

DESTITUTE ANIMALS SHELTER

FINANCIAL STATEMENTS

31 DECEMBER 2020

Registered Charity No: 222935

**BARLOW ANDREWS LLP
CHARTERED ACCOUNTANTS**

DESTITUTE ANIMALS SHELTER

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DESTITUTE ANIMALS SHELTER

TRUSTEES' REPORT

Officers and professional advisors

Charity number 222935

Charity address 1 Northolt Drive
Bolton
BL3 6NJ

Trustees D. Michael Morgan (Chairman)
Brian W. Southwood
Alan G. Smith
Maureen Hoole (deceased 01.09.2021)
Jennifer Moore

Independent examiner David A Kay, FCA
Barlow Andrews LLP
Chartered Accountants
Carlyle House
78 Chorley New Road
Bolton

Bankers The Royal Bank of Scotland plc
Bolton Central Branch
46-48 Deansgate
Bolton

DESTITUTE ANIMALS SHELTER

TRUSTEES' REPORT (Continued)

The trustees present their report and the financial statements for the year ended 31 December 2020.

Structure, governance and management

Legal constitution and charitable status

The Charity, registration number 222935, operates under a Trust Deed dated 1 July 1924 and a subsequent Declaration of Trust dated 13 September 1933.

Trustees

The trustees who served during the year are as listed on page 1. The trustees are members of the Management Committee which meets regularly and oversees the running of the Charity.

Objectives and activities

The object of the Charity is to maintain a shelter for the care, treatment and re-homing, where possible, of unwanted, homeless, ill-treated, stray, injured or sick dogs and cats using funds raised by, donated to, bequeathed to or otherwise received by the Shelter.

The Charity's activities include the provision of short to medium term accommodation and, where necessary, veterinary treatment for dogs and cats which it receives, whilst actively seeking to reunite them with their owners or to place them with new owners.

Public benefit

Each year the trustees review the objectives and activities of the Charity to ensure that they continue to reflect its aims and to provide public benefit. Information provided in the Chairman's review of the year on pages 3 and 4 clearly indicates that they do.

Financial review

The Charity's Statement of Financial Activities for the year is presented on page 6.

The trustees report that legacies amounting to £88,104 (2019: £255,378) were received during the year. The continued receipt of legacies is imperative to enable the Shelter to continue. During the year we made realised gains of £38,264 (2019: £13,457) on investment disposals and unrealised gains of £49,177 (2019: £132,196) on investment revaluations. There was a net increase in the year of £43,374 in our unrestricted funds, due primarily to the legacy receipts, without which our day-to-day activities would show us operating at a loss.

Risk management

The trustees continue to review any major risks arising from or impacting on the activities of the Shelter. We consider that the systems which we have in place to mitigate such risks already identified are adequate in normal circumstances.

Investments policy

Investments are held primarily for their annual income return and long-term growth potential. The portfolio is weighted towards low risk and ethical stocks.

DESTITUTE ANIMALS SHELTER
TRUSTEES' REPORT
(Continued)

Recruitment policy

New trustees are appointed by the trustees. On appointment of a new trustee, the existing trustees explain to the new trustee the decision-making process of the trust and provides an overview of the administrative procedures employed by the charity.

No trustee or connected person may receive any payment of money or other material benefits (whether direct or indirect) from the Charity except for activities that fall within the charity's objectives.

Reserves policy

The Shelter aims to maintain sufficient free reserves to meet its day to day running costs, bearing in mind that the unpredictable nature of legacies and donations means that income can vary significantly year on year. Unprecedented events such as the coronavirus pandemic also underline the need to maintain a healthy reserves level. Free reserves are our unrestricted funds which are not designated by the trustees for specific projects or purposes, or which are not represented by either tangible fixed assets or fixed asset investments. The trustees' target is a minimum of six months' average expenditure for free reserves, currently about £145,000. At year end free reserves stood at £88,378.

Achievements, performance and plans for the future

Chairman's review of the year

The Coronavirus pandemic severely impacted on our operating activities during the year. Following the introduction of the national lockdown in March 2020, the Shelter was closed to access by the general public. However, we still managed to take a few strays and rehomed, which were either rehomed or adopted where possible. We also organised our staff so that animals already in our care were properly looked after whilst complying with coronavirus regulations. Should any member of staff be notified that they had been in contact with a covid suspect, or catch covid, they could isolate at home without loss of pay.

Our charity shop also had to close to comply with Government regulations, resulting in a loss of income from this source. It will be difficult to reopen in the future due to its size and layout and comply with social distancing rules.

Our plan to replace the old cat cages with new improved ones was delayed until 2021, when it will be completed together with renovations and improvements to the Shelter. The work remains on track.

