

**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.

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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

.....
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
	<hr/>
At 30 April 2022	107,487
	<hr/> <hr/>

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	-
	<hr/>	<hr/>
	107,487	67,487
	<hr/> <hr/>	<hr/> <hr/>

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>
At 30 April 2022	250,539	22,520	273,059
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>