

REGISTERED COMPANY NUMBER: 00662947  
REGISTERED CHARITY NUMBER: 222436

Report of the Trustees and  
Consolidated Financial Statements for the Year Ended 31 December 2020  
for  
THE BIRMINGHAM DOGS HOME

Haines Watts Birmingham LLP  
5 – 6 Greenfield Crescent  
Edgbaston  
Birmingham  
B15 3BE

THE BIRMINGHAM DOGS HOME

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for the year ended 31 December 2020

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THE BIRMINGHAM DOGS HOME

Reference and Administrative Details  
for the Year Ended 31 December 2020

<b>Trustees</b>	J S Wheatley (Chairman) D Johnson (resigned 19 <sup>th</sup> August 2020) Mrs C H Taylor P D Barnett Mrs G Wilyman R J Venner Ms C Powell Ms J P Laraway Mrs S Butler Mr A Whelan (appointed 19 <sup>th</sup> August 2020) Ms L Millard (appointed 19 <sup>th</sup> August 2020) Mrs C Mawston (appointed 19 <sup>th</sup> August 2020)
<b>Patrons</b>	Lord Mayor of Birmingham Chief Constable of West Midlands Police Earl of Aylesford Mayor of Solihull
<b>Officers</b>	S Wynde (Treasurer) G Webber (Chief Executive)
<b>Registered office</b>	Catherine-de-Barnes Lane Catherine-de-Barnes Solihull B92 0DJ
<b>Registered company number</b>	00662947
<b>Registered charity number</b>	222436
<b>Auditors</b>	Haines Watts Birmingham LLP 5 - 6 Greenfield Crescent Edgbaston Birmingham B15 3BE
<b>Bankers</b>	Lloyds Bank PLC 9-11 Poplar Road Solihull B91 3AN
<b>Solicitors</b>	Higgs and Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX

THE BIRMINGHAM DOGS HOME

Reference and Administrative Details  
for the Year Ended 31 December 2020

**Investment managers**

Investec  
30 Gresham Street  
London  
EC2V 7QP

CCLA Investment Management Limited  
Senator House, 85 Queen Victoria Street  
London  
EC4V 4ET

## THE BIRMINGHAM DOGS HOME

### Chairman's Statement for the year ended 31 December 2020

The year just ended has been dominated by the Covid pandemic which has given rise to many challenges for the teams at Catherine de Barnes and our other home at Coven near Wolverhampton.

My last report stated that we had deferred the second major phase of development work at Catherine de Barnes due to the decline in investment markets. I am pleased to say that we are now underway with the building of a veterinary centre to enable us to give even better care to the dogs that come into our care. Our contractors have assured us that the new building will be ready for us by the autumn of this year, this will enable us to reduce our expenditure on veterinary services as we develop our own practice.

Our staff under the leadership of Giles Webber responded magnificently to the challenges of lockdown and continued to care for and rehome dogs under our control.

David Johnson retired from the Board in August; he was chairman of our risk committee and he has done a great amount of work in developing our risk register. Sharon Butler has now taken over the leadership of the risk committee and is ensuring that issues of risk are fully embedded in all committees' terms of reference.

I am pleased to welcome Andy Whelan, Catherine Mawston and Lisa Millard to the Board; I am sure they will be a positive influence going forward.

The development committee has worked very hard to develop the final plans for the veterinary centre and to carry out a cost appraisal so that we can have a suitable facility at an affordable cost.

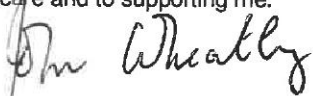
Under the guidance of Fi Harrison, our new head of marketing, the team are looking at a variety of ways to generate sustainable income so that we can reduce our dependence on investment income which is not expected to achieve its pre Covid levels for some time.

We are expecting an influx of dogs once people start to return to work and the novelty of dog ownership wears off. I am pleased to report that we do have sufficient facilities to cope with any increased demand.

We will continue to develop services such as dog grooming, boarding and training to maximise the potential of our facilities at both sites.

The other project which is nearing completion is the "Long Walk" situated on the Catherine de Barnes site; this will give a significant enhancement to facilities there and will be enjoyed by visitors for many years.

I would like to place on record my thanks to all our staff and to my fellow Trustees for their unflagging devotion the dogs in our care and to supporting me.



John Wheatley  
Chairman

## THE BIRMINGHAM DOGS HOME

### Report of the Trustees for the year ended 31 December 2020

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and the financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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, activities and aims**

The primary objective of the charity is to take in and care for stray and abandoned dogs from the West Midlands area, reuniting lost pets with their owners and rehoming abandoned dogs to new loving homes.

In 2020 the charity cared for 1,563 dogs between our two rehoming centres. Of these, 902 were strays brought to us by local authorities, 119 re-homed dogs were brought back to us under our re-home policy and 392 were owned pets needing a new home. Our rehoming staff found 901 new homes for dogs in our care and also managed to re-unite 471 lost pets with their original owners. The overall reduction in dog numbers compared with previous years was primarily due to enforced restrictions arising from the pandemic.