Throughout the pandemic, our staff have continued to work and nobody has had to be furloughed. The animals have continued to receive the same high level of care that they have always received and we continue to be available to take in stray or unwanted animals, and to look after them until they can be rehomed or reunited with their owners. The prudent approach of the trustees in building a strong financial platform for the charity to operate from has again been rewarded, and we are well placed to withstand the financial impacts of the pandemic.

As ever, the trustees acknowledge the hard work and conscientious service of the management, staff, assistants, volunteers, fund-raisers and Friends of the Shelter. We could not function without their support.

Finally, some very sad news. We regret to record the untimely deaths of Mrs Delyse Critchley, who served on the committee for a number of years, and her husband Norman, who helped us with property matters. We also have to report the death last month of Mrs Maureen Hoole. Maureen was the Shelter's bookkeeper for many years and after retiring from that role joined the Board as a trustee and also did some voluntary work at the Shelter. She was a stalwart of the Shelter and will be sadly missed.

**DESTITUTE ANIMALS SHELTER
TRUSTEES' REPORT
(Continued)**

Statement of trustees' responsibilities

The Charities Act 2011 and the Statement of Recommended Practice (SORP) require the trustees of the charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity as at the end of the financial year and of the surplus or deficit of the Charity for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and the statements of recommended practice of the Charities Commission have been followed;
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Independent examiner

A resolution for the reappointment of David A Kay FCA of Barlow Andrews LLP as Independent Examiner is to be proposed.

This report is prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting to Charities (March 2005).

By order of the trustees:

D. Michael Morgan
Trustee

22 October 2021

**DESTITUTE ANIMALS SHELTER
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

I report to the trustees on the accounts of Destitute Animals Shelter (the Charity) for the year ended 31 December 2020.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. Independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

**David A Kay FCA
Barlow Andrews LLP
Chartered Accountants
Carlyle House, 78 Chorley New Road, Bolton**

22 October 2021

**DESTITUTE ANIMALS SHELTER
STATEMENT OF FINANCIAL ACTIVITIES**

YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 total funds £	2019 total funds £
Income from:					
Donations and legacies	2	199,859	60	199,919	306,177
Charitable activities	3	7,336	-	7,336	17,041
Other trading activities	4	9,373	-	9,373	13,452
Investments		19,240	-	19,240	26,689
Total income		235,808	60	235,868	363,359
Expenditure on:					
Raising funds	6	30,046	-	30,046	33,185
Charitable activities	6	249,829	60	249,889	250,264
Total expenditure		279,875	60	279,935	283,449
Net income for the year before gains and losses on investments		(44,067)	-	(44,067)	79,910
Gains/(losses) on investment assets	5	87,441	-	87,441	145,743
Net movement in funds		44,374	-	44,374	225,653
Funds brought forward		1,430,006	-	1,430,006	1,204,353
Funds carried forward	13	1,473,380	-	1,473,380	1,430,006

The Statement of Financial Activities includes all gains and losses recognised in the year.

The 2020 total funds were all in respect of unrestricted funds and included no restricted fund income or expenditure.

Comparative figures for 2019 are provided in note 16 to the accounts.

DESTITUTE ANIMALS SHELTER

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	137,893	151,852
Investments	9	1,242,647	1,097,776
		<hr/> 1,380,540	<hr/> 1,249,628
Current assets			
Debtors	10	9,489	47,853
Cash at bank and in hand		97,430	144,886
		<hr/> 106,919	<hr/> 192,739
Creditors:			
Amounts falling due within one year	11	(14,079)	(12,361)
		<hr/> 92,840	<hr/> 180,378
Net current assets			
Net assets		<hr/> 1,473,380	<hr/> 1,430,006
Funds			
Restricted funds	14	-	-
Unrestricted funds	14	1,473,380	1,430,006
		<hr/> 1,473,380	<hr/> 1,430,006
Total funds		<hr/> 1,473,380	<hr/> 1,430,006

Approved by the trustees and signed on their behalf on 22 October 2021.

Brian W Southwood
Trustee

Alan G Smith
Trustee

DESTITUTE ANIMALS SHELTER
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

Destitute Animals Shelter is an unincorporated registered charity, governed by a trust deed, as detailed on page 2. Its registered address and principal place of business is 1 Northolt Drive, Bolton, BL3 6NJ.

1.1 Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

1.2 Preparation of the accounts on a going concern basis

The trustees are satisfied that the charity has adequate working capital and funding in place to ensure that it is a going concern, and the financial statements have been prepared on that basis.

1.3 Income

Income is recognised on a receivable basis and is reported gross of related expenditure. Items of income are recognised when each of the following criteria are in place: the charity has entitlement to the funds, any performance conditions have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable, and the amount can be measured reliably. The value of services provided by volunteers has not been provided in the financial statements.

