

Charity Registration No. 220506

**NEWCASTLE UPON TYNE DOG AND CAT
SHELTER AND ANIMAL SANCTUARY**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Syson, Chair J M Simpson A Harrison G Young W Davison T Fife T Scrafton A Wylie N Manson
Charity number	220506
Principal address	Benton North Farm Benton Lane Newcastle Upon Tyne NE12 8EH
Chief executive officer	L Rutter
Senior management team	G Lawson, Deputy Chief Executive
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Barclays Bank plc Front Street Whickham Newcastle Upon Tyne NE16 4PZ
Solicitors	Stokes Law & Mediation 128 Mailing Exchange Hoults Yard Walker Road Newcastle Upon Tyne NE6 2HL
Investment advisors	Brewin Dolphin Time Central Gallowgate Newcastle Upon Tyne NE1 4SR

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

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NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The trustees present their report and financial statements for the year ended 30 April 2019.

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

Objectives and activities

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

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

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

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Achievements and performance

This year the charity has strengthened the rehabilitation work we do by increasing behaviour training for staff and creating an indoor playbarn. Following on from the success of our behaviour room at our Claremont Arrivals Centre, we were fortunate enough to receive funding to create a large indoor play and training room at our Benton Rehoming Centre. The room has proven invaluable, especially during the many rain and snow filled days. The large space allows dogs to get much needed playtime and training in a safe indoor area which also encompasses sofas for those dogs that just want an extra cuddle, this has been particularly popular with the greyhounds.

Over recent years our kitten numbers have increased significantly and it was becoming a constant struggle to find a safe space for litters of young kittens whilst they awaited new homes. This year we were able to develop our kitten creche into a safe haven with 4 custom built pens large enough to house a litter in each. The new creche provides pens with room for the kittens to play and socialise away from the main cattery. With no sign of the kitten numbers slowing down it will be a huge benefit for many years to come. Only neutering and responsible ownership will help to reduce the problem. All of our cats are neutered and microchipped before rehoming and we continue to promote the importance of both. Education plays a large part in tackling the problem and we continue to promote the benefit of neutering, both in reducing unwanted pregnancies and for the long-term health benefits it provides to both male and female animals. In many cases protecting from certain cancers and life-threatening illnesses.

A worrying trend over recent years has been the huge increase in the number of small animals arriving into our care. These include degus, rats, gerbils, hamsters, guinea pigs, chinchillas and ferrets alongside a variety of exotic animals such as snakes and even a pygmy hedgehog. The volume of animals put a huge strain on our resources and we were struggling to house the many animals in need. We were incredibly grateful to one of our supporters for helping us to create the Wylie Twins Small Animal Room. The room is dedicated to the needs of our smaller residents and enables us to provide the specialist care and attention they need.

This year saw the launch of our Heat-a-Home campaign to raise money to help keep our animals warm over the winter. With the ever increasing cost of energy, in particular oil as there is no gas on site at Benton, coupled with some very cold winter weather, our heating bills have seen a very steep increase. The campaign has helped raise much needed funds to ensure we can keep our animals warm and cosy all year round.

Sadly, the North East continues to feature near the top for animal cruelty offences and we continue to receive the victims of abuse and neglect whether it be caused wilfully or through ignorance. We continue our work with local schools to teach young people about respecting and caring for animals. We offer schools and youth groups the opportunity to visit the shelter and see first-hand the work that goes into caring for unwanted and neglected animals. By involving children at an early age and teaching young people to respect and appreciate animals, we hope to one day break the cycle of abuse and neglect that so many animals suffer.

Our corporate volunteer support is building every year and we have received help from a wide range of company volunteer groups again this year. The contribution they make is invaluable, they really get stuck in and carry out a range of activities, from painting and decorating to gardening, clearing rubbish and generally helping us to improve our site and keep our Rehoming Centre looking fabulous. The time they give helps us to get a lot of work done at minimal cost and makes a big difference to the charity as well as helping to entertain a few dogs and cats along the way.

We review all of our suppliers regularly and negotiate to ensure we are getting the best value for money. Our veterinary bills now exceed £100,000 per annum, which reflects our commitment to improving the standards of care and treatment we offer our animals. These costs are kept down by negotiating very competitive rates on our vaccines, medication and with Blythman & Partners, our veterinary surgeons on a regular basis.

