

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

England & Wales · Charity number 220506

Details

Other names	THE DOG AND CAT SHELTER
Status	Registered
Legal form	Other
Registered	1964-04-01
Register	View on the Charity Commission register

Contact

Address	Newcastle Dog & Cat Shelter & Animal Sanctuary Benton North Farm Benton Lane Newcastle Upon Tyne NE12 8EH
Phone	0191 215 0435
Email	info@dogandcatshelter.com
Website	www.dogandcatshelter.com

Activities

Objects: THE PROMOTION OF KINDNESS AND THE PREVENTION OF CRUELTY TO ANIMALS

Activities: Care of stray and unwanted dogs and cats and other animals.

Classification

- **How:** Provides Services
- **What:** Animals
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED - IN PRACTICE NEWCASTLE UPON TYNE
- Gateshead
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-30	£0	£0	-	-
2024-04-30	£1,837,010	£1,520,384	£1,889,150	33
2023-04-30	£1,417,449	£1,405,976	£1,993,532	35
2022-04-30	£909,924	£1,282,484	£2,003,356	32
2021-04-30	£1,667,173	£1,168,216	£2,392,758	32

Trustees

Name	Role	Appointed
ANDREA WYLIE	Chair	2017-02-08
Nick Manson		2017-02-08

Accounts

**NEWCASTLE UPON TYNE DOG AND CAT
SHELTER AND ANIMAL SANCTUARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024**

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Wylie, Chair E A Luff G Young J M Simpson N Manson T Robson T Fife
Charity number	220506
Principal address	Benton North Farm Benton Lane Newcastle Upon Tyne NE12 8EH
Chief executive officer	C Bray
Auditor	Sumer Auditco Limited Unit 2 Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Barclays Leicester Leicestershire LE87 2BB

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

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NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2024

The trustees present their annual report and financial statements for the year ended 30 April 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects are the prevention of cruelty and the promotion of kindness to animals. The policies adopted in furtherance of these objects are to take in lost, unwanted, abandoned and abused animals from across the North East of England encompassing Newcastle, North Tyneside, Northumberland, South Tyneside, Gateshead and Sunderland. We aim to reunite lost animals with their owners. We provide veterinary treatment and behavioural training as part of our rehabilitation of arriving animals. Where no owners are found or animals are unwanted or relinquished due to owners no longer being able to care for them, we find loving new homes for them. We provide education on the responsibilities of animal ownership and the importance of neutering, vaccinations and veterinary care and there has been no change in these during the year.

By helping animals across the North East of England, we believe our work benefits the public in a variety of ways:

- Providing assistance to local authorities and the general public by taking in and rehoming stray, lost, abandoned and neglected domestic animals.
- Rehoming animals to those who want and are able to provide a good home, providing companionship to individuals and families.
- Reuniting lost and stray animals with their owners.
- Providing shelter and essential care for animals until they can be reunited with their owners or found new homes.
- Reducing the number of stray animals on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- Providing low cost/free microchipping at our rehoming centre and out in the community.
- Providing information and advice to owners on the care of animals and the need for vaccinations and neutering.
- Educating young people in schools and youth groups about the welfare and respect of animals.
- Visiting care homes with dogs, providing companionship to those who can no longer have pets of their own.
- Providing structured volunteering opportunities for those who wish to support our work.

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

Achievements and performance

We are continuing to make improvements financially despite the ongoing cost of living crisis. We are managing costs well whilst increasing our services to match the demand.

Legacy income increased over the past 12 months as well as improvement to all areas of our fundraising. We continue to strengthen our fundraising team to help bring in the much-needed income we need to manage the rising costs.

Our lottery has proven to be successful and is becoming a key income stream for the shelter, there is a lot of potential going forward to continue to grow significantly player numbers and to deliver reliable income to offset the uncertainties of other income streams especially legacies that the shelter has been over dependent on in previous years.

Our Troubled Tails campaign launched in November 2023 and has remained a key part of our fundraising and educational calendar. The campaign tells the story of the range of animals and circumstances they come into our care. This helps spread key messages, raises awareness to the public of the importance of our work and the need for their support.

Our two charity shops in Wallsend and Four Lane Ends are trading well and help raise vital funds for the shelter as well as becoming key to the communities that they serve. The sales of discounted pet food make us a significant amount of total trade and give the shops a uniqueness on the high street versus other charity shops we compete with.

We continue building relationships with local businesses and community groups. Many of the business partnerships allow us to complete work on site with donated goods and services and this has helped reduce significant maintenance costs. These partnerships provide good opportunities for employees to come to the shelter and experience the shelter and see first-hand the important work we do.

In November 2023 we made the difficult decision to move our services out of our historic Claremont Road arrivals centre and combine our arrivals and rehoming work all at our Benton site. The decision was predominantly a financial decision to help mitigate the rising costs as well as allow us to work in more modern facilities available at Benton. The decision has been successful and has seen an increased benefit to animals wellbeing as there is less disruption of needing to move between sites from arrivals to rehoming.

We continue to work with the Association of Dog and Cat Homes (ADCH) and follow their guidance to provide the best possible care for our animals and ensure we provide high standard facilities and care to every animal that we have at the shelter.

We ended the financial year with a deficit of c£104k as opposed to a deficit of c£10k in the previous year. The main reason for the deficit is due to a property revaluation which reduced the value of the asset c£421k. Prior to the property revaluation we were posting a surplus of c£317k which shows the continued growth in our income.

Fundraising practices

We use a commercial participator to manage our mobile lottery. All our other fundraising is performed by Charity staff and authorised volunteers. Any monies raised directly from the public follow all guidelines set out by the Charity Commission, the code of Fundraising Practice and English & Welsh law in every respect. There have been no fundraising compliance issues nor have we received any complaints in relation to our public fundraising during the period relating to this report.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

Financial review

Review of financial position

We continually monitor our financial position alongside the current state of the economy and the impact it is having in the short term as well as the effect it is likely to have long term on income and expenditure.

Our forecasts remain positive for the short to medium term, however the impact of reduced legacy income and increasing costs suggests a period of uncertainty for the shelter in the long term.

We are putting a lot of work into evolving current income streams as well as finding alternative income.

During the year a deficit of £104,382 was generated (2023: £9,824 deficit). The balance sheet shows total funds carried forward of £1,889,150 (2023: £1,993,532) of which £1,725,249 (2023: £1,826,874) relates to unrestricted funds and £163,901 (2023: £166,661) relates to restricted funds.

Reserves policy

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

The charity also owns properties in the form of a shop with an attached flat and a residential dwelling. The shop is operated as a charity shop bringing in much needed funds and the flat is let out to bring in a rental income. The investment in property is viewed as a long-term investment which will increase in value whilst also providing short term funds from rent and retail income.

The 'free reserves' of the charity (defined as those unrestricted funds not designated for specific purposes or tied up in fixed assets) stood at £1,091,737 at the year end (2023: £781,115).

Investment policy

Due to the continued financial turbulence, the charity decided it would be prudent to retain our risk appetite at low-cautious for our investments.

Risks

The trustees have examined the major strategic business and operational risks facing the charity and continue to monitor the risk register. We confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The trustees do not consider the charity is exposed to any significant risks not currently covered by the controls in place.

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

Plans for future periods

This is the last Trustees' Report for Newcastle upon Tyne Dog and Cat Shelter Animal Sanctuary as an unincorporated charity. The Charity Commission approved the incorporation of the Charity as a Charitable Incorporated Organisation (CIO) in February 2023 and the CIO (with Charity Registration Number 1201840) has now taken over. The transfer was completed on 25 June 2024.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

Structure, governance and management

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

A Wylie, Chair

E A Luff

G Young

J M Simpson

N Manson

T Robson

T Fife

T Scrafton

W Davison

(Resigned 7 November 2024)

(Resigned 28 June 2024)

The charity board is made up of 9 trustees from a varied background with a variety of experience. They each bring a range of skills which benefit the charity and help to strengthen and develop the direction of the charity ensuring the charity remains relevant and improves each year. Should a trustee choose to resign then a review of the skills needed to replace them would be considered before the post was advertised.

New trustees are asked to complete an application detailing their reasons for wishing to join and the skills and attributes they feel they could bring. The chair and one of the trustees invite prospective candidates for an interview and successful candidates are invited to attend a trustee meeting to observe and to be introduced to the full board. The board are required to unanimously vote on new trustees. All new trustees are provided with a comprehensive induction pack outlining the roles and responsibilities of a trustee, together with the constitution and financial reports.

The chair is voted on each year at the AGM and all trustees are asked to confirm that they wish to serve for a further year.

Organisational structure

The trustees are responsible for the governance of the charity, they in turn employ a Chief Executive who is responsible for the day to day running of the charity. The Chief Executive is supported by a senior management team who oversee the daily operations at both shelters. They are supported by animal care staff.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

Statement of trustees' responsibilities

The trustees 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

A Wylie, Chair

Trustee

Dated: 20 February 2025

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Opinion

We have audited the financial statements of Newcastle Upon Tyne Dog and Cat Shelter and Animal Sanctuary (the 'charity') for the year ended 30 April 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charity's affairs as at 30 April 2024 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditor's 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards and Charity Act 2011, Employment and Pension legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding, data protection, animal welfare and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

**Stephen Slater (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Limited
Statutory Auditor
Unit 2
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG**

Date: 24 February 2025

Sumer Auditco Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2024

Current financial year		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
	Notes				
Income from:					
Donations and legacies	3	1,224,384	42,273	1,266,657	1,041,071
Charitable activities	4	82,296	-	82,296	78,039
Other trading activities	5	472,201	-	472,201	286,848
Investments	6	15,856	-	15,856	11,491
Total income		<u>1,794,737</u>	<u>42,273</u>	<u>1,837,010</u>	<u>1,417,449</u>
Expenditure on:					
Raising funds	7	383,174	-	383,174	239,642
Charitable activities	8	1,122,873	12,760	1,135,633	1,166,334
Other expenditure	10	1,577	-	1,577	-
Total expenditure		<u>1,507,624</u>	<u>12,760</u>	<u>1,520,384</u>	<u>1,405,976</u>
Net gains/(losses) on investments	15	-	-	-	(21,297)
Net income/(expenditure)		<u>287,113</u>	<u>29,513</u>	<u>316,626</u>	<u>(9,824)</u>
Transfers between funds		32,273	(32,273)	-	-
Other recognised gains and losses:					
Revaluation of tangible fixed assets		(421,008)	-	(421,008)	-
Net movement in funds	13	<u>(101,622)</u>	<u>(2,760)</u>	<u>(104,382)</u>	<u>(9,824)</u>
Reconciliation of funds:					
Fund balances at 1 May 2023		<u>1,826,871</u>	<u>166,661</u>	<u>1,993,532</u>	<u>2,003,356</u>
Fund balances at 30 April 2024		<u>1,725,249</u>	<u>163,901</u>	<u>1,889,150</u>	<u>1,993,532</u>

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2024

Prior financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes			
Income from:				
Donations and legacies	3	1,041,071	-	1,041,071
Charitable activities	4	78,039	-	78,039
Other trading activities	5	286,848	-	286,848
Investments	6	11,491	-	11,491
Total income		<u>1,417,449</u>	<u>-</u>	<u>1,417,449</u>
Expenditure on:				
Raising funds	7	239,642	-	239,642
Charitable activities	8	1,163,407	2,927	1,166,334
Total expenditure		<u>1,403,049</u>	<u>2,927</u>	<u>1,405,976</u>
Net gains/(losses) on investments	15	<u>(21,297)</u>	<u>-</u>	<u>(21,297)</u>
Net income and movement in funds		<u>(6,897)</u>	<u>(2,927)</u>	<u>(9,824)</u>
Reconciliation of funds:				
Fund balances at 1 May 2022		<u>1,833,768</u>	<u>169,588</u>	<u>2,003,356</u>
Fund balances at 30 April 2023		<u>1,826,871</u>	<u>166,661</u>	<u>1,993,532</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