The Fundraising department has continued to be very proactive with various new fundraising initiatives and outreach programmes which utilise the improved facilities now available.

#### **Public benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and planning future activities. 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 and abandoned dogs.
- > Rehoming dogs safely to those who want and are able to provide a good home, providing companionship to individuals and families.
- > Reuniting lost and stray dogs with their owners.
- > Reducing the number of stray dogs on the streets and therefore reducing potential stray colonies, faeces in public places and public nuisance.
- > Providing information and advice to owners on the care of dogs and the need for vaccinations and neutering.
- > Educating young people in schools and youth groups about the welfare and respect of dogs.

#### **Financial review**

The Financial Statements for the year show net deficit of £581,600 (2019: income £1,232,144). This was after taking into account net gains on investments of £440,804 (2019 gains of: £1,039,903).

Expenditure for the year increased to £2,667,925 (2019: £2,643,269). Employment costs increased due to the additional staff required for seven day opening. This was offset by reductions in veterinary and kennel costs arising from the reduction in dog numbers.

The investment market sustained losses in the first quarter of the year but recovered strongly in the second half of the year resulting in net gains of £440,804 (2019: gain £1,039,903).

Capital expenditure for the year totalled £134,789. The main items were professional fees for the design of the new development.

Overall, the total funds of the Charity have decreased by £581,600 during the year to £17,132,949 which remains a satisfactory position for the Dogs Home.

The cash flow statement (page 13) is included to comply with the SORP requirements.

## THE BIRMINGHAM DOGS HOME

### Report of the Trustees for the year ended 31 December 2020

#### **Plans for future periods**

The development plans summarised in last year's report were progressed and planning consent was obtained for phase 1 of the redevelopment. The construction work for the Veterinary Surgery and associated infrastructure commenced in April 2021.

#### **Investment policy**

The investment objectives are:

- > The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption.
- > The maintenance and, if possible, enhancement of the investment funds whilst they are invested.
- > To obtain a reasonable balance between capital growth and income, so that the Charity can meet future as well as current needs.

The Trustees have agreed on a 'medium' risk profile by investing in a mix of equities, fixed interest and monetary assets.

The Trustees have delegated their investment powers over a proportion of the assets to Investec Wealth & Investment Ltd. The investment manager is responsible for carrying out day to day investment decisions including the acquisition and realisation of investments on behalf of the Trustees.

A further proportion of the Charity's assets are invested with a specialised investment fund, designed for the Charity Sector, managed by CCLA Investment Management Ltd.

Both managers report on the performance of the investments on a regular basis.

Where funds are set aside for future capital expenditure, the policy is normally to invest in fixed term bank deposits.

The market value of investments held at 31 December 2020 amounted to £8,643,558 (2019: £8,231,385) and the income received during 2020 as a result of these investments totalled £216,846. Realised losses on these investments during the year totalled £100,928 and unrealised gains at 31 December 2020 totalled £ 541,757.

The Trustees consider that the performance of the investments against objectives for the year has been satisfactory.

#### **Fundraising activity**

The charity uses internal appointees to undertake its fundraising activities. It has registered voluntarily with the Fundraising Regulator and monitors all fundraising undertaken on its behalf. It has received no complaints on fundraising activity and does not undertake fundraising in a way that might intrude on any person's privacy or take advantage of vulnerable people.

#### **Reserves policy**

The aim of Birmingham Dogs Home's Reserves Policy is to ensure that the Charity's ongoing activities are safeguarded from unexpected fluctuations in its income and expenditure.

In setting the Reserves Policy, the Trustees are influenced by strategic risks facing the charity. The risks are kept under regular review. One of the main ones is that the majority of the Charity's income comes from legacies and fundraising, which are uncertain sources of revenue, subject to large yearly fluctuations and may not always provide the necessary funds to cover essential costs.

However, there will always be animals in need of our rehoming services and people who need our advice and education services. As a Charity we are committed to a comprehensive ongoing service offering. To do this, we need to maintain a level of reserves should there be a short-term fall in income or an exceptional rise in costs.

Trustees balance the need to safeguard the Charity's future operations to maintain an appropriate level of free reserves with investing in the future by reserving funds for key strategic initiatives such as investment in the Charity's infrastructure and facilities.

At 31<sup>st</sup> December 2020 the Charity's consolidated total funds stood at £17,132,949.

The Charity maintains the following funds:-

#### General fund

The Charity's reserves policy is to maintain funds ("the free reserve") to cover up to a maximum of the next two year's planned Rehoming Centre running costs. This level of reserves would allow for a sufficient period of time to wind up the business of the charity should closure be necessary, in particular the length of time that will be necessary to make arrangements to rehome the dogs in our care, some of which can stay with us up to 18 months at the charity's cost.

## THE BIRMINGHAM DOGS HOME

### Report of the Trustees for the year ended 31 December 2020

As at 31<sup>st</sup> December 2020 the Charity had free reserves of £2,628,948 (2019: £2,982,725) representing 16 months planned running costs of the Charity's two rehoming centres. This amount is within the permitted range of the reserves policy.