We are active members of the Association of Dogs and Cats Homes using the code of practice they have developed to build and follow on best practice within animal welfare. We are proud to work alongside fellow members to develop our policies and procedures to constantly improve our services and standards for both the animals and the public.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

Investment performance

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

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 are looking positive for the years ahead and we have been very fortunate to have received notifications of several generous legacy gifts. However, due to delays at the probate office and many legacies involving property, the time from receiving notification to receiving the money has significantly increased and can take many months and in some cases years. This makes planning and budgeting very difficult and puts a strain on cash flow and has resulted in the accounts showing a deficit this year. This has strengthened our decision to look at alternative income streams and become less reliant on legacies.

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

During the year a deficit of £240,726 was generated (2018 - £168,366 deficit), this has led to a decrease in unrestricted funds of £224,479 and a decrease in restricted funds of £16,247.

Reserves policy

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

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

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

Investment policy

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

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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Plans for future periods

We remain extremely grateful to the many people who support us so generously. Legacies remain a vital part of our income, without legacies we could not offer our vital service to the needy animals of the North East. It is essential that we continue to receive legacies and we are working hard to inform and reassure people that remembering us in their will makes a huge difference to the animals in our care. The trustees are aware that whilst legacies provide vital income, recent delays in receiving funds has reinforced the decision to look at new ways to become self-sufficient and increase income from other sources.

The charity is opening a new Coffee Shop 'Pawfect Cuppa' at our Benton Rehoming Centre which will provide income for the charity as well as providing a place for people to take time to think about adopting an animal.

The creation of our special care quiet room has had a significant impact on those dogs who find the kennel environment stressful and distressing. The room has helped many dogs over the past 12 months and has had such a positive impact that we are now looking to create a further 2 quiet kennels. The kennels will not have the traditional bars and will be designed to resemble a more homestyle environment. These kennels are particularly beneficial to older or more nervous dogs whilst they await a new home.

Maintaining such a large site is costly and wear and tear is inevitable. One of the largest repair bills for the year ahead is replacing our external fenceposts. The existing wooden posts have been in situ for many years and are now rotting and breaking. The external boundary covers a large area and to replace them with metal posts which will last much longer will cost in the region of £20k. This will hopefully be raised through a fundraising campaign.

Our Heat-a-Home campaign will continue this year and we are hopeful that many kind supporters from last year will continue to support the campaign together with new supporters who want to help the animals stay warm and cosy over the winter months.

We continue to encourage people to use online platforms, Justgiving and Virgin Giving to set up fundraising pages, particularly when they are participating in sponsored events. This is a very cost-effective way for the charity to receive funds and the addition of Gift Aid means even more money to help the animals without the administrative burden.

Last but by no means least, we continue to develop our education programme as we firmly believe education is an extremely important part of animal welfare. Our passionate and dedicated team visit local schools and community groups to talk about the work that we do and the responsibilities that come with pet ownership. It is vital that we reach children at a young age if we are to change the way animals are viewed within society. It is hoped that if we can teach children to respect animals from a young age, we may one day break the cycle of cruelty which haunts the North East. We also offer tours and visits to the shelter so that people can see first-hand the work that we do as well as the effect ignorance and disregard for animals has on their lives. Our team also visit adult interest groups to discuss the work we do and the importance of public support for our charity.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

Structure, governance and management

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

S Syson, Chair
J M Simpson
A Harrison
G Young
W Davison
T Fife
T Scrafton
A Wylie
N Manson

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 Deputy Chief Executive and a senior management team who oversee the daily operations at both shelters. They are supported by a team of Animal Care workers.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

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



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S Syson, Chair

Trustee

Dated: 29/11/2020

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Newcastle Upon Tyne Dog and Cat Shelter and Animal Sanctuary (the 'charity') for the year ended 30 April 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.