BALANCE SHEET

AS AT 30 APRIL 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	16		650,781		1,065,785
Investment property	17		146,357		146,357
			<u>797,138</u>		<u>1,212,142</u>
Current assets					
Stocks	18	25,350		40,684	
Debtors	19	672,001		267,039	
Cash at bank and in hand		551,096		549,180	
		<u>1,248,447</u>		<u>856,903</u>	
Creditors: amounts falling due within one year	20	(156,435)		(75,513)	
Net current assets			<u>1,092,012</u>		<u>781,390</u>
Total assets less current liabilities			<u>1,889,150</u>		<u>1,993,532</u>
The funds of the charity					
Restricted income funds	22		163,901		166,661
Unrestricted funds			1,725,249		1,826,871
			<u>1,889,150</u>		<u>1,993,532</u>

The financial statements were approved by the trustees on 20 February 2025

A Wylie, Chair
Trustee

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	27		49,227		15,633
Investing activities					
Purchase of tangible fixed assets		(63,167)		(2,215)	
Purchase of investment property		-		(38,870)	
Purchase of other investments		-		(5,333)	
Proceeds from disposal of other investments		-		257,094	
Investment income received		15,856		11,491	
Net cash (used in)/generated from investing activities			(47,311)		222,167
Net increase in cash and cash equivalents			1,916		237,800
Cash and cash equivalents at beginning of year			549,180		311,380
Cash and cash equivalents at end of year			551,096		549,180

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

1 Accounting policies

Charity information

Newcastle upon Tyne Dog and Cat Shelter and Animal Sanctuary is a unincorporated charity established by a Constitution dated April 1964 and is registered with the Charity Commission, number 220506.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, (modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value). The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Incoming resources

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

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

Donated goods and services are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2024

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	1% straight line
Leasehold land and buildings	1% straight line / 3.125% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The charity holds a 125 year lease in respect of the shelter at Benton North Farm, and a 40 year lease in respect of the Claremont Road shelter.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in statement of financial activities.

1.8 Impairment of fixed assets

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

1.9 Stocks

The valuation of year end stocks is based on actual costs where available for purchased goods. For donated goods, closing stocks are valued by product range based on the costs at which such foodstuffs could be purchased at the end of the financial year.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

2 Critical accounting estimates and judgements

(Continued)

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

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

Critical judgements

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

Key sources of estimation uncertainty

Determining residual values and useful economic lives of tangible fixed assets

The charity depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Valuation of investment property

As described in note 15 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, MJ Boaden Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

2 Critical accounting estimates and judgements

(Continued)

Valuation of land and buildings

As described in note 14 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Bisset Kenning, Chartered Surveyors. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Donations and gifts	475,965	32,273	508,238	461,101
Legacies receivable	741,219	-	741,219	558,975
Grants	7,200	10,000	17,200	20,995
	<u>1,224,384</u>	<u>42,273</u>	<u>1,266,657</u>	<u>1,041,071</u>
For the year ended 30 April 2023	<u>1,041,071</u>	<u>-</u>		<u>1,041,071</u>
Grants receivable for core activities				
Pets Foundation	-	10,000	10,000	-
Charitable Trusts	7,200	-	7,200	20,995
	<u>7,200</u>	<u>10,000</u>	<u>17,200</u>	<u>20,995</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Animal welfare		
Re-homing contributions	59,775	59,359
Council and police contract income	22,521	18,680
	<u>82,296</u>	<u>78,039</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising Events	60,262	80,682
Shop income	180,012	136,768
Social lotteries	231,927	69,398
Other trading activities	472,201	286,848

6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	9,443	8,314
Income from listed investments	-	2,419
Interest receivable	6,413	758
	15,856	11,491

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

7 Raising funds

	2024 £	2023 £
Fundraising and publicity		
Social lotteries	148,192	44,032
Staging fundraising events	37,739	42,481
Advertising	27,702	23,488
Fundraising costs	33,701	3,912
Staff costs	128,640	115,720
Fundraising and publicity	375,974	229,633
Trading costs		
Operating charity shops	7,200	9,063
Investment management	-	946
	<u>383,174</u>	<u>239,642</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

8 Expenditure on charitable activities

	2024 £	2023 £
Direct costs		
Staff costs	521,613	591,072
Depreciation and impairment	55,586	44,608
Property repairs and improvements	57,935	81,894
Veterinary fees and vaccinations	101,431	117,860
Animal hygiene and welfare	104,700	83,438
Motor running expenses	6,826	9,584
Rent, rates and insurance	35,586	14,300
Lighting and heating	63,824	50,673
Equipment / skip hire	4,134	4,623
Sundries	15,458	23,425
	<u>967,093</u>	<u>1,021,477</u>
Share of support and governance costs (see note 9)		
Support	141,039	109,854
Governance	27,501	35,003
	<u>1,135,633</u>	<u>1,166,334</u>
Analysis by fund		
Unrestricted funds	1,122,873	1,163,407
Restricted funds	12,760	2,927
	<u>1,135,633</u>	<u>1,166,334</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

9 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Staff costs	97,965	-	97,965	62,677	-	62,677
Printing, stationery and office supplies	25,519	-	25,519	27,828	-	27,828
Telephone and postage	15,596	-	15,596	16,669	-	16,669
Training costs	1,959	-	1,959	2,680	-	2,680
Audit fees	-	7,500	7,500	-	7,500	7,500
Legal and professional	-	20,001	20,001	-	27,503	27,503
	<u>141,039</u>	<u>27,501</u>	<u>168,540</u>	<u>109,854</u>	<u>35,003</u>	<u>144,857</u>
Analysed between Charitable activities	<u>141,039</u>	<u>27,501</u>	<u>168,540</u>	<u>109,854</u>	<u>35,003</u>	<u>144,857</u>

The auditor's remuneration amounts to an Audit fee of £5,500 (2023: £5,500), and accounts preparation fees of £2,000 (2023: £2,000).

10 Other expenditure

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net loss on disposal of tangible fixed assets	<u>1,577</u>	<u>-</u>

11 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Animal welfare	27	27
Management and administration	6	8
Total	<u>33</u>	<u>35</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

11	Employees	(Continued)	
	Employment costs	2024 £	2023 £
	Wages and salaries	681,913	697,378
	Social security costs	49,730	56,358
	Other pension costs	16,575	15,733
		<u>748,218</u>	<u>769,469</u>

The average headcount expressed as a full time equivalent was 31 (2023: 30).

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

Key management has been determined to be the trustees and one member (2023: 1) of the senior management team. Trustees receive no remuneration or benefits.

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	<u>59,394</u>	<u>60,410</u>

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2023: none).

13	Net movement in funds	2024 £	2023 £
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	7,500	7,500
	Depreciation of owned tangible fixed assets	55,586	44,608
	Loss on disposal of tangible fixed assets	<u>1,577</u>	<u>-</u>

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

15 Net gains/(losses) on investments

	2024 £	2023 £
Gain/(loss) on sale of investments	-	(21,297)

16 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 May 2023	67,744	1,560,132	212,609	40,752	1,881,237
Additions	-	-	30,723	32,444	63,167
Disposals	-	-	(2,010)	-	(2,010)
Revaluation	-	(934,161)	-	-	(934,161)
At 30 April 2024	67,744	625,971	241,322	73,196	1,008,233
Depreciation and impairment					
At 1 May 2023	4,289	599,539	177,946	33,678	815,452
Depreciation charged in the year	679	35,453	9,573	9,881	55,586
Eliminated in respect of disposals	-	-	(433)	-	(433)
Revaluation	-	(513,153)	-	-	(513,153)
At 30 April 2024	4,968	121,839	187,086	43,559	357,452
Carrying amount					
At 30 April 2024	62,776	504,132	54,236	29,637	650,781
At 30 April 2023	63,455	960,593	34,663	7,074	1,065,785

17 Investment property

	2024 £
Fair value	
At 1 May 2023 and 30 April 2024	146,357

The Freehold investment property was purchased at market value on 9 December 2016 by the charity.

The fair value of the Freehold investment property has been arrived at on the basis of a valuation carried out in 2018 by Boaden Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The trustees believe there has not been any changes to fair value of the property since this valuation.

The Leasehold investment property was bequeathed to the charity and valued at market value in the prior year.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

17 Investment property	(Continued)	
	2024	2023
	£	£
Freehold	67,487	67,487
Long leasehold	78,870	78,870
	<u>146,357</u>	<u>146,357</u>
18 Stocks	2024	2023
	£	£
Finished goods and goods for resale	<u>25,350</u>	<u>40,684</u>
19 Debtors	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	27,495	13,483
Other debtors	23,640	36,403
Prepayments and accrued income	620,866	217,153
	<u>672,001</u>	<u>267,039</u>
Included within prepayments and accrued income is an amount of £485,076 (2023: £166,300) relating to notified legacies which were received after the balance sheet date.		
20 Creditors: amounts falling due within one year	2024	2023
	£	£
Other taxation and social security	9,037	11,166
Trade creditors	45,901	17,162
Other creditors	159	306
Accruals and deferred income	101,338	46,879
	<u>156,435</u>	<u>75,513</u>
21 Retirement benefit schemes	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>16,575</u>	<u>15,733</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

21 Retirement benefit schemes

(Continued)

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				
	Balance at 1 May 2023	Incoming resources	Resources expended	Transfers	Balance at 30 April 2024
	£	£	£	£	£
All funds	147,976	-	(2,709)	-	145,267
Pedigree Brighter Futures Fund	14,366	-	-	-	14,366
Pedigree - Indoor Play Barn Fund	4,319	-	(51)	-	4,268
Pets Foundation	-	10,000	(10,000)	-	-
Van	-	32,273	-	(32,273)	-
	<u>166,661</u>	<u>42,273</u>	<u>(12,760)</u>	<u>(32,273)</u>	<u>163,901</u>

Monies received specifically through appeals in relation to the refurbishment and extension of the main kennel block at the Benton North Farm premises.

Pedigree Brighter Futures Fund - towards the organisation and building of the dog grooming room and dog towers.

Pedigree - Indoor Play Barn Fund - towards the construction of the new indoor play barn for animals living onsite.

Pets Foundation - towards vets bills and food expenses.

Van - a donation to purchase a van for transporting animals.

Transfers between funds:

The money donated previously to purchase a van was spent in the year and the restriction has been met. The van is used for general charitable activities so has been transferred to unrestricted funds.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

22 Restricted funds

(Continued)

Restricted funds - Prior year

	Balance at 1 May 2022	Resources expended	Balance at 30 April 2023
	£	£	£
All funds	150,852	(2,876)	147,976
Pedigree Brighter Futures Fund	14,366	-	14,366
Pedigree - Indoor Play Barn Fund	4,370	(51)	4,319
	<u>169,588</u>	<u>(2,927)</u>	<u>166,661</u>

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 May 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 April 2024
	£	£	£	£	£	£
General funds	<u>1,826,871</u>	<u>1,794,737</u>	<u>(1,507,624)</u>	<u>32,273</u>	<u>(421,008)</u>	<u>1,725,249</u>
Previous year:	At 1 May 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 April 2023
	£	£	£	£	£	£
General funds	<u>1,833,768</u>	<u>1,417,449</u>	<u>(1,403,049)</u>	<u>-</u>	<u>(21,297)</u>	<u>1,826,871</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

24 Analysis of net assets between funds

Current financial year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 30 April 2024 are represented by:			
Tangible assets	487,155	163,626	650,781
Investment properties	146,357	-	146,357
Current assets/(liabilities)	1,091,737	275	1,092,012
	<u>1,725,249</u>	<u>163,901</u>	<u>1,889,150</u>

Prior financial year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 30 April 2023 are represented by:			
Tangible assets	899,399	166,386	1,065,785
Investment properties	146,357	-	146,357
Current assets/(liabilities)	781,115	275	781,390
	<u>1,826,871</u>	<u>166,661</u>	<u>1,993,532</u>

Restricted funds current assets amounting to £275 relate to amounts held within cash at bank and in hand.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2024

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	2,867	2,552
Between two and five years	-	10,208
In over five years	-	20,416
	<u>2,867</u>	<u>33,176</u>

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2024 £	2023 £
Within one year	<u>625</u>	<u>1,650</u>

26 Related party transactions

During the year the charity used a firm of property agents to manage the rental properties, of which a trustee is a controlling party.

