

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 2020**

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## LEGAL AND ADMINISTRATIVE INFORMATION

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

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# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

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# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 30 APRIL 2020

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The trustees present their report and financial statements for the year ended 30 April 2020.

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 2020

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#### **Achievements and performance**

The shelter has experienced two financially challenging years with deficit budgets which has not been helped at the beginning of 2020 with the onset of the Covid-19 pandemic which reduced fundraising and donations.

This was compounded by delays to entitlement to legacy income failing to arrive in the accounts as anticipated.

The pandemic impacted income from February onwards with closure of home boarding, our shops and reducing community support in the early part of 2020.

There remains a focus to grow non legacy income including further retail growth and lottery. Improved storytelling to raise awareness of the shelter and using technology to make donations online easier for supporters will also boost future income.

Switching rehoming to online has begun to have a positive impact with animals being successfully rehomed without the need for face to face meetings. This has streamlined a previously paper based processes and is a more efficient and effective system.

During the year there was continued focus on rehabilitation work and staff training. The play barn was in frequent use during poor weather, giving dogs exercise when the weather was bad. Kitten numbers remained high and the kitten creche was very well utilised.

A negative impact of increased online activity is the growth in buying and selling, most notably, of puppies and kittens on websites for example Gumtree. We are monitoring the situation and actively discourage people from engaging in this practice. Animals are separated from mums too early and can present many behavioral challenges for staff when they have arrived at the shelter.

Our ageing cattery (built before 2010) now needs investment to make sure it is fit for purpose and will be monitored over the next year in terms repair costs versus a new cattery at Benton Lane Farm.

Neutering and responsible ownership reduces the difficulties of the local cat populations. All of our cats are neutered and microchipped before rehoming and we use (social) media and traditional PR to share positive stories in the press and on radio.

The trend of previous years has continued with significant numbers of small animals arriving at the shelter and in need of care. Degus, rats, hamsters, guinea pigs, chinchillas and ferrets alongside exotic animals including snakes place a strain on the resources needed to give safe and appropriate care to each individual animal.

Energy costs remain high and without currently the option to use gas, oil powers the central heating at Benton Lane Farm. Bills continue to increase and alternative energy suppliers and potential cost savings are being identified.

Fundraising growth was in part attributed to our fix our fence appeal which was a success with lots of public support towards the costs of repairing and replacing damaged fences to keep our animals and the public safe. The Black Tie Ball - Paws for Prosecco was a success and online donations grew as we developed an online presence and targeted supporters to 'give us a quid'.

Pre Covid-19 our work with local schools continued to provide education around respecting and caring for animals. Youth groups were given opportunities to visit the shelter and get first-hand experience of our work and the impact staff have on the lives of animals in our care. Improving our education offer is a future priority and will raise awareness and capture future interest and support for our work.

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

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#### **Achievements and performance (*continued*)**

A significant and essential cost each year are our veterinary bills, to provide the necessary treatments for the animals in our care. In excess of £100,000 per annum is spent providing care with our current provider Blythman & Partners.

We are active members of the Association of Dog and Cats Homes and use their code of practice, to develop and build on the best practice within animal welfare.

As Covid-19 impacted on fundraising activities and the disruption to retail and other areas of community fundraising before lockdown. From March onwards, staff were furloughed across the shelter including retail, facilities, drivers and rehoming staff at the earliest opportunity as these roles were not required.

The pandemic may negatively impact on the plans to pursue income growth in non-legacy fundraising but this remains our long-term plan. In time it is envisaged legacy income will in part be used for the development of services, increasing our reach, caring for more animals and providing education and advice to pet owners and the general public.

#### *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 £163,532 was generated (2019 - £240,726 deficit), this has led to a decrease in unrestricted funds of £159,905 and a decrease in restricted funds of £3,627.

##### *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.

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

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#### *Investment policy*

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

#### *Risks*

The trustees have examined the major strategic business and operational risks facing the charity and continue to monitor the risk register. We confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The trustees do not consider the charity is exposed to any significant risks not currently covered by the controls in place.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### *Plans for future periods*

The onset of the Covid-19 pandemic gives rise to serious concerns after several years of deficit budgets and a reduced reserve base to offer protection against a reduced service provided by the shelter.