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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Date: 29/1/2020

RMT Accountants & Business Advisors Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of 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 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Income from:					
Donations and legacies	3	723,424	-	723,424	801,176
Charitable activities	4	116,516	-	116,516	122,288
Other trading activities	5	145,761	-	145,761	132,336
Investments	6	23,851	-	23,851	27,267
Total income		<u>1,009,552</u>	<u>-</u>	<u>1,009,552</u>	<u>1,083,067</u>
Expenditure on:					
Raising funds	7	117,067	-	117,067	111,039
Charitable activities	8	1,118,496	9,247	1,127,743	1,133,014
Total resources expended		<u>1,235,563</u>	<u>9,247</u>	<u>1,244,810</u>	<u>1,244,053</u>
Net gains/(losses) on investments	12	(5,468)	-	(5,468)	(7,380)
Net outgoing resources before transfers		<u>(231,479)</u>	<u>(9,247)</u>	<u>(240,726)</u>	<u>(168,366)</u>
Gross transfers between funds		7,000	(7,000)	-	-
Net movement in funds		<u>(224,479)</u>	<u>(16,247)</u>	<u>(240,726)</u>	<u>(168,366)</u>
Fund balances at 1 May 2018		<u>2,099,107</u>	<u>195,941</u>	<u>2,295,048</u>	<u>2,463,414</u>
Fund balances at 30 April 2019		<u><u>1,874,628</u></u>	<u><u>179,694</u></u>	<u><u>2,054,322</u></u>	<u><u>2,295,048</u></u>

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

All income and expenditure derive from continuing activities.

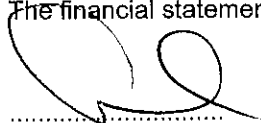
NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		1,239,968		1,292,204
Investment properties	14		67,487		67,487
Investments	15		501,922		757,900
			<u>1,809,377</u>		<u>2,117,591</u>
Current assets					
Stocks	17	15,024		11,634	
Debtors	18	308,719		175,792	
Cash at bank and in hand		21,944		59,228	
			<u>345,687</u>		<u>246,654</u>
Creditors: amounts falling due within one year	19	(100,742)		(69,197)	
Net current assets			<u>244,945</u>		<u>177,457</u>
Total assets less current liabilities			<u>2,054,322</u>		<u>2,295,048</u>
Income funds					
Restricted funds	21		179,694		195,941
Unrestricted funds			1,874,628		2,099,107
			<u>2,054,322</u>		<u>2,295,048</u>

The financial statements were approved by the Trustees and authorised for issue on 29/11/2020



S Syson, Chair
Trustee

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	25		(311,645)		(201,622)
Investing activities					
Purchase of tangible fixed assets		-		(20,088)	
Proceeds on disposal of tangible fixed assets		-		4,710	
Purchase of investments		(15,096)		(43,220)	
Proceeds on disposal of investments		265,606		176,037	
Interest received		23,851		27,267	
Net cash generated from Investing activities			274,361		144,706
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(37,284)		(56,916)
Cash and cash equivalents at beginning of year			59,228		116,144
Cash and cash equivalents at end of year			<u>21,944</u>		<u>59,228</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

1.5 Resources expended

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 / straight line over 40 years
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 net income/(expenditure) for the year.

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

1.7 Investment properties

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

1.8 Fixed asset investments

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

1.9 Impairment of fixed assets

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

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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

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

1.13 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.

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

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.

3 Donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Donations and gifts	315,283	-	315,283	287,773
Legacies receivable	408,141	-	408,141	503,028
Grants	-	-	-	10,375
	<u>723,424</u>	<u>-</u>	<u>723,424</u>	<u>801,176</u>
For the year ended 30 April 2018	<u>791,301</u>	<u>9,875</u>		<u>801,176</u>

Included in donations is £13,989 (2018 - £15,508) "Adopt-A-Kennel" donation income.

4 Charitable activities

	2019 £	2018 £
Re-homing contributions	91,137	88,886
Council and police contract income	25,379	33,402
	<u>116,516</u>	<u>122,288</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

5 Other trading activities

	2019 £	2018 £
Summer fayre	13,305	15,616
Shop income	132,456	116,720
	<u>145,761</u>	<u>132,336</u>

6 Investments

	2019 £	2018 £
Rental income	4,740	1,628
Income from listed investments	19,026	25,580
Interest receivable	85	59
	<u>23,851</u>	<u>27,267</u>

7 Raising funds

	2019 £	2018 £
Fundraising and publicity		
Staging fundraising events	6,809	4,348
Other fundraising costs	25,228	31,898
Staff costs	61,561	48,435
	<u>93,598</u>	<u>84,681</u>
Trading costs		
Operating charity shops	19,146	20,711
	<u>4,323</u>	<u>5,647</u>
Investment management	117,067	111,039
	<u>117,067</u>	<u>111,039</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