#### Rehoming capital development fund

The Charity's reserves policy is to set aside funds for future development of existing facilities at both of its centres. To achieve this vision, the Rehoming Centre Development Fund represents the Trustee's commitment to providing the highest standard of animal welfare for the dogs in our care, namely through the building of a veterinary centre, behavioural and training unit at the Birmingham centre and a programme of essential refurbishment of outdated facilities at our Wolverhampton centre.

To achieve this, in 2018 Trustees authorised £3.5M to spend on developing both centres. As at 31 December 2020 the fund stands at £3.5m.

#### Investment & Reserve fund

The Trustees recognize that the Charity is heavily dependent on voluntary income that is legacies and donations to match the difference between resources expended and incoming resources from charitable activities. Legacy income can vary considerably from year to year, as has been seen in recent years. It is not practical to reduce expenditure levels to compensate for temporary falls in income, and the Trustees consider that this fund of £4,600,000 is justifiable to provide a buffer in order that activities can continue as normal in hard times.

This threshold has been set by the Trustees following an assessment of the following factors:

- The need to provide long-term strategic financial support to both centres including for regular and emergency maintenance work
- The need to finance planned and unplanned projects where the need arises such as repairs and renewals of essential equipment, vehicles and operational infrastructure of buildings
- The need to provide a financial cushion in the event of extreme circumstances affecting the Charity's ability to operate
- The need to protect the Charity from investment market fluctuations and pensions risk
- The ability to respond to opportunities and needs from strategic investments.

The impact of the 2020 coronavirus pandemic has demonstrated how vital the financial cushion of reserve funds is for a charity like ours in order that we can continue operating under extreme circumstances.

Normal rehoming income and fundraising income has been curtailed for several months, whereas operational costs have continued, in some cases increased as we have seen more dogs coming into our care and the cost of keeping them for longer has increased.

The Charity's reserves have allowed us to continue to operate without this having a detrimental effect on the level of care we can provide and has meant that we can continue to provide our vital services to local authorities and general public across the region.

Going forward, both centre operations and the public's response to fundraising is moving into challenging uncharted territory reflecting the changed external landscape of 2020 and beyond.

Planning and strategy are still the fundamental building blocks for the Charity and the reserves thresholds will be re-assessed regularly as part of the Charity's strategic planning process and in the light of the "new normal" for the animal welfare and charity sector as a whole. The need to strengthen and maintain reserves will be considered in the annual planning and budgeting process.

#### Freehold Property Fund

This is the written down value of the land and buildings used by Birmingham Dogs Home. At 31 December 2020 this was £5,787,626.

#### **Assessing the impact of COVID-19**

The Trustees continually monitor the impact of Covid 19 upon the operations and finances of the charity. The welfare operations have continued despite it being necessary to place staff on flexible furlough in February 2021. Rehoming, trading income and fundraising activities have been severely affected and this will continue until restrictions are eased during the middle of 2021. The Trustees have concluded that the Charity's liquid funds are sufficient to maintain its operations for the likely duration of the crisis.



## THE BIRMINGHAM DOGS HOME

### Report of the Trustees for the year ended 31 December 2020

#### **Structure, governance and management**

##### **Group Structure**

Members of the charitable group are The Birmingham Dogs Home Limited (a company limited by guarantee, registered in England and Wales and a registered charity) and its wholly owned subsidiary Birmingham Dogs Home (Trading) Limited which commenced trading on 1<sup>st</sup> October 2019. Since that date the trading activities of the Group have been carried out by Birmingham Dogs Home (Trading) Limited.

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### **Charitable objects and constitution**

The Birmingham Dogs Home is a registered charity and is a company limited by guarantee with no share capital. It is governed by its memorandum and articles of association. These state the objects of the charity as being:-

- to provide and maintain a Home for the rescue of lost, unwanted, suffering and ownerless dogs and cats;
- to reunite lost animals with their owners; and
- to find permanent homes for unclaimed animals.

##### **Trustees**

The Trustees who served throughout the year and up to the date of this report are named on page 1 of this report.

##### **Recruitment and appointment of new Trustees**

The Board of Trustees aims to achieve a balance of skill mix within its numbers representing experience in commerce, business, and the professions, together with a diversity of backgrounds taking full account of gender and a love for the well-being of animals.

As to new Trustees, persons would be sought who help maintain the range and balance of skills as well as being able to contribute towards the effective governance of the Charity. Suitable interested persons, who are required to be members of the Charity, will initially go through a formal interview process with the Chairman and other Trustees where the strengths and other attributes of the person are explored and the role of the Dogs Home and that of a Trustee is explained. Those persons subsequently selected will be proposed and seconded and voted upon at a meeting of the Trustees. After appointment new Trustees will automatically retire at the next AGM and will seek reappointment for a three year term.

