132	1,093	596,225	687,302
Charitable activities	4	66,014	-	66,014	62,269
Other trading activities	5	92,082	-	92,082	190,331
Investments	6	12,083	-	12,083	10,522
Other income	7	45,162	-	45,162	-
Total income		810,473	1,093	811,566	950,424
Expenditure on:					
Raising funds		5,721	-	5,721	38,436
Charitable activities	8	984,838	-	984,838	1,061,438
Total expenditure		990,559	-	990,559	1,099,874
Net (expenditure)/income before net (losses)/gains on investments		(180,086)	1,093	(178,993)	(149,450)
Net (losses)/gains on investments		(90,597)	-	(90,597)	106,062
Net movement in funds		(270,683)	1,093	(269,590)	(43,388)
Reconciliation of funds:					
Total funds brought forward		3,288,763	136,422	3,425,185	3,468,573
Net movement in funds		(270,683)	1,093	(269,590)	(43,388)
Total funds carried forward		3,018,080	137,515	3,155,595	3,425,185

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

The notes on pages 14 to 28 form part of these financial statements.

Friends of Animals League
(A company limited by guarantee)
Registered number: 04311334

Balance sheet
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,776,378	1,807,908
Investments	14	824,343	914,940
		<u>2,600,721</u>	<u>2,722,848</u>
Current assets			
Stocks	15	2,092	2,092
Debtors	16	125,872	40,476
Cash at bank and in hand		509,737	732,559
		<u>637,701</u>	<u>775,127</u>
Creditors: amounts falling due within one year	17	(82,827)	(72,790)
Net current assets		<u>554,874</u>	<u>702,337</u>
Net assets		<u>3,155,595</u>	<u>3,425,185</u>
Charity funds			
Restricted funds	18	137,515	136,422
Unrestricted funds	18	3,018,080	3,288,763
Total funds		<u>3,155,595</u>	<u>3,425,185</u>

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 and signed on their behalf by:



Paul Dewdney
Chairman

Date: 11-09-21

The notes on pages 14 to 28 form part of these financial statements.

Friends of Animals League
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(220,656)</u>	<u>368,180</u>
Cash flows from investing activities			
Dividends and interest from investments		12,083	10,522
Purchase of tangible fixed assets		<u>(14,249)</u>	<u>(44,855)</u>
Net cash used in investing activities		<u>(2,166)</u>	<u>(34,333)</u>
Change in cash and cash equivalents in the year		(222,822)	333,847
Cash and cash equivalents at the beginning of the year		<u>732,559</u>	<u>398,712</u>
Cash and cash equivalents at the end of the year	22	<u>509,737</u>	<u>732,559</u>

The notes on pages 14 to 28 form part of these financial statements

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

1. General information

Friends of Animals is a charitable company, limited by guarantee, incorporated in England and Wales.

The Charity's registered office is Foal Farm Animal Rescue Centre, Jail Lane, Biggin Hill.

The charitable activities of the charity is to relieve the suffering of animals.

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.

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.

Friends of Animals League 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

The Charity's main source of income is from the receipt of donations and grants.

In order to meet its day to day working capital requirements the Charity is dependent upon these donations and grants, the nature of which can have considerable variation in the timing of cash inflows.

Whilst the impact of the COVID-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

After making enquiries, the Trustees have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

2.3 Income

All income is recognised once the company 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 company 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 company, 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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

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

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 on raising funds includes all expenditure incurred by the company 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 company's objectives, as well as any associated support costs.

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 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	- Over 50 years
Plant and machinery	- Over 5 years
Motor vehicles	- Over 3 years
Office equipment	- Over 5 years

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

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.

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

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 company 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 Operating leases

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

2.13 Pensions

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

2.14 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 company 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 company 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.

Investment income, gains and losses are allocated to the appropriate fund.