8 Charitable activities

	2019 £	2018 £
Staff costs	556,735	508,924
Depreciation and impairment	52,236	56,194
Property repairs and improvements	45,671	76,428
Veterinary fees and vaccinations	130,336	124,632
Animal hygiene and welfare	137,446	163,390
Motor running expenses	9,897	10,871
Rent, rates and insurance	38,635	30,212
Lighting and heating	48,454	47,076
Equipment / skip hire	1,675	3,204
Sundries	14,880	12,420
	<u>1,035,965</u>	<u>1,033,351</u>
Share of support costs (see note 9)	67,448	69,013
Share of governance costs (see note 9)	24,330	30,650
	<u>1,127,743</u>	<u>1,133,014</u>
Analysis by fund		
Unrestricted funds	1,118,496	1,128,755
Restricted funds	9,247	4,259
	<u>1,127,743</u>	<u>1,133,014</u>
For the year ended 30 April 2018		
Unrestricted funds	1,128,755	
Restricted funds	4,259	
	<u>1,133,014</u>	

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

9 Support costs	Support costs £	Governance costs £	2019 £	2018 £
Staff costs	30,398	-	30,398	30,534
Printing, stationery and office supplies	12,921	-	12,921	12,858
Telephone and postage	20,046	-	20,046	21,903
Training costs	4,083	-	4,083	3,718
Audit fees	-	8,250	8,250	10,700
Legal and professional	-	16,080	16,080	19,950
	<u>67,448</u>	<u>24,330</u>	<u>91,778</u>	<u>99,663</u>
Analysed between				
Charitable activities	<u>67,448</u>	<u>24,330</u>	<u>91,778</u>	<u>99,663</u>

The auditor's remuneration amounts to an Audit fee of £5,000 (2018 - £6,900), and accounts preparation fees of £1,500 (2018 - £1,850).

10 Trustees

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Animal welfare	32	31
Management and administration	7	5
	<u>39</u>	<u>36</u>

Employment costs

	2019 £	2018 £
Wages and salaries	599,098	553,887
Social security costs	38,629	25,835
Other pension costs	10,967	8,171
	<u>648,694</u>	<u>587,893</u>

The average headcount expressed as a full time equivalent was 36 (2018 - 33).

There have been no payments made in respect of remuneration, benefits or expenses to any trustees or their connected persons in either year. During the year 2 members of key management personnel were paid a total remuneration of £102,220 (2018 - £101,297).

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

12 Net gains/(losses) on investments

	2019 £	2018 £
Revaluation of investments	<u>(5,468)</u>	<u>(7,380)</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

13 Tangible fixed assets	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 May 2018	67,744	1,560,132	200,449	40,752	1,869,077
At 30 April 2019	67,744	1,560,132	200,449	40,752	1,869,077
Depreciation and impairment					
At 1 May 2018	900	422,274	142,764	10,935	576,873
Depreciation charged in the year	677	35,453	8,652	7,454	52,236
At 30 April 2019	1,577	457,727	151,416	18,389	629,109
Carrying amount					
At 30 April 2019	66,167	1,102,405	49,033	22,363	1,239,968
At 30 April 2018	66,844	1,137,858	57,685	29,817	1,292,204

The cost or valuation figure for Land and Buildings includes:

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

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

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

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

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

14 Investment property

	2019 £
Fair value	
At 1 May 2018 and 30 April 2019	67,487

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

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

15 Fixed asset Investments

	Listed Investments £
Cost or valuation	
At 1 May 2018	757,900
Additions	15,096
Valuation changes	(5,468)
Disposals	(265,606)
At 30 April 2019	501,922
Carrying amount	
At 30 April 2019	501,922
At 30 April 2018	757,900

	2019 £	2018 £
Investments at fair value comprise:		
Listed investments	501,922	757,900

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

15 Fixed asset investments	(Continued)	
	2019	2018
	£	£
Listed investments		
UK Government Treasury Bond (2022)	36,565	37,405
UK Government Treasury Bond (2020)	33,068	-
GCP Infrastructure	33,705	-
Kames Capital Bond	30,077	39,202
M&G Investment Optimal Income	-	87,185
M&G Investment Man UK Ltd	43,777	43,844
M&G Investment Man Corp	-	72,155
Vanguard Investment UK Bond	67,435	89,725
FIL Investment SVCS	62,955	63,422
Invesco FD Managers IP Corporate Bond	75,205	83,725
JP Morgan	31,122	32,174
Twentyfour AM Corporate	62,903	63,722
Tesco IDX/LKD SNR	-	44,269
(All <5% of portfolio value)	15,433	65,953
Cash	9,677	35,119
	<u>501,922</u>	<u>757,900</u>

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

The historical value of the listed investments as at 30 April 2019 is £502,736.