There were no other disclosable related party transactions during the year (2023: none).

27 Cash generated from operations

	2024 £	2023 £
Surplus/(deficit) for the year	316,626	(9,824)
Adjustments for:		
Investment income recognised in statement of financial activities	(15,856)	(11,491)
Loss on disposal of tangible fixed assets	1,577	-
(Gain)/loss on disposal of investments	-	21,297
Depreciation and impairment of tangible fixed assets	55,586	44,608
Movements in working capital:		
Decrease/(increase) in stocks	15,334	(13,621)
(Increase) in debtors	(404,962)	(4,227)
Increase/(decrease) in creditors	80,922	(11,109)
Cash generated from operations	<u>49,227</u>	<u>15,633</u>

Accounts

**NEWCASTLE UPON TYNE DOG AND CAT
SHELTER AND ANIMAL SANCTUARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Wylie, Chair E A Luff G Young J M Simpson N Manson T Robson T Fife T Scrafton W Davison
Charity number	220506
Principal address	Benton North Farm Benton Lane Newcastle Upon Tyne NE12 8EH
Chief executive officer	C Bray
Auditor	Sumer Auditco Limited The Beehive, Beehive Ring Road London Gatwick Airport Gatwick United Kingdom RH6 0PA
Bankers	Barclays Leicester Leicestershire LE87 2BB

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

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NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2023

The trustees present their annual report and financial statements for the year ended 30 April 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects are the prevention of cruelty and the promotion of kindness to animals. The policies adopted in furtherance of these objects are to take in lost, unwanted, abandoned and abused animals from across the North East of England encompassing Newcastle, North Tyneside, Northumberland, South Tyneside, Gateshead and Sunderland. We aim to reunite lost animals with their owners. We provide veterinary treatment and behavioural training as part of our rehabilitation of arriving animals. Where no owners are found or animals are unwanted or relinquished due to owners no longer being able to care for them, we find loving new homes for them. We provide education on the responsibilities of animal ownership and the importance of neutering, vaccinations and veterinary care and there has been no change in these during the year.

By helping animals across the North East of England, we believe our work benefits the public in a variety of ways:

- Providing assistance to local authorities and the general public by taking in and rehoming stray, lost, abandoned and neglected domestic animals.
- Rehoming animals to those who want and are able to provide a good home, providing companionship to individuals and families.
- Reuniting lost and stray animals with their owners.
- Providing shelter and essential care for animals until they can be reunited with their owners or found new homes.
- Reducing the number of stray animals on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- Providing low cost/free microchipping at our rehoming centre and out in the community.
- Providing information and advice to owners on the care of animals and the need for vaccinations and neutering.
- Educating young people in schools and youth groups about the welfare and respect of animals.
- Visiting care homes with dogs, providing companionship to those who can no longer have pets of their own.
- Providing structured volunteering opportunities for those who wish to support our work.

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Achievements and performance

Off the back of a very challenging performing year for the shelter financially, we have begun to see recovery for the year end 30th April 2023.

Legacy income increased over the past 12 months as well as improvement to all areas of our fundraising. With a return to onsite as well as offsite events following the end of Covid-19 restrictions we managed to engage with our community and raise some more funds. Our charity shops improved considerably this year with a near 50% increase in sales.

The end of 2022 saw the launch of the shelter mobile phone lottery in partnership with Donr. We anticipate a steady growth of lottery players over the coming months and years which will help put the shelter in a stronger more sustainable financial position and reduce the dependency on legacy income.

During the winter of 2022/23 we launched our Warm Paws campaign to raise awareness of our increasing heating costs. We received an incredible response from supporters thanks to coverage via numerous news and media outlets including coverage on national BBC breakfast. The campaign resonated with the community who got behind the appeal with one off donations of support.

During the past 12 months we have improved our presence on LinkedIn and this has brought with it a lot more corporate partnership working and offers of support. These partnerships allowed us to carry a lot of work out on site with donated goods and services and this has brought down our significant maintenance costs. These partnerships have also brought with an increased demand for corporate volunteer days and this in turn helps raise awareness for the shelter, connects with the local business community and provides the team with much needed support.

We continue to work with the Association of Dog and Cat Homes (ADCH) and follow their guidance to provide the best possible care for our animals.

We ended the financial year with a deficit of c£10k as opposed to a deficit of c£387k in the previous year. This reflects our recovery from 2022 and our continued focus on generating sustainable income for the shelter including regular giving, lottery players and corporate engagement.

Investment performance

The charity's investments have performed negatively. The board of trustees made the decision during the financial year to withdraw our funds from our cash investments due to the poor performance.

Fundraising practices

We use a commercial participator to manage our mobile lottery. All our other fundraising is performed by Charity staff and authorised volunteers. Any monies raised directly from the public follow all guidelines set out by the Charity Commission, the code of Fundraising Practice and English & Welsh law in every respect. There have been no fundraising compliance issues nor have we received any complaints in relation to our public fundraising during the period relating to this report.

Financial review

Review of financial position

We continually monitor our financial position alongside the current state of the economy and the impact it is having in the short term as well as the effect it is likely to have long term on income and expenditure.

Our forecasts remain positive for the short to medium term, however the impact of reduced legacy income and increasing costs suggests a period of uncertainty for the shelter in the long term.

We are putting a lot of work into evolving current income streams as well as finding alternative income.

During the year a deficit of £9,824 was generated (2022: £389,402 deficit).

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

Reserves policy

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

The charity also owns properties in the form of a shop with an attached flat and a residential dwelling. The shop is operated as a charity shop bringing in much needed funds and the flat is let out to bring in a rental income. The investment in property is viewed as a long-term investment which will increase in value whilst also providing short term funds from rent and retail income.

Investment policy

Due to the continued financial turbulence, the charity decided it would be prudent to retain our risk appetite at low-cautious for our investments.

Risks

The trustees have examined the major strategic business and operational risks facing the charity and continue to monitor the risk register. We confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The trustees do not consider the charity is exposed to any significant risks not currently covered by the controls in place.

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

Plans for future periods

Our key focus for the next 12 months is to continue making steps toward financial stability, looking at ways to control costs amid the increase in costs due to the financial climate and generate alternative income streams and focus on improving current income streams.

We will be looking at engaging more with our community through the appointment of a Community Engagement Officer to work more closely with local schools, care homes, community groups and grow our supporter base.

We continue to save lives in the North East.

Structure, governance and management

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

A Wylie, Chair
E A Luff
G Young
J M Simpson
N Manson
T Robson
T Fife
T Scrafton
W Davison

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

The charity board is made up of 9 trustees from a varied background with a variety of experience. They each bring a range of skills which benefit the charity and help to strengthen and develop the direction of the charity ensuring the charity remains relevant and improves each year. Should a trustee choose to resign then a review of the skills needed to replace them would be considered before the post was advertised.

New trustees are asked to complete an application detailing their reasons for wishing to join and the skills and attributes they feel they could bring. The chair and one of the trustees invite prospective candidates for an interview and successful candidates are invited to attend a trustee meeting to observe and to be introduced to the full board. The board are required to unanimously vote on new trustees. All new trustees are provided with a comprehensive induction pack outlining the roles and responsibilities of a trustee, together with the constitution and financial reports.

The chair is voted on each year at the AGM and all trustees are asked to confirm that they wish to serve for a further year.

Organisational structure

The trustees are responsible for the governance of the charity, they in turn employ a Chief Executive who is responsible for the day to day running of the charity. The Chief Executive is supported by a senior management team who oversee the daily operations at both shelters. They are supported by animal care staff.

Statement of trustees' responsibilities

The trustees 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).

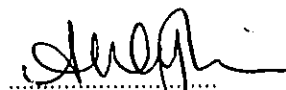
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



A Wylle, Chair

Trustee

Dated: 12th December 2023

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Opinion

We have audited the financial statements of Newcastle Upon Tyne Dog and Cat Shelter and Animal Sanctuary (the 'charity') for the year ended 30 April 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charity's affairs as at 30 April 2023 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditor's 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards and Charity Act 2011, Employment and Pension legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding, data protection, animal welfare and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Stephen Slater (Senior Statutory Auditor)
for and on behalf of Sumer Auditco Limited
Statutory Auditor
The Beehive, Beehive Ring Road
Gatwick
RH6 0PA

Date: 13/12/2023

Sumer Auditco Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	3	1,041,071	-	1,041,071	701,881
Charitable activities	4	78,039	-	78,039	57,185
Other trading activities	5	286,848	-	286,848	143,129
Investments	6	11,491	-	11,491	7,729
Total Income		1,417,449	-	1,417,449	909,924
Expenditure on:					
Raising funds	7	239,642	-	239,642	219,482
Charitable activities	8	1,163,407	2,927	1,166,334	1,063,002
Total resources expended		1,403,049	2,927	1,405,976	1,282,484
 Net gains/(losses) on investments	 13	 (21,297)	 -	 (21,297)	 (16,842)
 Net movement in funds		 (6,897)	 (2,927)	 (9,824)	 (389,402)
 Fund balances at 1 May 2022		 1,833,768	 169,588	 2,003,356	 2,392,758
 Fund balances at 30 April 2023		 1,826,871	 166,661	 1,993,532	 2,003,356

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

All income and expenditure derive from continuing activities.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2023

Prior financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes			
Income from:				
Donations and legacies	3	701,881	-	701,881
Charitable activities	4	57,185	-	57,185
Other trading activities	5	143,129	-	143,129
Investments	6	7,729	-	7,729
Total Income		909,924	-	909,924
Expenditure on:				
Raising funds	7	219,482	-	219,482
Charitable activities	8	1,059,878	3,124	1,063,002
Total resources expended		1,279,360	3,124	1,282,484
Net gains/(losses) on investments	13	(16,842)	-	(16,842)
Net outgoing resources before transfers		(386,278)	(3,124)	(389,402)
Net movement in funds		(386,278)	(3,124)	(389,402)
Fund balances at 1 May 2021		2,220,046	172,712	2,392,758
Fund balances at 30 April 2022		1,833,768	169,588	2,003,356

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

All income and expenditure derive from continuing activities.