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of raising funds comprise the costs associated with shop trading and similar activities and with organising appeals and collections etc. They include the associated support costs of those activities.

Charitable expenditure comprises those costs directly incurred by the charity in the delivery to beneficiaries of its core activities. The support costs associated with delivery of these activities is also included.

1.5 Fund accounting

General unrestricted funds are those which are available for use or retention at the discretion of the trustees in furtherance of the objects of the charity. Designated funds are unrestricted funds which the trustees have earmarked for specific projects or purposes out of general funds and can be varied at the discretion of the trustees.

Restricted funds are funds subject to specific restrictive conditions imposed by funding bodies, donors etc. Expenditure which meets these criteria is allocated against the fund, together with a fair allocation of management and support costs.

DESTITUTE ANIMALS SHELTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

1.6 Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Buildings - Chorley Old Road	-	2% p.a. on cost
Buildings and fixtures - Northolt Drive	-	4% p.a. on cost
Motor van	-	20% p.a. on cost
Office equipment	-	15% p.a. on cost

1.7 Fixed asset investments

Fixed asset investments are carried at market value, being quoted market price for listed investments. Both realised and unrealised gains and losses are included in the Statement of Financial Activities.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid bank deposits.

1.9 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.

Basic financial assets

Basic financial assets, which include trade debtors and cash and bank balances, are measured at transaction price. In the case of trade and other debtors this is normally the settlement value due.

Other financial assets

Financial assets classified as other financial assets, such as fixed asset investments, are stated at fair value, gains or losses arising on re-measurement being recognised in the statement of financial activities.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, which include trade creditors, are recognised at transaction price. In the case of trade creditors this is normally their settlement amount after allowing for any trade discounts due.

DESTITUTE ANIMALS SHELTER

**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

YEAR ENDED 31 DECEMBER 2020

2. Income from donations and legacies

	2020	2019
	£	£
Fund-raising and appeals, Friends of the Shelter, Gift Aid and other donations	111,815	50,799
Legacies and bequests	88,104	255,378
	<hr/> 199,919	<hr/> 306,177
	<hr/> <hr/>	<hr/> <hr/>

Donations income includes £0 (2019: £275) restricted income for the Foster Dogs Scheme.

3. Income from charitable activities

	2020	2019
	£	£
Animals adopted, homed or claimed	5,073	11,356
BMBC – strays and carcasses	2,263	5,685
	<hr/> 7,336	<hr/> 17,041
	<hr/> <hr/>	<hr/> <hr/>

4. Income from trading activities

	2020	2019
	£	£
200 Club net income after prizes etc.	8,487	9,272
Net income from charity shop, pet-tac, ID chips etc.	886	4,180
	<hr/> 9,373	<hr/> 13,452
	<hr/> <hr/>	<hr/> <hr/>

5. Gains/(losses) on investment assets

	2020	2019
	£	£
Profit on investment disposals	38,264	13,547
Movements on investment revaluations	49,177	132,196
	<hr/> 87,441	<hr/> 145,743
	<hr/> <hr/>	<hr/> <hr/>

DESTITUTE ANIMALS SHELTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

6. Expenditure

	Raising funds £	Charitable activities £	2020 Total £	2019 Total £
Vets fees, drugs, treatment etc.	-	24,185	24,185	29,349
Animal food, cleaning, carcasses	-	2,826	2,826	3,586
Salaries and wages	11,499	159,061	170,560	163,911
Motor and travel	-	4,256	4,256	3,594
Advertising, stationery, postage	4,303	542	4,845	6,398
Accountancy and payroll fees	485	9,215	9,700	10,880
Investment management	11,055	-	11,055	13,043
Legal and other professional fees	436	1,762	2,198	953
Rates, water, gas and electric	-	22,720	22,720	21,175
Repairs, maintenance, security	-	7,036	7,036	9,759
Telephone	178	1,600	1,778	2,216
Sundry expenditure	-	2,128	2,128	1,937
Depreciation charges	1,944	14,704	16,648	16,648
	29,900	250,035	279,935	283,449

Expenditure on charitable activities includes restricted fund expense of £9,283 relating to the Foster Dog Scheme. Also included are governance costs of £3,902 (2019: £2,166), being independent examiner's fees of £2,140 and legal fees of £1,762.

	2020 £	2019 £
7. Staff costs		
Salaries, wages and similar costs	158,713	154,886
Employers' national insurance	10,385	7,454
Employer's pension contributions	1,462	1,571
	170,560	163,911

The average number of employees during the year, including part-time ones, was 8 (2019: 10).

No employees earned more than £60,000 in either year. The remuneration of key management personnel was £85,896, including employer pension contributions and national insurance costs.

One trustee, J Moore, is also a paid employee and received gross salary of £11,185 during the year in respect of her employment. She received no remuneration in respect of her duties as a trustee, nor did any other trustee receive any remuneration during the year.