##### **Induction and training of new Trustees**

A new Trustee is issued with an information pack containing details on the role and responsibilities of a Trustee, the Memorandum and Articles of Association of the Charity, the last year's audited accounts and annual review, the current budget and various relevant policy documents. The Trustee will be expected to have a meeting with the Chief Executive to discuss the Home's procedures and present plans, and to visit the two sites and to be introduced to the manager and other staff. Resources are available for new Trustees to attend courses if it is considered beneficial.

##### **Organisation**

The Charity is organised by the Board of Trustees, Management Committee and sub-committees, who are responsible for the strategy, policies and financial plan adopted. The day to day running of the charity is controlled by the Chief Executive.

##### **Risk review**

The Trustees review major risks to which the charity is exposed and systems are established to mitigate those risks. External risks to funding are minimised by the Trustees' policy on reserves where reserves are maintained in order to produce a significant annual income. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures continue to be under review with the help of an external consultant to ensure that they still meet the needs of the charity.

The impact of COVID-19 has caused a financial and operational risk to the charity. Contingency plans were put in place and with the utilisation of the reserves policy this has ensured the charity will continue to operate effectively and will enable it to deliver on its future development plans.

##### **Arrangements for setting pay and remuneration of key management personnel**

The Trustees consider the board of Trustees and the treasurer as comprising the key management personnel of the charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 14 and note 25 to the accounts.

The pay of the charity's treasurer is reviewed annually and normally increased in accordance with average earnings.

## THE BIRMINGHAM DOGS HOME

### Report of the Trustees for the year ended 31 December 2020

#### **Statement of Trustees responsibilities**

The Trustees (who are also the directors of The Birmingham Dogs Home for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:-

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **Auditors**

The auditors, Haines Watts Birmingham LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of Trustees .....17.05.21.....and signed on its behalf by:

  
J S Wheatley - Chairman

Report of the Independent Auditors to the Members of  
THE BIRMINGHAM DOGS HOME

**Opinion**

We have audited the financial statements of The Birmingham Dogs Home (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 group's and parent charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the entity's activities, funders, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed in the Report of the Trustees and in the Accounting Policies Note.

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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of  
THE BIRMINGHAM DOGS HOME

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant were identified as the Companies Act 2006, the Charities Act 2011 and Charities SORP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

Report of the Independent Auditors to the Members of  
THE BIRMINGHAM DOGS HOME

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

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



Nichola Venables (Senior Statutory Auditor)  
for and on behalf of Haines Watts Birmingham LLP  
5 - 6 Greenfield Crescent  
Edgbaston  
Birmingham  
B15 3BE

13 September 2021

**THE BIRMINGHAM DOGS HOME**

**Consolidated Statement of Financial Activities**

**For the year ended 31 December 2020**

	<b>Note</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b>Income and endowments from</b>			
Donations and legacies	<b>2</b>	<b>1,088,946</b>	1,572,613
<b>Charitable activities</b>			
Re-homing dogs	<b>5</b>	<b>202,984</b>	330,531
<b>Other trading activities</b>	<b>3</b>	<b>87,691</b>	225,993
<b>Investment income</b>	<b>4</b>	<b>216,846</b>	258,268
<b>Other income</b>	<b>6</b>	<b>49,054</b>	448,105
<b>Total incoming resources</b>		<b>1,645,521</b>	2,835,510
<b>Expenditure on</b>			
Raising funds	<b>8</b>	<b>238,597</b>	238,143
Charitable activities			
Re-homing dogs	<b>9</b>	<b>2,426,707</b>	2,404,059
<b>Other expenditure</b>		<b>2,621</b>	1,067
<b>Total resources expended</b>		<b>2,667,925</b>	2,643,269
<b>Net (expenditure)/ income before investment gains/(losses)</b>		<b>(1,022,404)</b>	192,241
Net gains/ (losses) on investment		<b>440,804</b>	1,039,903
<b>Net (expenditure)/ income</b>		<b>(581,600)</b>	1,232,144
Transfers between funds		-	-
<b>Net movement in funds</b>		<b>(581,600)</b>	1,232,144
<b>Funds brought forward at 1 January 2020</b>		<b>17,714,549</b>	16,482,405
<b>Funds carried forward at 31 December 2020</b>		<b>17,132,949</b>	17,714,549

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

All income and expenditure is derived from continuing activities.

*The notes on pages 15 to 22 form part of these financial statements.*

**THE BIRMINGHAM DOGS HOME**

**Consolidated and Charity Statement of Financial Position  
As at 31 December 2020**

	Note	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
<b>Fixed Assets</b>					
Tangible fixed assets	16	6,410,574	6,410,574	6,856,743	6,856,743
Investments at market value	17	8,643,558	8,643,559	8,231,385	8,231,386
		<u>15,054,132</u>	<u>15,054,133</u>	<u>15,088,128</u>	<u>15,088,129</u>
<b>Current Assets</b>					
Stock	18	25,515	25,515	23,543	23,543
Debtors	19	281,228	283,666	380,294	381,172
Cash at bank and in hand		1,933,331	1,933,311	2,441,968	2,441,927
		<u>2,240,074</u>	<u>2,242,492</u>	<u>2,845,805</u>	<u>2,846,642</u>
<b>Creditors: Amounts falling due within one year</b>	20	(161,257)	(157,169)	(219,384)	(218,376)
<b>Total assets less total liabilities</b>		<u>17,132,949</u>	<u>17,139,456</u>	<u>17,714,549</u>	<u>17,716,395</u>
<b>Funds</b>					
<b>Unrestricted funds</b>					
General fund	21	3,245,323	3,251,830	3,746,963	3,748,809
Designated funds	21	13,887,626	13,887,626	13,967,586	13,967,586
		<u>17,132,949</u>	<u>17,139,456</u>	<u>17,714,549</u>	<u>17,716,395</u>