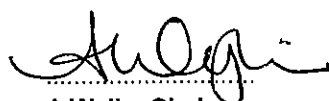
NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

BALANCE SHEET

AS AT 30 APRIL 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14	1,065,785		1,108,178	
Investment property	15	146,357		107,487	
Investments	16	-		273,058	
		<u>1,212,142</u>		<u>1,488,723</u>	
Current assets					
Stocks	17	40,684		27,063	
Debtors	18	267,039		262,812	
Cash at bank and in hand		549,180		311,380	
		<u>856,903</u>		<u>601,255</u>	
Creditors: amounts falling due within one year	19	<u>(75,513)</u>		<u>(86,622)</u>	
Net current assets			781,390		514,633
Total assets less current liabilities			<u>1,993,532</u>		<u>2,003,356</u>
Income funds					
Restricted funds	21	166,661		169,588	
Unrestricted funds		1,826,871		1,833,768	
		<u>1,993,532</u>		<u>2,003,356</u>	

The financial statements were approved by the Trustees on 12th December 2023


A Wylle, Chair
Trustee

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		15,633		(270,770)
Investing activities					
Purchase of tangible fixed assets		(2,215)		(9,945)	
Purchase of investment property		(38,870)		(40,000)	
Purchase of other investments		(5,333)		(172,473)	
Proceeds from disposal of other investments		257,094		170,073	
Investment income received		11,491		7,729	
Net cash generated from/(used in) investing activities			222,167		(44,616)
Net cash used in financing activities			-		-
Net Increase/(decrease) in cash and cash equivalents			237,800		(315,386)
Cash and cash equivalents at beginning of year			311,380		626,766
Cash and cash equivalents at end of year			549,180		311,380

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

Charity information

Newcastle upon Tyne Dog and Cat Shelter and Animal Sanctuary is a unincorporated charity established by a Constitution dated April 1964 and is registered with the Charity Commission, number 220506.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, (modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value). The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Incoming resources

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

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

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	1% straight line
Leasehold land and buildings	1% straight line / 3.125% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The charity holds a 125 year lease in respect of the shelter at Benton North Farm, and a 40 year lease in respect of the Claremont Road shelter.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

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

1.12 Financial Instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

Critical judgements

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

Key sources of estimation uncertainty

Determining residual values and useful economic lives of tangible fixed assets

The charity depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Valuation of Investment property

As described in note 15 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, MJ Boaden Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

2 Critical accounting estimates and judgements

(Continued)

Valuation of land and buildings

As described in note 14 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Bisset Kenning, Chartered Surveyors. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

3 Donations and legacies

	2023 £	2022 £
Donations and gifts	461,101	319,358
Legacies receivable	558,975	351,287
Grants	20,995	31,236
	<u>1,041,071</u>	<u>701,881</u>

Grants receivable for core activities

	2023 £	2022 £
Coronavirus Job Retention Scheme	-	236
Charitable Trusts	20,995	31,000
	<u>20,995</u>	<u>31,236</u>

4 Charitable activities

	2023 £	2022 £
Re-homing contributions	59,359	41,905
Council and police contract income	18,680	15,280
	<u>78,039</u>	<u>57,185</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

5 Other trading activities

	2023 £	2022 £
Fundraising Events	80,682	51,427
Shop income	136,768	91,702
Social lotteries	69,398	-
Other trading activities	286,848	143,129

6 Investments

	2023 £	2022 £
Rental income	8,314	2,511
Income from listed investments	2,419	5,164
Interest receivable	758	54
	11,491	7,729

7 Raising funds

	2023 £	2022 £
Fundraising and publicity		
Social lotteries	44,032	-
Staging fundraising events	42,481	36,419
Advertising	23,488	28,835
Fundraising costs	3,912	13,811
Staff costs	115,720	130,754
Fundraising and publicity	229,633	209,819
Trading costs		
Operating charity shops	9,063	7,360
Investment management	946	2,303
	239,642	219,482

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

8 Charitable activities

	2023 £	2022 £
Staff costs	591,072	527,892
Depreciation and impairment	44,608	46,083
Property repairs and improvements	81,894	65,679
Veterinary fees and vaccinations	117,860	115,032
Animal hygiene and welfare	83,438	88,766
Motor running expenses	9,584	8,355
Rent, rates and insurance	14,300	33,524
Lighting and heating	50,673	52,869
Equipment / skip hire	4,623	4,858
Sundries	23,425	14,368
	<u>1,021,477</u>	<u>957,426</u>
Share of support costs (see note 9)	109,854	72,768
Share of governance costs (see note 9)	35,003	32,808
	<u>1,166,334</u>	<u>1,063,002</u>
Analysis by fund		
Unrestricted funds	1,163,407	1,059,878
Restricted funds	2,927	3,124
	<u>1,166,334</u>	<u>1,063,002</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

9 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	62,677	-	62,677	37,498	-	37,498
Printing, stationery and office supplies	27,828	-	27,828	18,112	-	18,112
Telephone and postage	16,669	-	16,669	13,579	-	13,579
Training costs	2,680	-	2,680	3,579	-	3,579
Audit fees	-	7,500	7,500	-	7,500	7,500
Legal and professional	-	27,503	27,503	-	25,308	25,308
	<u>109,854</u>	<u>35,003</u>	<u>144,857</u>	<u>72,768</u>	<u>32,808</u>	<u>105,576</u>
Analysed between						
Charitable activities	<u>109,854</u>	<u>35,003</u>	<u>144,857</u>	<u>72,768</u>	<u>32,808</u>	<u>105,576</u>

The auditor's remuneration amounts to an Audit fee of £5,500 (2022: £5,500), and accounts preparation fees of £2,000 (2022: £2,000).

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2022: none).

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Animal welfare	27	28
Management and administration	8	7
Total	<u>35</u>	<u>35</u>

Employment costs

	2023 £	2022 £
Wages and salaries	697,378	635,076
Social security costs	56,358	43,995
Other pension costs	15,733	17,073
	<u>769,469</u>	<u>696,144</u>

The average headcount expressed as a full time equivalent was 30 (2022: 32).

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

11 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Net gains/(losses) on Investments

	2023 £	2022 £
Gain/(loss) after revaluation of investments	-	(16,224)
Gain/(loss) on sale of investments	(21,297)	(618)
	<u>(21,297)</u>	<u>(16,842)</u>

14 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 May 2022	67,744	1,560,132	210,394	40,752	1,879,022
Additions	-	-	2,215	-	2,215
	<u>67,744</u>	<u>1,560,132</u>	<u>212,609</u>	<u>40,752</u>	<u>1,881,237</u>
At 30 April 2023					
Depreciation and Impairment					
At 1 May 2022	3,610	564,086	171,829	31,319	770,844
Depreciation charged in the year	679	35,453	6,117	2,359	44,608
	<u>4,289</u>	<u>599,539</u>	<u>177,946</u>	<u>33,678</u>	<u>815,452</u>
At 30 April 2023					
Carrying amount					
At 30 April 2023	<u>63,455</u>	<u>960,593</u>	<u>34,663</u>	<u>7,074</u>	<u>1,065,785</u>
At 30 April 2022	<u>64,134</u>	<u>996,046</u>	<u>38,565</u>	<u>9,433</u>	<u>1,108,178</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

14 Tangible fixed assets (Continued)

The cost or valuation figure for Land and Buildings includes:

	Leasehold Land and Buildings £
At historical cost	1,350,132
Valuation made in 1997	210,000
Total	1,350,132

The leasehold land and buildings were valued in 1997 by Bisset Kenning and Newiss, Chartered Surveyors, on the basis of open market value for existing use.

The trustees are not aware of any material change since the 1997 valuation, other than subsequent additions, which have been recorded at cost.

Prior to the 1997 valuation, it had been policy to write off the costs incurred in respect of the acquisition and improvement of Leasehold Land and Buildings. There is therefore no available information relating to the historical cost of the revalued Land and Buildings.

15 Investment property

	2023 £
Fair value	
At 1 May 2022	107,487
Additions	38,870
At 30 April 2023	146,357

The Freehold investment property was purchased at market value on 9 December 2016 by the charity.

The fair value of the investment property has been arrived at on the basis of a valuation carried out in 2018 by Boaden Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The trustees believe there has not been any changes to fair value of the property since this valuation.

The Leasehold investment property was bequeathed to the charity and valued at market value in the prior year.

	2023 £	2022 £
Freehold	67,487	67,487
Long leasehold	78,870	40,000
	146,357	107,487

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

16 Fixed asset investments

	Listed Investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 May 2022	250,539	22,519	273,058
Additions	5,333	-	5,333
Disposals	(255,872)	(22,519)	(278,391)
	<u>-</u>	<u>-</u>	<u>-</u>
At 30 April 2023	-	-	-
Carrying amount			
At 30 April 2023	<u>-</u>	<u>-</u>	<u>-</u>
At 30 April 2022	<u>250,539</u>	<u>22,519</u>	<u>273,058</u>

17 Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u>40,684</u>	<u>27,063</u>

18 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	13,483	7,336
Other debtors	36,403	35,213
Prepayments and accrued income	217,153	220,263
	<u>267,039</u>	<u>262,812</u>

Included within prepayments and accrued income is an amount of £166,300 (2022: £174,882) relating to notified legacies which were received after the balance sheet date.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

19 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	11,166	6,482
Trade creditors	17,162	29,680
Other creditors	306	3,790
Accruals and deferred income	46,879	46,670
	<u>75,513</u>	<u>86,622</u>

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £15,733 (2022: £17,073).

21 Restricted funds

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

	Balance at 1 May 2022 £	Resources expended £	Balance at 30 April 2023 £
All funds	150,852	(2,876)	147,976
Pedigree Brighter Futures Fund	14,366	-	14,366
Pedigree - Indoor Play Barn Fund	4,370	(51)	4,319
	<u>169,588</u>	<u>(2,927)</u>	<u>166,661</u>

Monies received specifically through appeals in relation to the refurbishment and extension of the main kennel block at the Benton North Farm premises.

Pedigree Brighter Futures Fund - towards the organisation and building of the dog grooming room and dog towers.

Pedigree - Indoor Play Barn Fund - towards the construction of the new Indoor play barn for animals living onsite.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

21 Restricted funds (Continued)

Restricted funds - Prior year

	Balance at 1 May 2021	Resources expended	Balance at 30 April 2022
	£	£	£
All funds	153,925	(3,073)	150,852
Pedigree Brighter Futures Fund	14,366	-	14,366
Pedigree - Indoor Play Barn Fund	4,421	(51)	4,370
	<u>172,712</u>	<u>(3,124)</u>	<u>169,588</u>

22 Analysis of net assets between funds

Current financial year

	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£
Fund balances at 30 April 2023 are represented by:			
Tangible assets	899,399	166,386	1,065,785
Investment properties	146,357	-	146,357
Current assets/(liabilities)	781,115	275	781,390
	<u>1,826,871</u>	<u>166,661</u>	<u>1,993,532</u>

Prior financial year

	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£
Fund balances at 30 April 2022 are represented by:			
Tangible assets	938,865	169,313	1,108,178
Investment properties	107,487	-	107,487
Investments	273,058	-	273,058
Current assets/(liabilities)	514,358	275	514,633
	<u>1,833,768</u>	<u>169,588</u>	<u>2,003,356</u>

Restricted funds current assets amounting to £275 relate to amounts held within cash at bank and in hand.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	2,552	2,882
Between two and five years	10,208	10,208
In over five years	20,416	22,968
	<u>33,176</u>	<u>36,058</u>

Lessor

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2023 £	2022 £
Within one year	<u>1,650</u>	<u>-</u>

24 Related party transactions

Remuneration of key management personnel

Key management has been determined to be the trustees and one member (2022:1) of the senior management team. Trustees receive no remuneration or benefits.

The remuneration of key management personnel is as follows. management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>54,732</u>	<u>59,482</u>

During the year the charity used a firm of property agents to manage the rental properties, of which a trustee is a controlling party.

In the prior year a former trustee provided shop space rent free for 12 months for a charity shop.