16 Financial instruments	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,558	(1,941)
Equity instruments measured at cost less impairment	501,922	757,900
	<u>501,922</u>	<u>757,900</u>
Carrying amount of financial liabilities		
Measured at amortised cost	91,887	62,618
	<u>91,887</u>	<u>62,618</u>
17 Stocks	2019	2018
	£	£
Finished goods and goods for resale	15,024	11,634
	<u>15,024</u>	<u>11,634</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

18 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	1,558	(1,941)
Other debtors	22,395	14,179
Prepayments and accrued income	284,766	163,554
	<u>308,719</u>	<u>175,792</u>
	<u><u>308,719</u></u>	<u><u>175,792</u></u>
19 Creditors: amounts falling due within one year	2019	2018
	£	£
Other taxation and social security	8,855	6,579
Trade creditors	63,644	38,987
Other creditors	4,168	3,510
Accruals and deferred income	24,075	20,121
	<u>100,742</u>	<u>69,197</u>
	<u><u>100,742</u></u>	<u><u>69,197</u></u>

20 Retirement benefit schemes

Defined contribution schemes

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

During the year the charity contributed £10,967 (2018 - £8,171) to the personal schemes of employees. These contributions are charged to the Statement of Financial Activities. At the balances sheet date there were no accrued or prepaid contributions (2018 - £nil).

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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 2018	Resources expended	Transfers	Balance at 30 April 2019
	£	£	£	£
All funds	164,700	(3,895)	-	160,805
Pedigree Brighter Futures Fund	14,366	-	-	14,366
Petplan Charitable Trust - Dog Tower	7,000	-	(7,000)	-
Pedigree - Indoor Play Barn Fund	9,875	(5,352)	-	4,523
	<u>195,941</u>	<u>(9,247)</u>	<u>(7,000)</u>	<u>179,694</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.

The Petplan Charitable Trust - towards the organisation and building of dog towers, now fully expended.

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

Restricted funds - Prior year

	Balance at 1 May 2017	Movement in funds			Balance at 30 April 2018
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
All funds	166,450	-	(1,750)	-	164,700
Support Adoption for Pets	33,298	-	(2,509)	(30,789)	-
Pedigree Brighter Futures Fund	14,366	-	-	-	14,366
Petplan Charitable Trust - Dog Tower	7,000	-	-	-	7,000
Pedigree - Indoor Play Barn Fund	-	9,875	-	-	9,875
	<u>221,114</u>	<u>9,875</u>	<u>(4,259)</u>	<u>(30,789)</u>	<u>195,941</u>

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Fund balances at 30 April 2019 are represented by:				
Tangible assets	1,060,429	179,539	1,239,968	1,292,204
Investment properties	67,487	-	67,487	67,487
Investments	501,922	-	501,922	757,900
Current assets/(liabilities)	244,790	155	244,945	177,457
	<u>1,874,628</u>	<u>179,694</u>	<u>2,054,322</u>	<u>2,295,048</u>

Restricted funds current assets amounting to £155 relate to amounts held within cash at bank and in hand (2018 - £1,165).

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:

	2019	2018
	£	£
Within one year	20,632	20,632
Between two and five years	17,698	35,778
In over five years	30,624	33,176
	<u>68,954</u>	<u>89,586</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	<u>102,220</u>	<u>101,297</u>

During the year there were no transactions made to or from any related parties (2018 - same).

NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

25 Cash generated from operations	2019 £	2018 £
Deficit for the year	(240,726)	(168,366)
Adjustments for:		
Investment income recognised in statement of financial activities	(23,851)	(27,267)
Fair value gains and losses on investments	5,468	7,380
Depreciation and impairment of tangible fixed assets	52,236	55,736
Movements in working capital:		
(Increase) in stocks	(3,390)	(2)
(Increase) in debtors	(132,927)	(71,548)
Increase in creditors	31,545	2,445
Cash absorbed by operations	<u>(311,645)</u>	<u>(201,622)</u>