The charity has prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The deficit generated by the charity for the financial year was £576,939 (2019: £1,233,990 surplus)

Approved by the Board of Trustees on 17.05.21 and signed on their behalf by

  
J S Wheatley  
Chairman

Registered charity in England and Wales - 222436.  
Company Registration Number - 00662947

**THE BIRMINGHAM DOGS HOME**

**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2020**

	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Cash flows from operating activities:</b>	<b>26</b>	<b>(617,439)</b>	<b>517,241</b>
<b>Net cash provided by (used in) operating activities</b>		<b>(617,439)</b>	<b>517,241</b>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(134,789)</b>	<b>(98,310)</b>
Purchase of fixed asset investments		<b>(1,019,678)</b>	<b>(318,428)</b>
Sale of fixed asset investments		<b>1,046,423</b>	<b>347,511</b>
Sale of investment property		<b>-</b>	<b>(660)</b>
Interest received		<b>216,846</b>	<b>258,268</b>
<b>Net cash provided by (used in) investing activities</b>		<b>108,802</b>	<b>188,381</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(508,637)</b>	<b>705,622</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>2,441,968</b>	<b>1,736,346</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>1,933,331</b>	<b>2,441,968</b>

*The notes on pages 15 to 22 form part of these financial statements.*



## THE BIRMINGHAM DOGS HOME

### Notes to the Financial Statements

For the year ended 31 December 2020

#### **1 Accounting Policies**

##### **Basis of preparing the financial statements**

The Birmingham Dogs Home Limited is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **Basis of consolidation**

These accounts consolidate those of the Charity and its wholly owned trading subsidiary, Birmingham Dogs Home (Trading) Limited. These are adjusted, where appropriate, to conform to group accounting policies. Birmingham Dogs Home (Trading) Limited was incorporated on 21 November 2018 and commenced to trade on 1 October 2019. Its results are consolidated from the date it commenced to trade. Comparatives are presented on a group basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity have not been presented in accordance with the exemption afforded by section 408 of the Companies Act 2006. The charity surplus for 2020 was £576,939 (2019: £1,233,990). This is made up of Income of £1,584,381 (2019: £2,836,287), Expenditure of £2,602,124 (2019: £2,642,199) and net gains on investments of £440,804 (2019: £1,039,903).

##### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern, including the impact of COVID-19. The trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

For legacies, receipt must be recognised when it is probable that it will be received. Receipt is normally probable when: there has been a grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of the charity or have been met.

The charity receives income from local authorities in relation to provision of stray dog services.

Income from trading activities includes income earned from fundraising events and trading activities such as dog boarding to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Other income relates to pet plan commission.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

##### **Expenditure**

All expenditure is accounted for gross, on an accruals basis and is stated net of Value Added Tax, where applicable.

Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- > Costs of raising funds
- > Expenditure on charitable activities

##### **Allocation and apportionment of costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

**THE BIRMINGHAM DOGS HOME**

**Notes to the Financial Statements**

**For the year ended 31 December 2020**

**1 Accounting Policies (continued)**

**VAT**

VAT recoverable by the Charity is shown in debtors. The Birmingham Dogs Home Limited and Birmingham Dogs Home (Trading) Limited are part of a VAT group.

**Fixed assets**

Fixed assets are included at cost or valuation, items below £500 will be normally expensed through the statement of financial activities.

**Depreciation**

Depreciation is provided to write off the cost or valuation, less estimated residual values of all fixed assets except freehold land, over their expected useful lives. It is calculated at the following rates:

Buildings	- 5% of the cost per annum
Fixtures and fittings	- 10% of the cost per annum
Vehicles	- 25% of the cost per annum
Computer equipment	- 33.33% of the cost per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**Stocks**

Stocks are valued at the lower of cost or net realisable value. Unsold donated items are not included.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund Accounting**

Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

**Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The pension cost charge represents contributions paid by the charity to the fund.

**Hire purchase and leasing commitments**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

**Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the

Judgements made by the Trustees in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material misstatement in the next year, are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed above.

The areas where these judgements and estimates have been made include the following for the group:

**a) Depreciation and residual values**

The Trustees have reviewed the asset lives and associated residual values of all tangible fixed asset classes, and have concluded that the asset lives and residual values are appropriate.