There were no other transactions made to or from any related parties in the year.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

25 Cash generated from operations	2023 £	2022 £
Deficit for the year	(9,824)	(389,402)
Adjustments for:		
Investment Income recognised in statement of financial activities	(11,491)	(7,729)
Loss on disposal of investments	21,297	618
Fair value gains and losses on investments	-	16,224
Depreciation and impairment of tangible fixed assets	44,608	46,083
Movements in working capital:		
(Increase)/decrease in stocks	(13,621)	6,033
(Increase)/decrease in debtors	(4,227)	70,924
(Decrease) in creditors	(11,109)	(13,521)
Cash generated from/(absorbed by) operations	<u>15,633</u>	<u>(270,770)</u>

Accounts

**NEWCASTLE UPON TYNE DOG AND CAT
SHELTER AND ANIMAL SANCTUARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Wylie, Chair E A Luff G Young J M Simpson N Manson T Robson T Fife T Scrafton W Davison
Charity number	220506
Principal address	Benton North Farm Benton Lane Newcastle Upon Tyne NE12 8EH
Chief executive officer	C Bray
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Barclays Leicester Leicestershire LE87 2BB
Solicitors	Stokes Law & Mediation 206 Mailing Exchange Hoults Yard Walker Road Newcastle Upon Tyne NE6 2HL
Investment advisors	Brewin Dolphin Time Central Gallowgate Newcastle Upon Tyne NE1 4SR

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

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NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

The trustees present their annual report and financial statements for the year ended 30 April 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objects are the prevention of cruelty and the promotion of kindness to animals. The policies adopted in furtherance of these objects are to take in lost, unwanted, abandoned and abused animals from across the North East of England encompassing Newcastle, North Tyneside, Northumberland, South Tyneside, Gateshead and Sunderland. We aim to reunite lost animals with their owners. We provide veterinary treatment and behavioural training as part of our rehabilitation of arriving animals. Where no owners are found or animals are unwanted or relinquished due to owners no longer being able to care for them, we find loving new homes for them. We provide education on the responsibilities of animal ownership and the importance of neutering, vaccinations and veterinary care and there has been no change in these during the year.

By helping animals across the North East of England, we believe our work benefits the public in a variety of ways:

- Providing assistance to local authorities and the general public by taking in and rehoming stray, lost, abandoned and neglected domestic animals.
- Rehoming animals to those who want and are able to provide a good home, providing companionship to individuals and families.
- Reuniting lost and stray animals with their owners.
- Providing shelter and essential care for animals until they can be reunited with their owners or found new homes.
- Reducing the number of stray animals on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- Providing low cost/free microchipping at our rehoming centre and out in the community.
- Providing information and advice to owners on the care of animals and the need for vaccinations and neutering.
- Educating young people in schools and youth groups about the welfare and respect of animals.
- Visiting care homes with dogs, providing companionship to those who can no longer have pets of their own.
- Providing structured volunteering opportunities for those who wish to support our work.

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

Achievements and performance

The past 12 months has brought with it a period of uncertainty to the shelter. Still feeling the effects of Covid-19 on our day to day operations and fundraising as well as financial impact of a very significant reduction in legacy income.

The shelter has always been at risk financially due to a heavy reliance on legacy income to cover operating costs and this year there was a significant drop which has impacted our cash and reserves.

Regardless of how much our income dropped we still had to cover the costs of veterinary bills and heating to ensure the animals in our care were receiving the best possible treatment.

We have continued to rehome animals via online applications which has continued to be successful along with our online support which has been growing steadily throughout the year. This has proven to be beneficial with the encouraging response to our online fundraising campaign to help repair the shelter roof following the strong storms at the beginning of 2022.

We have formed a working relationship with the CDA Pet Food Bank with the hope of helping keep animals in their homes for as long as possible and avoid the need for families to surrender their pets due to unfortunate financial circumstances.

We continue to work with the Association of Dog and Cat Homes (ADCH) and follow their guidance to provide the best possible care for our animals.

The end of the 2022 financial year saw the resignation of our long-term chairlady and appointment and a new chair and vice chair were appointed.

The end of the 2022 financial year also saw a change in senior management personnel at the shelter. This change in management allowed us to reform the senior leadership team structure to give greater financial and operational management for day to day operations.

We ended the financial year with a deficit of £387k as opposed to a surplus of £502k in the previous year. This has further emphasised to the trustees that the charity has been too heavily reliant on legacy income and our future focus is generating new income streams to reducing the this dependency.

Investment performance

The charity's investments have performed negatively, we hold our investments on a low-cautious risk basis so there is unlikely to be significant returns. The trustees will be reviewing our listed investments during the next financial year.

Fundraising practices

We do not use a commercial participator to raise funds, nor have we engaged volunteers on our behalf/in aid of our charity, during the period relating to this report; all our fundraising has been conducted by charity staff. Any monies raised directly from the public follow all guidelines set out by the Charity Commission, the Code of Fundraising Practice and English & Welsh law in every respect. There have been no fundraising compliance issues nor have we received any complaints in relation to our public fundraising during the period relating to this report.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

Financial review

Review of financial position

We continually monitor our financial position alongside the current state of the economy and the impact it is having in the short term as well as the effect it is likely to have long term on income and expenditure.

Our forecasts remain positive for the short term, however the impact of reduced legacy income suggests a period of uncertainty for the shelter in the medium term.

We are putting a lot of work into evolving current income streams as well as finding alternative income.

During the year a deficit of £389,402 was generated (2021: £501,968 surplus).

Reserves policy

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

Long term investment is our free reserves, it is felt that these are best invested to gain a maximum return, a Portfolio managed by Brewin Dolphin.

The charity also owns properties in the form of a shop with an attached flat and a residential dwelling. The shop is operated as a charity shop bringing in much needed funds and the flat is let out to bring in a rental income. The investment in property is viewed as a long-term investment which will increase in value whilst also providing short term funds from rent and retail income.

Investment policy

Due to the continued financial turbulence, the charity decided it would be prudent to retain our risk appetite at low-cautious for our investments.

Risks

The trustees have examined the major strategic business and operational risks facing the charity and continue to monitor the risk register. We confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The trustees do not consider the charity is exposed to any significant risks not currently covered by the controls in place.

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

Plans for future periods

Our key focus for the next 12 months is taking steps toward financial stability, looking at ways to reduce costs and generate alternative income streams.

With the country coming out of restrictions brought in during Covid-19 we hope to see the return of our on-site events and the return of the public through our doors which will help generate more income and just as importantly, a growing relationship with our incredible local community.

We will be launching our exciting shelter lottery which we will be looking to grow into a reliable source of sustainable income.

We will be build links with corporate organisations to help with restoring and improving our buildings at both Benton and Claremont Road to make them more suitable to our needs.

We will engage with our community with how they can help us with volunteering roles across the shelter.

We will continue to save lives in the North East.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

Structure, governance and management

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

A Wylie, Chair

E A Luff

G Young

J M Simpson

N Manson

S Syson

(Resigned 29 March 2022)

T Robson

T Fife

T Scrafton

W Davison

The charity board is made up of 9 trustees from a varied background with a variety of experience. They each bring a range of skills which benefit the charity and help to strengthen and develop the direction of the charity ensuring the charity remains relevant and improves each year. Should a trustee choose to resign then a review of the skills needed to replace them would be considered before the post was advertised.

New trustees are asked to complete an application detailing their reasons for wishing to join and the skills and attributes they feel they could bring. The chair and one of the trustees invite prospective candidates for an interview and successful candidates are invited to attend a trustee meeting to observe and to be introduced to the full board. The board are required to unanimously vote on new trustees. All new trustees are provided with a comprehensive induction pack outlining the roles and responsibilities of a trustee, together with the constitution and financial reports.

The chair is voted on each year at the AGM and all trustees are asked to confirm that they wish to serve for a further year.

Organisational structure

The trustees are responsible for the governance of the charity, they in turn employ a Chief Executive who is responsible for the day to day running of the charity. The Chief Executive is supported by a senior management team who oversee the daily operations at both shelters. They are supported by animal care staff.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

Statement of trustees' responsibilities

The trustees 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

.....
A Wylie, Chair

Trustee

Dated:

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Opinion

We have audited the financial statements of Newcastle Upon Tyne Dog and Cat Shelter and Animal Sanctuary (the 'charity') for the year ended 30 April 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charity's affairs as at 30 April 2022 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditor's 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards and Charity Act 2011, Employment and Pension legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding, data protection, animal welfare and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Stephen Slater (Senior Statutory Auditor)
for and on behalf of RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date:

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2022

Current financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	3	701,881	-	701,881	1,553,336
Charitable activities	4	57,185	-	57,185	58,850
Other trading activities	5	143,129	-	143,129	45,097
Investments	6	7,729	-	7,729	9,890
Total income		<u>909,924</u>	<u>-</u>	<u>909,924</u>	<u>1,667,173</u>
Expenditure on:					
Raising funds	7	219,482	-	219,482	139,115
Charitable activities	8	1,059,878	3,124	1,063,002	1,029,101
Total resources expended		<u>1,279,360</u>	<u>3,124</u>	<u>1,282,484</u>	<u>1,168,216</u>
Net gains/(losses) on investments	12	<u>(16,842)</u>	<u>-</u>	<u>(16,842)</u>	<u>3,011</u>
Net movement in funds		<u>(386,278)</u>	<u>(3,124)</u>	<u>(389,402)</u>	<u>501,968</u>
Fund balances at 1 May 2021		<u>2,220,046</u>	<u>172,712</u>	<u>2,392,758</u>	<u>1,890,790</u>
Fund balances at 30 April 2022		<u><u>1,833,768</u></u>	<u><u>169,588</u></u>	<u><u>2,003,356</u></u>	<u><u>2,392,758</u></u>

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

All income and expenditure derive from continuing activities.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
Income from:				
Donations and legacies	3	1,553,336	-	1,553,336
Charitable activities	4	58,850	-	58,850
Other trading activities	5	45,097	-	45,097
Investments	6	9,890	-	9,890
Total income		1,667,173	-	1,667,173
Expenditure on:				
Raising funds	7	139,115	-	139,115
Charitable activities	8	1,025,746	3,355	1,029,101
Total resources expended		1,164,861	3,355	1,168,216
Net gains/(losses) on investments	12	3,011	-	3,011
Net (outgoing)/incoming resources before transfers		505,323	(3,355)	501,968
Net movement in funds		505,323	(3,355)	501,968
Fund balances at 1 May 2020		1,714,723	176,067	1,890,790
Fund balances at 30 April 2021		2,220,046	172,712	2,392,758

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

All income and expenditure derive from continuing activities.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

BALANCE SHEET

AS AT 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	1,108,178		1,144,316	
Investment properties	14	107,487		67,487	
Investments	15	273,058		287,500	
		<u>1,488,723</u>		<u>1,499,303</u>	
Current assets					
Stocks	17	27,063		33,096	
Debtors	18	262,812		333,736	
Cash at bank and in hand		311,380		626,766	
		<u>601,255</u>		<u>993,598</u>	
Creditors: amounts falling due within one year	19	(86,622)		(100,143)	
Net current assets			514,633		893,455
Total assets less current liabilities			<u>2,003,356</u>		<u>2,392,758</u>
Income funds					
Restricted funds	21	169,588		172,712	
Unrestricted funds		1,833,768		2,220,046	
		<u>2,003,356</u>		<u>2,392,758</u>	

The financial statements were approved by the Trustees on

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A Wylie, Chair
Trustee

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(270,770)		425,300
Investing activities					
Purchase of tangible fixed assets		(9,945)		-	
Purchase of investment property		(40,000)		-	
Purchase of other investments		(172,473)		(59,771)	
Proceeds from disposal of other investments		170,073		57,048	
Investment income received		7,729		9,890	
Net cash (used in)/generated from investing activities			(44,616)		7,167
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(315,386)		432,467
Cash and cash equivalents at beginning of year			626,766		194,299
Cash and cash equivalents at end of year			311,380		626,766

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

Charity information

Newcastle upon Tyne Dog and Cat Shelter and Animal Sanctuary is a unincorporated charity established by a Constitution dated April 1964 and is registered with the Charity Commission, number 220506.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, (modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value). The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Incoming resources

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

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

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	1% straight line
Leasehold land and buildings	1% straight line / 3.125% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The charity holds a 125 year lease in respect of the shelter at Benton North Farm, and a 40 year lease in respect of the Claremont Road shelter.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

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

1.12 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

Critical judgements

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

Key sources of estimation uncertainty

Determining residual values and useful economic lives of tangible fixed assets

The charity depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Valuation of investment property

As described in note 13 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Boaden Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

2 Critical accounting estimates and judgements

(Continued)

Valuation of land and buildings

As described in note 14 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Bisset Kenning & Newiss, Chartered Surveyors. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

3 Donations and legacies

	2022 £	2021 £
Donations and gifts	319,358	331,251
Legacies receivable	351,287	1,157,382
Grants	31,236	64,703
	<u>701,881</u>	<u>1,553,336</u>

Included in donations is £12,738 (2021: £14,791) "Adopt-A-Kennel" donation income.