No trustee expenses were incurred in either year.

DESTITUTE ANIMALS SHELTER

**NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**

YEAR ENDED 31 DECEMBER 2020

8. Tangible fixed assets

	Fixtures, fittings and equipment £	Motor vehicles £	Freehold land & buildings £	Total £
Cost				
At 1 January 2020	36,021	14,392	382,763	433,176
Additions	2,689	-	-	2,689
Disposals	-	-	-	-
At 31 December 2020	38,710	14,392	382,763	435,865
Depreciation				
At 1 January 2020	33,146	6,480	241,698	281,324
Charge for the year	400	2,880	13,368	16,648
Written off on disposal	-	-	-	-
At 31 December 2020	33,546	9,360	255,066	297,972
Net Book Value				
At 31 December 2020	5,163	5,032	127,697	137,893
At 31 December 2019	2,875	7,912	141,065	151,852

9. Investments

	2020 £	2019 £
Valuation at 1 January 2020	1,097,776	964,498
Additions at cost	429,854	181,095
Disposal proceeds at cost	(321,073)	(201,137)
Sundry broker adjustments	(1,167)	(226)
Unrealised gains/(losses) on revaluation	49,177	132,196
Movement in cash on deposit	(11,920)	21,350
Valuation at 31 December 2020	1,242,647	1,097,776

No single investment represents more than 5% of the total portfolio value.

The cost of investments at 31 December 2020 was £966,758 (2019: £859,144), consisting of listed investments of £912,580 and cash deposits £54,178.

DESTITUTE ANIMALS SHELTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

10. Debtors	2020	2019
	£	£
Trade receivables	1,164	597
Prepayments and accrued income	5,526	45,066
Value added tax recoverable	2,799	2,190
	<u>9,489</u>	<u>47,853</u>

11. Creditors - amounts falling due within one year	2020	2019
	£	£
Trade payables	1,628	5,357
Sundry creditors and accruals	12,451	7,004
	<u>14,079</u>	<u>12,361</u>

12. Financial instruments	2020	2019
	£	£
Carrying amount of financial assets		
Trade receivables, VAT recoverable, cash, bank and investments	<u>1,344,040</u>	<u>1,245,449</u>
Carrying amount of financial liabilities		
Trade payables, sundry creditors and accruals	<u>14,079</u>	<u>12,361</u>

13. Analysis of net assets between funds

All assets and liabilities held at year end relate to unrestricted funds.

DESTITUTE ANIMALS SHELTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

14. Movements in funds

<u>Current year</u>	Balance at 01.01.20	Income & net gains	Expenditure & net losses	Fund transfers	Balance at 31.12.20
Restricted funds					
Foster Dog Scheme	-	-	-	-	-
	-	-	-	-	-
Unrestricted funds					
Designated funds	3,685	60	(9,283)	10,000	4,462
General funds	1,426,321	323,249	(270,652)	(10,000)	1,468,918
	1,430,006	323,309	(279,935)	-	1,473,380
Total funds	1,430,006	323,309	(279,935)	-	1,473,380
<u>Previous year</u>	Balance at 01.01.19	Income & net gains	Expenditure & net losses	Fund transfers	Balance at 31.12.19
Restricted funds					
Foster Dog Scheme	-	275	(275)	-	-
	-	275	(275)	-	-
Unrestricted funds					
Designated funds	3,720	-	(8,035)	8,000	3,685
General funds	1,200,633	508,827	(275,139)	(8,000)	1,426,321
	1,204,353	508,827	(283,174)	-	1,430,006
Total funds	1,204,353	509,102	(283,449)	-	1,430,006

The trustees have designated unrestricted funds of £4,462 (2019: £3,685) to the foster dog scheme, which is specifically for the welfare and treatment of fostered dogs.

15. Related party transactions

Other than the trustee remuneration stated in note 7, there were no other related party transactions in the year (2019: none).

DESTITUTE ANIMALS SHELTER

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

YEAR ENDED 31 DECEMBER 2020

16. Statement of Financial Activities for 2019 for comparison

	Unrestricted funds £	Restricted funds £	Total funds £
Income from:			
Donations and legacies	305,902	275	306,177
Charitable activities	17,041	-	17,041
Other trading activities	13,452	-	13,452
Investments	26,689	-	26,689
Total income	363,084	275	363,359
Expenditure on:			
Raising funds	33,185	-	33,185
Charitable activities	249,989	275	250,264
Total expenditure	283,174	275	283,449
Net income for the year before gains and losses on investments	79,910	-	79,910
Gains/(losses) on investment assets	145,743	-	145,743
Net movement in funds	225,653	-	225,653
Funds brought forward	1,204,353	-	1,204,353
Funds carried forward	1,430,006	-	1,430,006