**b) Accrued income**

Accrued income includes legacy income amounts. In recognising accrued legacy income, the Trustees have considered the probability of receiving each legacy. Each legacy is assessed to determine an appropriate allowance which reflects the possibility of not subsequently receiving the full income amounts.

**THE BIRMINGHAM DOGS HOME**

**Notes to the Financial Statements  
For the year ended 31 December 2020**

**2 Donations and legacies**

	Total 2020 £	Total 2019 £
Donations	347,453	268,540
Legacies	741,493	1,304,073
	<u>1,088,946</u>	<u>1,572,613</u>

**3 Other trading activities**

	Total 2020 £	Total 2019 £
Fundraising events	24,463	81,123
Dog boarding	-	105,863
Shop income	2,088	3,268
Income of Trading subsidiary (see note 7)	61,140	35,739
	<u>87,691</u>	<u>225,993</u>

**4 Investment income**

	Total 2020 £	Total 2019 £
Deposit account interest	4,421	11,890
Dividends and interest from listed investments	212,425	246,378
	<u>216,846</u>	<u>258,268</u>

**5 Income from charitable activities**

	Total 2020 £	Total 2019 £
Income from general public	115,874	220,281
Local authority contracts	87,110	110,250
	<u>202,984</u>	<u>330,531</u>

**6 Other income**

	Total 2020 £	Total 2019 £
Pet plan commission received	46,003	42,197
Miscellaneous income	711	7,839
Feed in tariff	2,340	2,181
Recovery of losses	-	328,888
VAT recovered	-	67,000
	<u>49,054</u>	<u>448,105</u>

In the year £nil (2019: £328,888) was recovered in relation to fraudulent losses previously suffered.

**7 Trading company**

The wholly owned trading subsidiary Birmingham Dogs Home (Trading) Limited is incorporated in the United Kingdom (company number 11689015) and pays profits, which are surplus to trading requirements, to the charity under a deed of covenant. Trading commenced on 1 October 2019 so only 3 months of activity are consolidated in the comparative.

The summary financial performance of the subsidiary is:

	2020 £	2019 £
Turnover	61,140	35,739
Cost of sales	-	-
Gross profit	<u>61,140</u>	<u>35,739</u>
Administrative expenses	(65,801)	(37,585)
Operating losses	<u>(4,661)</u>	<u>(1,846)</u>
Taxation	-	-
Retained losses	<u>(4,661)</u>	<u>(1,846)</u>

**THE BIRMINGHAM DOGS HOME**

**Notes to the Financial Statements**

**For the year ended 31 December 2020**

**8 Raising funds**

	Total 2020 £	Total 2019 £
Staff costs	102,394	85,005
Investment manager fees	28,903	27,036
Publicity	50,833	43,942
Show costs	19,014	37,156
Office expenses and administrative support	28,901	34,506
Vehicle costs	3,778	5,088
Depreciation	4,774	5,410
	<u>238,597</u>	<u>238,143</u>

**9 Charitable activity costs**

	Direct costs (see note 10) £	Support costs (see note 11) £	Totals £
Charitable activities	2,395,592	31,115	2,426,707

**10 Direct costs of charitable activities**

	Total 2020 £	Total 2019 £
Staff costs	1,214,502	1,058,334
Sundries	39,749	55,522
Food	-	485
Yard and veterinary expenses	329,868	433,876
Office expenses	63,037	59,243
Rates and insurance	53,883	46,217
Light, heat and water	74,253	81,507
Van costs	9,762	9,994
Repairs and renewals	34,354	35,732
Depreciation	576,184	579,389
	<u>2,395,592</u>	<u>2,360,299</u>

**11 Support costs**

	2020 £	2019 £
Governance costs		
Auditors' remuneration	10,750	9,800
Auditors' remuneration for non audit work	6,533	4,121
Legal and professional fees	9,466	23,908
AGM, annual report and meeting costs	4,366	5,931
	<u>31,115</u>	<u>43,760</u>

**12 Net income/(expenditure)**

Net (expenditure)/ income is stated after charging/(crediting):

	2020 £	2019 £
Fees payable to charity's auditors to the audit of the financial statements	10,750	9,800
Auditors' remuneration for non audit work	6,533	4,121
Taxation advisory services	-	1,071
Depreciation - owned assets	576,184	579,389

**THE BIRMINGHAM DOGS HOME**

**Notes to the Financial Statements**

**For the year ended 31 December 2020**

**13 Consolidated Statement of Financial Activities 2019**

	<b>Total funds 2019 £</b>
<b>Income and endowments from</b>	
Donations and legacies	1,572,613
<b>Charitable activities</b>	
Re-homing dogs	330,531
<b>Other trading activities</b>	225,993
<b>Investment income</b>	258,268
<b>Other income</b>	448,105
<b>Total incoming resources</b>	<b>2,835,510</b>
<b>Expenditure on</b>	
Raising funds	238,143
Charitable activities	
Re-homing dogs	2,404,059
<b>Other expenditure</b>	1,067
<b>Total resources expended</b>	<b>2,643,269</b>
<b>Net income/(expenditure) before investment gains/(losses)</b>	<b>192,241</b>
Net gains/ (losses) on investment	1,039,903
<b>Net income/(expenditure)</b>	<b>1,232,144</b>
Transfers between funds	-
<b>Net movement in funds</b>	<b>1,232,144</b>
<b>Funds brought forward at 1 January 2019</b>	<b>16,482,405</b>
<b>Funds carried forward at 31 December 2019</b>	<b>17,714,549</b>