Grants receivable for core activities

	2022 £	2021 £
Coronavirus Job Retention Scheme	236	64,703
Charitable Trusts	31,000	-
	<u>31,236</u>	<u>64,703</u>

4 Charitable activities

	2022 £	2021 £
Re-homing contributions	41,905	47,905
Council and police contract income	15,280	10,945
	<u>57,185</u>	<u>58,850</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

5 Other trading activities

	2022 £	2021 £
Fundraising Events	51,427	-
Shop income	91,702	45,097
	<u> </u>	<u> </u>
Other trading activities	143,129	45,097
	<u> </u>	<u> </u>

6 Investments

	2022 £	2021 £
Rental income	2,511	4,290
Income from listed investments	5,164	5,490
Interest receivable	54	110
	<u> </u>	<u> </u>
	7,729	9,890
	<u> </u>	<u> </u>

7 Raising funds

	2022 £	2021 £
Fundraising and publicity		
Staging fundraising events	36,419	475
Advertising	28,835	-
Fundraising costs	13,811	8,532
Staff costs	130,754	108,823
	<u> </u>	<u> </u>
Fundraising and publicity	209,819	117,830
	<u> </u>	<u> </u>
Trading costs		
Operating charity shops	7,360	18,980
	<u> </u>	<u> </u>
Investment management	2,303	2,305
	<u> </u>	<u> </u>
	219,482	139,115
	<u> </u>	<u> </u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

8 Charitable activities

	2022 £	2021 £
Staff costs	527,892	542,458
Depreciation and impairment	46,083	46,575
Property repairs and improvements	65,679	38,773
Veterinary fees and vaccinations	115,032	95,744
Animal hygiene and welfare	88,766	75,806
Motor running expenses	8,355	5,903
Rent, rates and insurance	33,524	42,321
Lighting and heating	52,869	44,401
Equipment / skip hire	4,858	4,439
Bad debts	-	1,951
Sundries	14,368	11,622
	<u>957,426</u>	<u>909,993</u>
Share of support costs (see note 10)	72,768	79,172
Share of governance costs (see note 10)	32,808	39,936
	<u>1,063,002</u>	<u>1,029,101</u>
Analysis by fund		
Unrestricted funds	1,059,878	1,025,746
Restricted funds	3,124	3,355
	<u>1,063,002</u>	<u>1,029,101</u>

9 Trustees

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

10 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	37,498	-	37,498	44,493	-	44,493
Printing, stationery and office supplies	18,112	-	18,112	12,012	-	12,012
Telephone and postage	13,579	-	13,579	21,771	-	21,771
Training costs	3,579	-	3,579	896	-	896
Audit fees	-	7,500	7,500	-	7,500	7,500
Legal and professional	-	25,308	25,308	-	32,436	32,436
	<u>72,768</u>	<u>32,808</u>	<u>105,576</u>	<u>79,172</u>	<u>39,936</u>	<u>119,108</u>
Analysed between Charitable activities	<u>72,768</u>	<u>32,808</u>	<u>105,576</u>	<u>79,172</u>	<u>39,936</u>	<u>119,108</u>

The auditor's remuneration amounts to an Audit fee of £5,500 (2021: £5,500), and accounts preparation fees of £2,000 (2021: £2,000).

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Animal welfare	28	30
Management and administration	7	7
Total	<u>35</u>	<u>37</u>
Employment costs	2022 £	2021 £
Wages and salaries	635,076	645,307
Social security costs	43,995	37,165
Other pension costs	17,073	13,302
	<u>696,144</u>	<u>695,774</u>

The average headcount expressed as a full time equivalent was 32 (2021: 35).

There were no employees whose annual remuneration was £60,000 or more.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

12 Net gains/(losses) on investments

	2022 £	2021 £
Gain/(loss) after revaluation of investments	(16,224)	452
Gain/(loss) on sale of investments	(618)	2,559
	<u>(16,842)</u>	<u>3,011</u>

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 May 2021	67,744	1,560,132	200,449	40,752	1,869,077
Additions	-	-	9,945	-	9,945
	<u>67,744</u>	<u>1,560,132</u>	<u>210,394</u>	<u>40,752</u>	<u>1,879,022</u>
Depreciation and impairment					
At 1 May 2021	2,931	528,633	165,023	28,174	724,761
Depreciation charged in the year	679	35,453	6,806	3,145	46,083
	<u>3,610</u>	<u>564,086</u>	<u>171,829</u>	<u>31,319</u>	<u>770,844</u>
Carrying amount					
At 30 April 2022	<u>64,134</u>	<u>996,046</u>	<u>38,565</u>	<u>9,433</u>	<u>1,108,178</u>
At 30 April 2021	<u>64,813</u>	<u>1,031,499</u>	<u>35,426</u>	<u>12,578</u>	<u>1,144,316</u>

The cost or valuation figure for Land and Buildings includes:

	Leasehold Land and Buildings £
At historical cost	1,350,132
Valuation made in 1997	210,000
Total	<u>1,350,132</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

13 Tangible fixed assets

(Continued)

The leasehold land and buildings were valued in 1997 by Bisset Kenning and Newiss, Chartered Surveyors, on the basis of open market value for existing use.

The trustees are not aware of any material change since the 1997 valuation, other than subsequent additions, which have been recorded at cost.

Prior to the 1997 valuation, it had been policy to write off the costs incurred in respect of the acquisition and improvement of Leasehold Land and Buildings. There is therefore no available information relating to the historical cost of the revalued Land and Buildings.

14 Investment property

	2022 £
Fair value	
At 1 May 2021	67,487
Additions through external acquisition	40,000
At 30 April 2022	107,487

The Freehold investment property was purchased at market value on 9 December 2016 by the charity.

The Leasehold investment property was bequeathed to the charity and valued at market value during the year.

The fair value of the investment property has been arrived at on the basis of a valuation carried out in 2018 by Boaden Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The trustees believe there has not been any changes to fair value of the property since this valuation.

	2022 £	2021 £
Freehold	67,487	67,487
Long leasehold	40,000	-
	107,487	67,487

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 May 2021	271,949	15,551	287,500
Additions	172,473	6,969	179,442
Valuation changes	(16,224)	-	(16,224)
Disposals	(177,659)	-	(177,659)
	<u>250,539</u>	<u>22,520</u>	<u>273,059</u>
Carrying amount			
At 30 April 2022	<u>250,539</u>	<u>22,520</u>	<u>273,059</u>
At 30 April 2021	<u>271,949</u>	<u>15,551</u>	<u>287,500</u>

All investments are carried at their market value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The historical value of the listed investments as at 30 April 2022 is £264,111 (2021: £265,104).

16 Financial instruments	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>250,539</u>	<u>271,949</u>
17 Stocks	2022 £	2021 £
Finished goods and goods for resale	<u>27,063</u>	<u>33,096</u>
18 Debtors	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	7,336	2,330
Other debtors	35,213	29,318
Prepayments and accrued income	<u>220,263</u>	<u>302,088</u>
	<u>262,812</u>	<u>333,736</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

18 Debtors

(Continued)

Included within prepayments and accrued income is an amount of £174,882 (2021: £265,200) relating to notified legacies which were received after the balance sheet date.

19 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	6,482	4,492
Trade creditors	29,680	42,666
Other creditors	3,790	1,589
Accruals and deferred income	46,670	51,396
	<u>86,622</u>	<u>100,143</u>

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

During the year the charity contributed £17,073 (2021: £13,302) to the personal schemes of employees. These contributions are charged to the Statement of Financial Activities. At the balance sheet date there were no accrued or prepaid contributions (2021: £nil).

21 Restricted funds

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

	Balance at 1 May 2021 £	Resources expended £	Balance at 30 April 2022 £
All funds	153,925	(3,073)	150,852
Pedigree Brighter Futures Fund	14,366	-	14,366
Pedigree - Indoor Play Barn Fund	4,421	(51)	4,370
	<u>172,712</u>	<u>(3,124)</u>	<u>169,588</u>

Monies received specifically through appeals in relation to the refurbishment and extension of the main kennel block at the Benton North Farm premises.

Pedigree Brighter Futures Fund - towards the organisation and building of the dog grooming room and dog towers.

Pedigree - Indoor Play Barn Fund - towards the construction of the new indoor play barn for animals living onsite.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

21 Restricted funds

(Continued)

Restricted funds - Prior year

	Balance at 1 May 2020 £	Resources expended £	Balance at 30 April 2021 £
All funds	157,229	(3,304)	153,925
Pedigree Brighter Futures Fund	14,366	-	14,366
Pedigree - Indoor Play Barn Fund	4,472	(51)	4,421
	<u>176,067</u>	<u>(3,355)</u>	<u>172,712</u>

22 Analysis of net assets between funds

Current financial year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 30 April 2022 are represented by:			
Tangible assets	938,865	169,313	1,108,178
Investment properties	107,487	-	107,487
Investments	273,058	-	273,058
Current assets/(liabilities)	514,358	275	514,633
	<u>1,833,768</u>	<u>169,588</u>	<u>2,003,356</u>

Prior financial year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 April 2021 are represented by:			
Tangible assets	971,879	172,437	1,144,316
Investment properties	67,487	-	67,487
Investments	287,500	-	287,500
Current assets/(liabilities)	893,180	275	893,455
	<u>2,220,046</u>	<u>172,712</u>	<u>2,392,758</u>

Restricted funds current assets amounting to £275 relate to amounts held within cash at bank and in hand.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	2,882	4,695
Between two and five years	10,208	11,288
In over five years	22,968	25,520
	<u>36,058</u>	<u>41,503</u>

24 Related party transactions

Remuneration of key management personnel

Key personnel are the Chief Executive Officer of the charity (2021: Chief Executive Officers and Deputy Chief Executive Officer).

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>54,732</u>	<u>114,779</u>

During the year former trustee S Syson provided shop space rent free for 12 months for a charity shop.

There were no other transactions made to or from any related parties (2021: none).

25 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(389,402)	501,968
Adjustments for:		
Investment income recognised in statement of financial activities	(7,729)	(9,890)
Loss/(gain) on disposal of investments	618	(2,559)
Fair value gains and losses on investments	16,224	(452)
Depreciation and impairment of tangible fixed assets	46,083	46,575
Movements in working capital:		
Decrease/(increase) in stocks	6,033	(22,809)
Decrease/(increase) in debtors	70,924	(79,712)
(Decrease) in creditors	(13,521)	(7,821)
Cash (absorbed by)/generated from operations	<u>(270,770)</u>	<u>425,300</u>

Accounts

**NEWCASTLE UPON TYNE DOG AND CAT
SHELTER AND ANIMAL SANCTUARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Syson, Chair J M Simpson G Young W Davison T Fife T Scrafton A Wylie N Manson E A Luff T Robson
Charity number	220506
Principal address	Benton North Farm Benton Lane Newcastle Upon Tyne NE12 8EH
Chief executive officer	C Bray
Senior management team	G Lawson, Deputy Chief Executive
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Barclays Bank plc Front Street Whickham Newcastle Upon Tyne NE16 4DZ
Solicitors	Stokes Law & Mediation 206 Mailing Exchange Hoults Yard Walker Road Newcastle Upon Tyne NE6 2HL
Investment advisors	Brewin Dolphin Time Central Gallowgate Newcastle Upon Tyne NE1 4SR

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

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NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The trustees present their annual report and financial statements for the year ended 30 April 2021.

