

**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

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

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# 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**

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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

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#### **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

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### *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

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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).

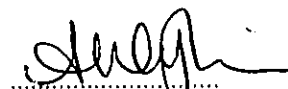
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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: 12<sup>th</sup> 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

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#### 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**

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#### **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

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#### 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 £
<b>Income from:</b>					
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
<b>Total Income</b>		<b>1,417,449</b>	<b>-</b>	<b>1,417,449</b>	<b>909,924</b>
<b>Expenditure on:</b>					
Raising funds	7	239,642	-	239,642	219,482
Charitable activities	8	1,163,407	2,927	1,166,334	1,063,002
<b>Total resources expended</b>		<b>1,403,049</b>	<b>2,927</b>	<b>1,405,976</b>	<b>1,282,484</b>
 Net gains/(losses) on investments	 13	 (21,297)	 -	 (21,297)	 (16,842)
 <b>Net movement in funds</b>		 (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
<b>Fund balances at 30 April 2023</b>		<b>1,826,871</b>	<b>166,661</b>	<b>1,993,532</b>	<b>2,003,356</b>

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			
<b>Income from:</b>				
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
<b>Total Income</b>		909,924	-	909,924
<b>Expenditure on:</b>				
Raising funds	7	219,482	-	219,482
Charitable activities	8	1,059,878	3,124	1,063,002
<b>Total resources expended</b>		1,279,360	3,124	1,282,484
Net gains/(losses) on investments	13	(16,842)	-	(16,842)
<b>Net outgoing resources before transfers</b>		(386,278)	(3,124)	(389,402)
<b>Net movement in funds</b>		(386,278)	(3,124)	(389,402)
Fund balances at 1 May 2021		2,220,046	172,712	2,392,758
<b>Fund balances at 30 April 2022</b>		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.

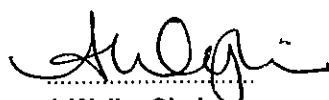
# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## BALANCE SHEET

AS AT 30 APRIL 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
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>	
<b>Current assets</b>					
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>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(75,513)</u>		<u>(86,622)</u>	
Net current assets			781,390		514,633
<b>Total assets less current liabilities</b>			<u>1,993,532</u>		<u>2,003,356</u>
<b>Income funds</b>					
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 ..... 12<sup>th</sup> 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 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25		15,633		(270,770)
<b>Investing activities</b>					
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	
<b>Net cash generated from/(used in) investing activities</b>			222,167		(44,616)
<b>Net cash used in financing activities</b>			-		-
<b>Net Increase/(decrease) in cash and cash equivalents</b>			237,800		(315,386)
Cash and cash equivalents at beginning of year			311,380		626,766
<b>Cash and cash equivalents at end of year</b>			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

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#### 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

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### 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

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### 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 £
<b>Fundraising and publicity</b>		
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
<b>Trading costs</b>		
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>
<b>Analysis by fund</b>		
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 £
<b>Cost or valuation</b>					
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>
<b>At 30 April 2023</b>					
<b>Depreciation and Impairment</b>					
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>
<b>At 30 April 2023</b>					
<b>Carrying amount</b>					
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
<b>Total</b>	<b>1,350,132</b>

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

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
	<b>146,357</b>	<b>107,487</b>



# 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 £
<b>Cost or valuation</b>			
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	-	-	-
<b>Carrying amount</b>			
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 £
<b>Amounts falling due within one year:</b>		
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

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<b>25</b>	<b>Cash generated from operations</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	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)
	<b>Cash generated from/(absorbed by) operations</b>	<b>15,633</b>	<b>(270,770)</b>

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