**14 Trustees' remuneration and benefits**

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor the year ended 31 December 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**15 Staff costs**

	<b>2020 £</b>	<b>2019 £</b>
Wages and salaries	1,167,911	1,002,990
Social security costs	79,429	73,119
Other pension costs	69,556	67,230
	<b>1,316,896</b>	<b>1,143,339</b>

The average monthly number of employees during the year was as follows:

	<b>2020 £</b>	<b>2019 £</b>
Direct charitable expenditure	50	42
Fundraising and publicity	3	3
Management and administration of charity	3	3
	<b>56</b>	<b>48</b>

The number of employees whose employee benefits (excluding employers pension costs) exceeded £60,000 was:

	<b>2020 £</b>	<b>2019 £</b>
£90,000 - £100,000	1	1

The total amount of employee benefits received by key management personnel is £157,869 (2019: £136,239). The key management personnel of the Charity comprise, the trustees, the Chief Executive Officer and the Treasurer.

**THE BIRMINGHAM DOGS HOME**

**Notes to the Financial Statements  
For the year ended 31 December 2020**

**16 Tangible fixed assets**

**Group**

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
As at 1 January 2020	9,256,894	1,432,991	79,156	10,769,041
Additions	129,013	5,776	-	134,789
<b>As at 31 December 2020</b>	<b>9,385,907</b>	<b>1,438,767</b>	<b>79,156</b>	<b>10,903,830</b>
<b>Depreciation</b>				
As at 1 January 2020	3,164,389	668,753	79,156	3,912,298
Charge for the period	433,892	147,066	-	580,958
<b>As at 31 December 2020</b>	<b>3,598,281</b>	<b>815,819</b>	<b>79,156</b>	<b>4,493,256</b>
<b>Net book value</b>				
<b>As at 31 December 2020</b>	<b>5,787,626</b>	<b>622,948</b>	<b>-</b>	<b>6,410,574</b>
As at 31 December 2019	6,092,505	764,238	-	6,856,743

**Charity**

	Freehold property £	Fixtures & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
As at 1 January 2020	9,256,894	1,432,991	79,156	10,769,041
Additions	129,013	5,776	-	134,789
<b>As at 31 December 2020</b>	<b>9,385,907</b>	<b>1,438,767</b>	<b>79,156</b>	<b>10,903,830</b>
<b>Depreciation</b>				
As at 1 January 2020	-	-	-	-
Charge for the period	3,164,389	668,753	79,156	3,912,298
	433,892	147,066	-	580,958
<b>As at 31 December 2020</b>	<b>3,598,281</b>	<b>815,819</b>	<b>79,156</b>	<b>4,493,256</b>
<b>Net book value</b>				
<b>As at 31 December 2020</b>	<b>5,787,626</b>	<b>622,948</b>	<b>-</b>	<b>6,410,574</b>
As at 31 December 2019	6,092,505	764,238	-	6,856,743

The net book value as at 31 December 2020 represents fixed assets used for direct charitable purposes.

Freehold property includes £373,257 for the costs of land, which is not depreciated.

Freehold property also includes £129,013 of assets under construction, which are not depreciated until bought into use.

**17 Fixed asset investments**

**Group**

	Listed shares £	Totals £
Market value at 1 January	8,231,385	8,231,385
Additions at cost	1,019,678	1,019,678
Disposals at opening book value	(1,048,309)	(1,048,309)
Realised losses	(100,928)	(100,928)
Net unrealised investment gains	541,732	541,732
	<b>8,643,558</b>	<b>8,643,558</b>
<b>The market value of investments as at 31 December 2020 can be analysed as:</b>	<b>2020</b>	<b>2019</b>
Investment assets in the UK	£ 3,630,973	£ 4,488,794
Investment assets outside the UK	5,012,585	3,742,591
	<b>8,643,558</b>	<b>8,231,385</b>

**THE BIRMINGHAM DOGS HOME**

**Notes to the Financial Statements**

**For the year ended 31 December 2020**

**17 Fixed asset investments - continued**

	2020	2019
	£	£
The market value of investments is made up of:		
Listed investments	8,618,140	8,065,363
Cash	25,418	166,022
	<u>8,643,558</u>	<u>8,231,385</u>

**Charity**

In addition to the above managed investments, the Charity holds the following investments in subsidiary undertakings:

	2020	2019
	£	£
Birmingham Dogs Home (Trading) Limited	<u>1</u>	<u>1</u>

The above investment represents a 100% holding of the issued share capital of Birmingham Dogs Home Trading Limited, a subsidiary undertaking which was incorporated on 21 November 2018 and commenced to trade on 1 October 2019.