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

Objectives and activities

The charity's objects are the prevention of cruelty and the promotion of kindness to animals. The policies adopted in furtherance of these objects are to take in lost, unwanted, abandoned and abused animals from across the North East of England encompassing Newcastle, North Tyneside, Northumberland, South Tyneside, Gateshead and Sunderland. We aim to reunite lost animals with their owners. We provide veterinary treatment and behavioural training as part of our rehabilitation of arriving animals. Where no owners are found or animals are unwanted or relinquished due to owners no longer being able to care for them, we find loving new homes for them. We provide education on the responsibilities of animal ownership and the importance of neutering, vaccinations and veterinary care and there has been no change in these during the year.

By helping animals across the North East of England, we believe our work benefits the public in a variety of ways:

Providing assistance to local authorities and the general public by taking in and rehoming stray, lost, abandoned and neglected domestic animals.

Rehoming animals to those who want and are able to provide a good home, providing companionship to individuals and families.

Reuniting lost and stray animals with their owners.

Providing shelter and essential care for animals until they can be reunited with their owners or found new homes.

Reducing the number of stray animals on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.

Providing low cost/free microchipping at our rehoming centre and out in the community.

Providing information and advice to owners on the care of animals and the need for vaccinations and neutering.

Educating young people in schools and youth groups about the welfare and respect of animals.

Visiting care homes with dogs, providing companionship to those who can no longer have pets of their own.

Providing structured volunteering opportunities for those who wish to support our work.

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Achievements and performance

Covid-19 had a major impact on shelter operations, fundraising and awareness. Animal welfare remained at the heart of our activities under a difficult working environment for a small team operating across two sites at Claremont Road (arrivals) and Benton North (rehoming).

At the beginning of lock down we stopped rehoming on site, moving to online applications and video socialisations. As non-essential travelling was not allowed, we delivered animals to homes. The move to the online application process; away from the previous paper-based method completed by shelter visitors worked well and meant the team could find animals forever homes whilst the shelter was closed to visitors.

Non-animal care staff were furloughed with scaled back staff focussed on animal care. Two teams were formed and operated different shift patterns independently to reduce risks of covid spread. Association of Dog and Cat Homes (ADCH) provided support and guidance to ensure all government guidelines and rules were met.

A significant and essential cost each year are veterinary bills, to provide the treatments for animals in our care. Whilst these costs reduced during the pandemic, they still amounted to just under £100,000 providing care with our current provider Blythman & Partners.

Legacy income performed well, including a single significant legacy that included a property and work continued to encourage local people to consider making a gift in their Wills to the shelter.

A save the shelter £1 campaign took place during the pandemic which raised more than £100,000. Other events could not take place and our retail outlets were closed for a significant proportion of the year. Plans were made for events and activities to take place as soon as the restrictions were lifted.

Focus on social media helped grow online support and awareness to continue to share the shelter story and encourage offers of support when needed.

The start of 2021 saw the arrival of a new chief executive following a gap of three months when the shelter was managed by the management team and chairlady.

The past financial year was one of the most difficult for staff and trustees in a long time. However, with these difficulties came opportunities to review the way the shelter operates and make adaptations and improvements enabling the shelter to function throughout lockdown.

There is a more efficient rehoming process which allows us to make sure each animal is matched to the best possible home. We have a shelter computer management system which has meant we have substantially reduced the amount of paperwork, saving staff time. Our new CEO started at the beginning of January and has introduced new ways of working, introducing a digital system to communicate with staff and has also made them feel their opinions are important which has improved morale and helped us to improve the way we operate.

The recruitment of a corporate and events member of staff to deliver events, raise funds and improve our social media presence means we can raise more money and also continue to educate people regarding animal welfare.

We have ended the year with a surplus of £502k as opposed to the deficit of £163k the previous year, which is pleasing, but the trustees are aware that this is in part due to several large legacies and we continue to look into new ways and methods of generating income and reduce the reliance on legacy income over which the shelter has very little control. Fortunately having some funds, means we are able to invest in new ways of fundraising and secure the shelters long term future.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Investment performance

The charity's investments have performed positively, we hold our investments on a low-cautious risk basis so there will never be significant returns, however the trustees are satisfied that the returns gained are more favourable than alternatives.

Fundraising practices

We do not use a commercial participator to raise funds, nor have we engaged volunteers on our behalf/in aid of our charity, during the period relating to this report; all our fundraising has been conducted by charity staff. Any monies raised directly from the public follow all guidelines set out by the Charity Commission, the Code of Fundraising Practice and English & Welsh law in every respect. There have been no fundraising compliance issues nor have we received any complaints in relation to our public fundraising during the period relating to this report.

Financial review

Review of financial position

We continually monitor our financial position alongside the current state of the economy and the impact it is having in the short term as well as the effect it is likely to have long term on income and expenditure.

Our forecasts remain positive for the year ahead and although it has been quieter for legacy notifications, which may impact income in the medium term. This is, in part, due to delays at the probate office and for legacies involving property, the time from receiving notification to receiving the money has increased and takes many months and in some cases years. This makes planning and budgeting difficult and puts a strain on cash flow. This has strengthened our decision to continue to look at alternative income streams and reduce our reliance on legacies.

The trustees are confident that the charity is financially stable and we have robust policies and procedures in place to monitor and control our finances and to ensure that all expenditure helps us to achieve our objectives.

During the year a surplus of £501,968 was generated (2020 - £163,532 deficit).

Reserves policy

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

Long term investment is our free reserves, it is felt that these are best invested to gain a maximum return, a Portfolio managed by Brewin Dolphin.

The charity also owns property in the form of a shop with an attached flat. The shop is operated as a charity shop bringing in much needed funds and the flat is let out to bring in a rental income. The investment in property is viewed as a long-term investment which will increase in value whilst also providing short term funds from rent and retail income.

Investment policy

Due to the continued financial turbulence, the charity decided it would be prudent to retain our risk appetite at low-cautious for our investments.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Risks

The trustees have examined the major strategic business and operational risks facing the charity and continue to monitor the risk register. We confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The trustees do not consider the charity is exposed to any significant risks not currently covered by the controls in place.

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

COVID-19 risk

The ongoing COVID-19 pandemic continues to generate a significant level of uncertainty in the global economy. The Trustees will regularly assess the likely effects on the charity's operations in an attempt to mitigate the risk as far as possible.

Plans for future periods

Planning is difficult when there is uncertainty around the impact of Covid-19, so investments will be made offering longer term returns. A focus on key strategic areas, focussed on our objectives. Creating financial stability through better financial account management, reducing costs where possible and growing reliable and cost effective sources of income.

Reviewing and adapting staff structure to reflect a changed external environment, including the move to transform our back office functions and make improvements to online access for people wishing to rehome animals in our care.

Further powerful storytelling and growing awareness as well as 'big ticket' fundraising events including black tie events, golf days and community shelter events will help grow awareness and fundraising.

The launch of a shelter lottery will also grow income.

We will continue to look at the most practical ways of making improvements to the buildings and heating systems at both Claremont Road and Benton.

We will build links with organisations to help those with practical or financial difficulties to be able to continue to look after their pet(s) rather than give them up to rehome.

As Covid restrictions ease, we will go out into the community to make people aware of the work we do and advise on animal welfare issues.

We will update our legacy marketing materials and make sure supporters are aware they can support our work via leaving the shelter a gift in their Will.

We will continue to be passionate about our work and engage more individuals and organisations to grow our reach, so that we are able to save more lives in the North East.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Structure, governance and management

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

S Syson, Chair

J M Simpson

A Harrison

(Resigned 7 September 2020)

G Young

W Davison

T Fife

T Scrafton

A Wylie

N Manson

E A Luff

(Appointed 1 February 2021)

T Robson

(Appointed 1 February 2021)

The charity board is made up of 10 trustees from a varied background with a variety of experience. They each bring a range of skills which benefit the charity and help to strengthen and develop the direction of the charity ensuring the charity remains relevant and improves each year. Should a trustee choose to resign then a review of the skills needed to replace them would be considered before the post was advertised.

New trustees are asked to complete an application detailing their reasons for wishing to join and the skills and attributes they feel they could bring. The chair and one of the trustees invite prospective candidates for an interview and successful candidates are invited to attend a trustee meeting to observe and to be introduced to the full board. The board are required to unanimously vote on new trustees. All new trustees are provided with a comprehensive induction pack outlining the roles and responsibilities of a trustee, together with the constitution and financial reports.

The chair is voted on each year at the AGM and all trustees are asked to confirm that they wish to serve for a further year.

Organisational structure

The trustees are responsible for the governance of the charity, they in turn employ a Chief Executive who is responsible for the day to day running of the charity. The Chief Executive is supported by a senior management team who oversee the daily operations at both shelters. They are supported by animal care staff.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Statement of trustees' responsibilities

The trustees 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

S Syson, Chair

Trustee

Dated: 16 February 2022

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Opinion

We have audited the financial statements of Newcastle Upon Tyne Dog and Cat Shelter and Animal Sanctuary (the 'charity') for the year ended 30 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 30 April 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditor's 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and the sector in which it operates, we identified that the following laws and regulations are significant to the entity:

Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards and Charity Act 2011, Employment and Pension legislation.

Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding, data protection, animal welfare and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence and legal costs incurred; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Stephen Slater (Senior Statutory Auditor)
for and on behalf of RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date: 17 February 2022

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2021

Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	3	1,553,336	-	1,553,336	863,266
Charitable activities	4	58,850	-	58,850	105,571
Other trading activities	5	45,097	-	45,097	148,872
Investments	6	9,890	-	9,890	16,724
Total income		1,667,173	-	1,667,173	1,134,433
Expenditure on:					
Raising funds	7	139,115	-	139,115	222,695
Charitable activities	8	1,025,746	3,355	1,029,101	1,077,174
Total resources expended		1,164,861	3,355	1,168,216	1,299,869
Net gains/(losses) on investments	12	3,011	-	3,011	1,904
Net movement in funds		505,323	(3,355)	501,968	(163,532)
Fund balances at 1 May 2020		1,714,723	176,067	1,890,790	2,054,322
Fund balances at 30 April 2021		2,220,046	172,712	2,392,758	1,890,790

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

All income and expenditure derive from continuing activities.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
Income from:				
Donations and legacies	3	863,266	-	863,266
Charitable activities	4	105,571	-	105,571
Other trading activities	5	148,872	-	148,872
Investments	6	16,724	-	16,724
Total income		1,134,433	-	1,134,433
Expenditure on:				
Raising funds	7	222,695	-	222,695
Charitable activities	8	1,073,547	3,627	1,077,174
Total resources expended		1,296,242	3,627	1,299,869
Net gains/(losses) on investments	12	1,904	-	1,904
Net incoming/(outgoing) resources before transfers		(159,905)	(3,627)	(163,532)
Net movement in funds		(159,905)	(3,627)	(163,532)
Fund balances at 1 May 2019		1,874,628	179,694	2,054,322
Fund balances at 30 April 2020		1,714,723	176,067	1,890,790

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

All income and expenditure derive from continuing activities.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	1,144,316		1,190,891	
Investment properties	14	67,487		67,487	
Investments	15	287,500		281,766	
			1,499,303		1,540,144
Current assets					
Stocks	17	33,096		10,287	
Debtors	18	333,736		254,024	
Cash at bank and in hand		626,766		194,299	
			993,598		458,610
Creditors: amounts falling due within one year	19	(100,143)		(107,964)	
Net current assets			893,455		350,646
Total assets less current liabilities			2,392,758		1,890,790
Income funds					
Restricted funds	21	172,712		176,067	
Unrestricted funds		2,220,046		1,714,723	
			2,392,758		1,890,790

The financial statements were approved by the Trustees on 16 February 2022

**S Syson, Chair
Trustee**

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		425,300		(66,430)
Investing activities					
Purchase of investments		(59,771)		(21,800)	
Proceeds on disposal of investments		57,048		243,861	
Investment income received		9,890		16,724	
Net cash generated from investing activities			7,167		238,785
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			432,467		172,355
Cash and cash equivalents at beginning of year			194,299		21,944
Cash and cash equivalents at end of year			626,766		194,299

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Charity information

Newcastle upon Tyne Dog and Cat Shelter and Animal Sanctuary is a unincorporated charity established by a Constitution dated April 1964 and is registered with the Charity Commission, number 220506.