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	374,532	1,093	375,625	127,485
Legacies	187,794	-	187,794	514,893
Grants	16,000	-	16,000	33,000
Memberships and subscriptions	16,806	-	16,806	11,924
	<u>595,132</u>	<u>1,093</u>	<u>596,225</u>	<u>687,302</u>
Total 2019	<u>663,277</u>	<u>24,025</u>	<u>687,302</u>	

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Animal adoption receipts	43,550	43,550	43,748
Other income	22,464	22,464	18,521
	<u>66,014</u>	<u>66,014</u>	<u>62,269</u>
Total 2019	<u>62,269</u>	<u>62,269</u>	

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Sale of new and donated goods	68,523	68,523	142,086
Other fundraising activities	16,179	16,179	38,995
Community fundraising	7,380	7,380	9,250
	<u>92,082</u>	<u>92,082</u>	<u>190,331</u>
Total 2019	<u>190,331</u>	<u>190,331</u>	

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Dividends	7,944	7,944	8,160
Interest	4,139	4,139	2,362
	<u>12,083</u>	<u>12,083</u>	<u>10,522</u>
Total 2019	<u>10,522</u>	<u>10,522</u>	

7. Other income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Furlough income	45,162	45,162	-
	<u>45,162</u>	<u>45,162</u>	<u>-</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	984,838	-	984,838	1,061,438
	<u>984,838</u>	<u>-</u>	<u>984,838</u>	<u>1,061,438</u>
Total 2019	<u>1,060,618</u>	<u>820</u>	<u>1,061,438</u>	

9. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	841,422	143,416	984,838	1,061,438
	<u>841,422</u>	<u>143,416</u>	<u>984,838</u>	<u>1,061,438</u>
Total 2019	<u>879,036</u>	<u>182,402</u>	<u>1,061,438</u>	

Friends of Animals League
(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 direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	587,724	575,609
Depreciation	45,779	41,204
Animal food and supplies	99,257	115,072
Veterinary supplies and services	100,922	129,811
Subcontractor cost	7,740	17,340
	841,422	879,036

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Filing fees	200	-
Recruitment, welfare and staff training	960	1,119
Rates, light, heat and power	73,364	89,883
Insurance	8,410	7,214
Repairs and maintenance	11,965	35,066
Telephone and fax	5,847	5,718
IT expenses	4,264	6,341
Printing, postage and stationery	1,434	1,958
Subscriptions	1,304	921
Hire of photocopier	8,187	2,891
Sundry expenses	681	1,091
Vehicle running costs	7,133	10,281
Advertising	191	332
Consultancy and professional fees	10,533	10,576
Bank charges	3,893	4,511
Auditors' remuneration	4,500	4,500
Auditors' fees - non-audit remuneration	550	-
	143,416	182,402

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

10. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £4,500 (2019 - £4,500).

11. Staff costs

	2020	2019
	£	£
Wages and salaries	540,764	530,693
Social security costs	33,292	31,721
Pension costs	13,668	13,195
	587,724	575,609

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

	2020	2019
	No.	No.
Charitable activities	36	36
Governance	1	1
	37	37

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

Remuneration and benefits received by key management personnel during the year (including employer's national insurance contributions) amounted to £98,527 (2019: £69,584).

12. Trustees' remuneration and expenses

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

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

13. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2020	2,692,323	39,829	8,730	50,331	2,791,213
Additions	14,249	-	-	-	14,249
At 31 December 2020	<u>2,706,572</u>	<u>39,829</u>	<u>8,730</u>	<u>50,331</u>	<u>2,805,462</u>
Depreciation					
At 1 January 2020	903,057	24,903	8,370	46,975	983,305
Charge for the year	39,860	5,041	90	788	45,779
At 31 December 2020	<u>942,917</u>	<u>29,944</u>	<u>8,460</u>	<u>47,763</u>	<u>1,029,084</u>
Net book value					
At 31 December 2020	<u>1,763,655</u>	<u>9,885</u>	<u>270</u>	<u>2,568</u>	<u>1,776,378</u>
At 31 December 2019	<u>1,789,266</u>	<u>14,926</u>	<u>360</u>	<u>3,356</u>	<u>1,807,908</u>

14. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	914,940
Revaluations	(90,597)
At 31 December 2020	<u>824,343</u>
Net book value	
At 31 December 2020	<u>824,343</u>
At 31 December 2019	<u>914,940</u>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

15. Stocks

	2020	2019
	£	£
Finished goods and goods for resale	2,092	2,092
	<u>2,092</u>	<u>2,092</u>

16. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	129	5,516
Other debtors	114,660	23,877
Prepayments and accrued income	11,083	11,083
	<u>125,872</u>	<u>40,476</u>
	<u>125,872</u>	<u>40,476</u>

17. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	44,630	33,689
Other taxation and social security	7,898	6,706
Other creditors	16,549	18,645
Accruals and deferred income	13,750	13,750
	<u>82,827</u>	<u>72,790</u>
	<u>82,827</u>	<u>72,790</u>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
Designated funds						
Tangible assets	1,807,908	-	(45,779)	14,249	-	1,776,378
General funds						
Unrestricted income fund	1,480,855	810,473	(944,780)	(14,249)	(90,597)	1,241,702
Total Unrestricted funds	3,288,763	810,473	(990,559)	-	(90,597)	3,018,080
Restricted funds						
Kennel rebuild	123,922	1,093	-	-	-	125,015
Animal Ambulance Fund	12,500	-	-	-	-	12,500
Total Restricted funds	136,422	1,093	-	-	-	137,515
Total of funds	3,425,185	811,566	(990,559)	-	(90,597)	3,155,595

Kennel rebuild

This fund was set up to cover costs of rebuilding the kennels.

Animal Ambulance Fund

Funding to pay for a new ambulance to transport animals that require vital treatments and procedures.

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

18. 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						
Tangible assets	1,804,257	-	(41,204)	44,855	-	1,807,908
General funds						
Unrestricted income fund	1,551,099	926,399	(1,057,850)	(44,855)	106,062	1,480,855
Total Unrestricted funds	<u>3,355,356</u>	<u>926,399</u>	<u>(1,099,054)</u>	<u>-</u>	<u>106,062</u>	<u>3,288,763</u>
Restricted funds						
Kennel rebuild	100,717	23,205	-	-	-	123,922
Animal Ambulance Fund	12,500	-	-	-	-	12,500
Foal's Adoption & Foster Fund in Need	-	820	(820)	-	-	-
Total Restricted funds	<u>113,217</u>	<u>24,025</u>	<u>(820)</u>	<u>-</u>	<u>-</u>	<u>136,422</u>
Total of funds	<u><u>3,468,573</u></u>	<u><u>950,424</u></u>	<u><u>(1,099,874)</u></u>	<u><u>-</u></u>	<u><u>106,062</u></u>	<u><u>3,425,185</u></u>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	1,807,908	-	(45,779)	14,249	-	1,776,378
General funds	1,480,855	810,473	(944,780)	(14,249)	(90,597)	1,241,702
Restricted funds	136,422	1,093	-	-	-	137,515
	<u>3,425,185</u>	<u>811,566</u>	<u>(990,559)</u>	<u>-</u>	<u>(90,597)</u>	<u>3,155,595</u>

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	1,804,257	-	(41,204)	44,855	-	1,807,908
General funds	1,551,099	926,399	(1,057,850)	(44,855)	106,062	1,480,855
Restricted funds	113,217	24,025	(820)	-	-	136,422
	<u>3,468,573</u>	<u>950,424</u>	<u>(1,099,874)</u>	<u>-</u>	<u>106,062</u>	<u>3,425,185</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,776,378	-	1,776,378
Fixed asset investments	824,343	-	824,343
Current assets	518,088	137,515	655,603
Creditors due within one year	(100,729)	-	(100,729)
Total	<u>3,018,080</u>	<u>137,515</u>	<u>3,155,595</u>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,807,908	-	1,807,908
Fixed asset investments	914,940	-	914,940
Current assets	638,705	136,422	775,127
Creditors due within one year	(72,790)	-	(72,790)
Total	3,288,763	136,422	3,425,185

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(269,590)	(43,388)
Adjustments for:		
Depreciation charges	45,779	41,204
Losses/(gains) on investments	90,597	(106,062)
Dividends, interests and rents from investments	(12,083)	(10,522)
Decrease in stocks	-	9
(Increase)/decrease in debtors	(85,396)	481,263
Increase in creditors	10,037	5,676
Net cash provided by/(used in) operating activities	(220,656)	368,180

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	509,737	732,559

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2020

23. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	732,559	(222,822)	509,737

24. Pension commitments

The charity operates a defined contribution pension scheme for its employees. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £13,668 (2019: £13,195). At the balance sheet date £3,645 was recognised as a liability owed to the scheme (2019: £3,674).

25. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	18,213	6,819
Later than 1 year and not later than 5 years	46,352	17,520
Later than 5 years	5,193	5,840
	69,758	30,179

26. Related party transactions

The charity engaged with T Kilsby, the brother-in-law of a trustee, in relation to the provision of labour services. Expenditure in the year was £7,740 (2019: £17,340) with a balance of £1,380 (2019: £1,320) owed by the charity as at 31 December 2020.