**18 Stocks**

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Goods for resale	25,515	25,515	23,543	23,543
	<u>25,515</u>	<u>25,515</u>	<u>23,543</u>	<u>23,543</u>

**19 Debtors**

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Trade debtors	19,044	19,044	6,787	6,787
Prepayments and accrued income	240,184	240,184	330,136	330,136
Other debtors	250	250	-	-
Amounts owed to group undertakings	-	2,438	-	878
VAT recoverable	21,750	21,750	43,371	43,371
	<u>281,228</u>	<u>283,666</u>	<u>380,294</u>	<u>381,172</u>

**20 Creditors: amounts falling due within one year**

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Trade creditors	89,656	89,648	144,484	144,476
Social security and other taxes	32,033	32,033	29,143	29,143
Other creditors	6,544	6,544	5,932	5,932
Accruals and deferred income	33,024	28,944	39,825	38,825
	<u>161,257</u>	<u>157,169</u>	<u>219,384</u>	<u>218,376</u>

**21 Movement in funds**

<u>Group</u>	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
General fund	3,746,963	1,645,521	(2,234,033)	440,804	(353,932)	3,245,323
Designated funds:						
Freehold property	5,867,586	-	(433,892)	-	353,932	5,787,626
Capital development	3,500,000	-	-	-	-	3,500,000
Investment and reserve	4,600,000	-	-	-	-	4,600,000
	<u>13,967,586</u>	<u>-</u>	<u>(433,892)</u>	<u>-</u>	<u>353,932</u>	<u>13,887,626</u>
Total Funds	<u>17,714,549</u>	<u>1,645,521</u>	<u>(2,667,925)</u>	<u>440,804</u>	<u>-</u>	<u>17,132,949</u>

**THE BIRMINGHAM DOGS HOME**

**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**21 Movement in funds - continued**

**Charity**

	Opening balance £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers £	Closing balance £
<b>General fund</b>	<b>3,748,809</b>	<b>1,647,561</b>	<b>(2,231,412)</b>	<b>440,804</b>	<b>(353,932)</b>	<b>3,251,830</b>
<b>Designated funds:</b>						
Freehold property	5,867,586	-	(433,892)	-	353,932	5,787,626
Capital development	3,500,000	-	-	-	-	3,500,000
Investment and reserve fund	4,600,000	-	-	-	-	4,600,000
	<b>13,967,586</b>	<b>-</b>	<b>(433,892)</b>	<b>-</b>	<b>353,932</b>	<b>13,887,626</b>
<b>Total Funds</b>	<b>17,716,395</b>	<b>1,647,561</b>	<b>(2,665,304)</b>	<b>440,804</b>	<b>-</b>	<b>17,139,456</b>

The freehold property fund is set aside to cover the cost of freehold property used for charitable purposes. It is represented by the net book value of freehold property already owned.

The Capital development fund has been set aside to cover the cost of the future development plans.

The investment and reserve fund is maintained at approximately five times the difference between income and expenditure, before legacy and investment income, to guard against the uncertain nature of legacy income.

**22 Analysis of net assets between funds**

	General £	Designated £	Total £
Tangible fixed assets	622,948	5,787,626	6,410,574
Fixed asset investments	4,043,558	4,600,000	8,643,558
Net current (liabilities)/ assets	(1,421,183)	3,500,000	2,078,817
<b>Balance as at 31 December 2020</b>	<b>3,245,323</b>	<b>13,887,626</b>	<b>17,132,949</b>

**23 Pension costs**

The company operates a defined contribution pension scheme for its employees. The charge to the general fund for the period was £69,557 (2019: £67,230).

**24 Related party disclosures**

There were no related party transactions during the current and previous period other than those disclosed in note 14.

Advantage has been taken of the FRS102 exemption for the disclosure of transactions with wholly owned subsidiaries.

**25 Ultimate controlling party**

The company is under the control of its trustees.

**26 Reconciliation of net income to net cash flow from operating activities**

	2020 £	2019 £
<b>Net income for the reporting period (as per the statement of financial activities):</b>	<b>(581,600)</b>	<b>1,232,144</b>
<b>Adjustments for:</b>		
Depreciation charges	580,958	584,800
Losses/(gains) on investments	100,928	26,686
Interest received	(216,846)	(258,268)
Unrealised (gain)/loss on investments	(541,732)	(1,066,589)
(Decrease)/ Increase in stocks	(1,972)	3,685
Decrease/ (increase) in debtors	99,944	(13,380)
(Decrease)/ Increase in creditors	(57,119)	8,163
<b>Net cash provided by (used in) operating activities</b>	<b>(617,439)</b>	<b>517,241</b>

**27 Analysis of changes in net funds**

	At 1/1/2020 £	Cash flow £	At 31/12/2020 £
<b>Net cash</b>			
Cash at bank	2,441,968	508,637	1,933,331
<b>Total</b>	<b>2,441,968</b>	<b>508,637</b>	<b>1,933,331</b>