1.1 Accounting convention

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

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

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the charity's operations are mitigated. The Board has concluded that the going concern assumption is appropriate in preparing these financial statements.

1.3 Charitable funds

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

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

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

1.4 Incoming resources

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

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

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	1% straight line
Leasehold land and buildings	1% straight line / 3.125% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The charity holds a 125 year lease in respect of the shelter at Benton North Farm, and a 40 year lease in respect of the Claremont Road shelter.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

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

1.12 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

Critical judgements

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

Determining residual values and useful economic lives of tangible fixed assets

The charity depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Valuation of investment property

As described in note 13 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Boaden Chartered Surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

Valuation of land and buildings

As described in note 14 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Bisset Kenning & Newiss, Chartered Surveyors. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

3 Donations and legacies

	2021 £	2020 £
Donations and gifts	331,251	411,475
Legacies receivable	1,157,382	395,731
Grants	64,703	56,060
	<u>1,553,336</u>	<u>863,266</u>

In March 2020 the Government introduced the Coronavirus Job Retention Scheme which allowed employers to put staff on temporary leave and reclaim between 60% to 80% of the employees' payroll costs. During the year to 31 April 2021 the charity claimed £64,703 (2020: £18,860). In addition, the Government had also introduced a number of Covid-19 business support grants, for which the charity was eligible, and received a total of £nil (2020: £37,200).

Included in donations is £14,791 (2020 - £13,480) "Adopt-A-Kennel" donation income.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

4 Charitable activities

	2021 £	2020 £
Re-homing contributions	47,905	80,290
Council and police contract income	10,945	25,281
	<u>58,850</u>	<u>105,571</u>

5 Other trading activities

	2021 £	2020 £
Summer fayre	-	3,826
Shop income	45,097	145,046
	<u>45,097</u>	<u>148,872</u>

6 Investments

	2021 £	2020 £
Rental income	4,290	4,345
Income from listed investments	5,490	12,232
Interest receivable	110	147
	<u>9,890</u>	<u>16,724</u>

7 Raising funds

	2021 £	2020 £
Fundraising and publicity		
Staging fundraising events	1,622	-
Fundraising costs	9,007	40,363
Staff costs	108,823	140,805
	<u>119,452</u>	<u>181,168</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

7	Raising funds	(Continued)	
	Trading costs		
	Operating charity shops	17,358	17,624
	Operating pet shops and coffee shop	-	20,298
	Trading costs	17,358	37,922
	Investment management	2,305	3,605
		139,115	222,695
8	Charitable activities		
		2021	2020
		£	£
	Staff costs	542,458	500,796
	Depreciation and impairment	46,575	49,077
	Property repairs and improvements	38,773	41,976
	Veterinary fees and vaccinations	95,744	143,851
	Animal hygiene and welfare	75,806	118,128
	Motor running expenses	5,903	11,720
	Rent, rates and insurance	42,321	34,678
	Lighting and heating	44,401	55,831
	Equipment / skip hire	4,439	4,245
	Bad debts	1,951	-
	Sundries	11,622	10,837
		909,993	971,139
	Share of support costs (see note 9)	79,172	83,005
	Share of governance costs (see note 9)	39,936	23,030
		1,029,101	1,077,174
	Analysis by fund		
	Unrestricted funds	1,025,746	1,073,547
	Restricted funds	3,355	3,627
		1,029,101	1,077,174

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	44,493	-	44,493	54,955	-	54,955
Printing, stationery and office supplies	12,012	-	12,012	5,014	-	5,014
Telephone and postage	21,771	-	21,771	22,337	-	22,337
Training costs	896	-	896	699	-	699
Audit fees	-	7,500	7,500	-	7,500	7,500
Legal and professional	-	32,436	32,436	-	15,530	15,530
	<u>79,172</u>	<u>39,936</u>	<u>119,108</u>	<u>83,005</u>	<u>23,030</u>	<u>106,035</u>
Analysed between Charitable activities	<u>79,172</u>	<u>39,936</u>	<u>119,108</u>	<u>83,005</u>	<u>23,030</u>	<u>106,035</u>

The auditor's remuneration amounts to an Audit fee of £5,500 (2020 - £5,500), and accounts preparation fees of £2,000 (2020 - £2,000).

10 Trustees

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

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Animal welfare	30	35
Management and administration	7	7
Total	<u>37</u>	<u>42</u>

Employment costs

	2021 £	2020 £
Wages and salaries	645,307	649,875
Social security costs	37,165	32,232
Other pension costs	13,302	14,449
	<u>695,774</u>	<u>696,556</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

11 Employees

(Continued)

The average headcount expressed as a full time equivalent was 35 (2020 - 39).

There were no employees whose annual remuneration was £60,000 or more.

12 Net gains/(losses) on investments

	2021 £	2020 £
Gain/(loss) after revaluation of investments	452	(5,828)
Gain/(loss) on sale of investments	2,559	7,732
	<u>3,011</u>	<u>1,904</u>

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 May 2020	67,744	1,560,132	200,449	40,752	1,869,077
At 30 April 2021	<u>67,744</u>	<u>1,560,132</u>	<u>200,449</u>	<u>40,752</u>	<u>1,869,077</u>
Depreciation and impairment					
At 1 May 2020	2,254	493,180	158,771	23,981	678,186
Depreciation charged in the year	677	35,453	6,252	4,193	46,575
At 30 April 2021	<u>2,931</u>	<u>528,633</u>	<u>165,023</u>	<u>28,174</u>	<u>724,761</u>
Carrying amount					
At 30 April 2021	<u>64,813</u>	<u>1,031,499</u>	<u>35,426</u>	<u>12,578</u>	<u>1,144,316</u>
At 30 April 2020	<u>65,490</u>	<u>1,066,952</u>	<u>41,678</u>	<u>16,771</u>	<u>1,190,891</u>

The cost or valuation figure for Land and Buildings includes:

	Leasehold Land and Buildings £
Valuation made in 1997	210,000
At historical cost	<u>1,350,132</u>
Total	<u>1,560,132</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

13 Tangible fixed assets

(Continued)

The leasehold land and buildings were valued in 1997 by Bisset Kenning and Newiss, Chartered Surveyors, on the basis of open market value for existing use.

The trustees are not aware of any material change since the 1997 valuation, other than subsequent additions, which have been recorded at cost.

Prior to the 1997 valuation, it had been policy to write off the costs incurred in respect of the acquisition and improvement of Leasehold Land and Buildings. There is therefore no available information relating to the historical cost of the revalued Land and Buildings.

14 Investment property

2021
£

Fair value

At 1 May 2020 and 30 April 2021

67,487

The investment property was purchased at market value on 9 December 2016 by the charity.

The fair value of the investment property has been arrived at on the basis of a valuation carried out in 2018 by Boaden Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The trustees believe there has not been any changes to fair value of the property since this valuation.

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 May 2020	219,156	62,610	281,766
Additions	59,771	20,847	80,618
Valuation changes	2,560	-	2,560
Disposals	(9,538)	(67,906)	(77,444)
At 30 April 2021	271,949	15,551	287,500
Carrying amount			
At 30 April 2021	271,949	15,551	287,500
At 30 April 2020	219,156	62,610	281,766

All investments are carried at their market value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The historical value of the listed investments as at 30 April 2021 is £265,104 (2020: £215,013).

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

15 Fixed asset investments (Continued)

16 Financial instruments

	2021 £	2020 £
--	-----------	-----------

Carrying amount of financial assets

Instruments measured at fair value through profit or loss	271,949	219,156
---	---------	---------

17 Stocks

	2021 £	2020 £
--	-----------	-----------

Finished goods and goods for resale	33,096	10,287
-------------------------------------	--------	--------

18 Debtors

	2021 £	2020 £
--	-----------	-----------

Amounts falling due within one year:

Trade debtors	2,330	2,951
Other debtors	29,318	23,552
Prepayments and accrued income	302,088	227,521
	333,736	254,024

Included within prepayments and accrued income is an amount of £265,200 (2020: £162,478) relating to notified legacies which were received after the balance sheet date.

19 Creditors: amounts falling due within one year

	2021 £	2020 £
--	-----------	-----------

Other taxation and social security	4,492	11,815
Trade creditors	42,666	55,189
Other creditors	1,589	745
Accruals and deferred income	51,396	40,215
	100,143	107,964

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

During the year the charity contributed £13,302 (2020: £14,449) to the personal schemes of employees. These contributions are charged to the Statement of Financial Activities. At the balances sheet date there were no accrued or prepaid contributions (2020: £nil).

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

21 Restricted funds

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

	Balance at 1 May 2020	Resources expended	Balance at 30 April 2021
	£	£	£
All funds	157,229	(3,304)	153,925
Pedigree Brighter Futures Fund	14,366	-	14,366
Pedigree - Indoor Play Barn Fund	4,472	(51)	4,421
	<u>176,067</u>	<u>(3,355)</u>	<u>172,712</u>

Monies received specifically through appeals in relation to the refurbishment and extension of the main kennel block at the Benton North Farm premises.

Pedigree Brighter Futures Fund - towards the organisation and building of the dog grooming room and dog towers.

Pedigree - Indoor Play Barn Fund - towards the construction of the new indoor play barn for animals living onsite.

Restricted funds - Prior year

	Balance at 1 May 2019	Resources expended	Balance at 30 April 2020
	£	£	£
All funds	160,805	(3,576)	157,229
Pedigree Brighter Futures Fund	14,366	-	14,366
Pedigree - Indoor Play Barn Fund	4,523	(51)	4,472
	<u>179,694</u>	<u>(3,627)</u>	<u>176,067</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

22 Analysis of net assets between funds

Current financial year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 April 2021 are represented by:			
Tangible assets	971,879	172,437	1,144,316
Investment properties	67,487	-	67,487
Investments	287,500	-	287,500
Current assets/(liabilities)	893,180	275	893,455
	<u>2,220,046</u>	<u>172,712</u>	<u>2,392,758</u>

Prior financial year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 30 April 2020 are represented by:			
Tangible assets	1,015,099	175,792	1,190,891
Investment properties	67,487	-	67,487
Investments	281,766	-	281,766
Current assets/(liabilities)	350,371	275	350,646
	<u>1,714,723</u>	<u>176,067</u>	<u>1,890,790</u>

Restricted funds current assets amounting to £275 relate to amounts held within cash at bank and in hand.

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	4,695	7,882
Between two and five years	11,288	12,368
In over five years	25,520	28,072
	<u>41,503</u>	<u>48,322</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

24 Related party transactions

Remuneration of key management personnel

Key personnel are the Chief Executive Officers and Deputy Chief Executive Officer of the charity.

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	114,779	105,019

During the year there were no transactions made to or from any related parties (2020 - none).

25 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	501,968	(163,532)
Adjustments for:		
Investment income recognised in statement of financial activities	(9,890)	(16,724)
Gain on disposal of investments	(2,559)	(7,732)
Fair value gains and losses on investments	(452)	5,828
Depreciation and impairment of tangible fixed assets	46,575	49,077
Movements in working capital:		
(Increase)/decrease in stocks	(22,809)	4,737
(Increase)/decrease in debtors	(79,712)	54,695
(Decrease)/increase in creditors	(7,821)	7,221
Cash generated from/(absorbed by) operations	425,300	(66,430)