A shelter priority is to raise sufficient monies and reduce expenditure where possible to avoid future depletion of reserves.

A review of staffing and organisational structure is planned which may result in a need to make posts redundant as well as making use of the government furlough scheme to protect jobs and furlough staff in non-animal care roles whilst the shelters are closed to the general public.

The continued focus away from dependency on legacy income to fund core running costs will continue. This is critical as there are concerns that legacy income in future years may not be as significant as has been the case in the past. Focus will therefore be on growing our non legacy income from our retail offer, a new lottery, our onsite café and increasing funding from the community via events and increased corporate support. Avenues will be explored that the shelter has confidence it can deliver to generate income and fund future growth.

Improvements to financial controls, improved budget processes and greater use of digital technology across the shelter will make for improved efficiency and effectiveness. Old fashioned practices and manual processes will be phased out and moved online. Online rehoming will improve the speed in which animals find their forever homes and reduce a reliance on the paper based methods that are currently deployed.

Other areas of the shelter will also move to digital including much of the back office work with a focus to wherever possible reduce unnecessary and antiquated systems in order to enhance our work and improve capability and the impact the team can make to support the mission to save lives of animals in the North East.

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### **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 2020**

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#### **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.

**S Syson, Chair**

Trustee

Dated: 28 April 2021

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## INDEPENDENT AUDITOR'S REPORT

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

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#### Opinion

We have audited the financial statements of Newcastle Upon Tyne Dog and Cat Shelter and Animal Sanctuary (the 'charity') for the year ended 30 April 2020 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 FRS 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 2020 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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

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

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

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

#### **Responsibilities of trustees**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

#### **Other matters**

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 current Generally Accepted Accounting Practice.

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

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

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#### **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.

**Mr Stephen Slater (Senior Statutory Auditor)**  
**for and on behalf of RMT Accountants & Business Advisors Ltd**  
**Statutory Auditor**  
**Gosforth Park Avenue**  
**Newcastle upon Tyne**  
**NE12 8EG**

Date: 28 April 2021

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 2020

Current financial year					
	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<b>Income from:</b>					
Donations and legacies	3	863,266	-	863,266	723,424
Charitable activities	4	105,571	-	105,571	116,516
Other trading activities	5	148,872	-	148,872	145,761
Investments	6	16,724	-	16,724	23,851
<b>Total income</b>		<u>1,134,433</u>	<u>-</u>	<u>1,134,433</u>	<u>1,009,552</u>
<b>Expenditure on:</b>					
Raising funds	7	222,695	-	222,695	117,067
Charitable activities	8	1,073,547	3,627	1,077,174	1,127,743
<b>Total resources expended</b>		<u>1,296,242</u>	<u>3,627</u>	<u>1,299,869</u>	<u>1,244,810</u>
Net gains/(losses) on investments	12	1,904	-	1,904	(5,468)
<b>Net movement in funds</b>		<u>(159,905)</u>	<u>(3,627)</u>	<u>(163,532)</u>	<u>(240,726)</u>
Fund balances at 1 May 2019		<u>1,874,628</u>	<u>179,694</u>	<u>2,054,322</u>	<u>2,295,048</u>
<b>Fund balances at 30 April 2020</b>		<u><u>1,714,723</u></u>	<u><u>176,067</u></u>	<u><u>1,890,790</u></u>	<u><u>2,054,322</u></u>

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

All income and expenditure derive from continuing activities.

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2020

Prior financial year

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>				
Donations and legacies	3	723,424	-	723,424
Charitable activities	4	116,516	-	116,516
Other trading activities	5	145,761	-	145,761
Investments	6	23,851	-	23,851
<b>Total income</b>		<u>1,009,552</u>	<u>-</u>	<u>1,009,552</u>
<b>Expenditure on:</b>				
Raising funds	7	117,067	-	117,067
Charitable activities	8	1,118,496	9,247	1,127,743
<b>Total resources expended</b>		<u>1,235,563</u>	<u>9,247</u>	<u>1,244,810</u>
Net gains/(losses) on investments	12	(5,468)	-	(5,468)
<b>Net outgoing resources before transfers</b>		<u>(231,479)</u>	<u>(9,247)</u>	<u>(240,726)</u>
Gross transfers between funds		7,000	(7,000)	-
<b>Net movement in funds</b>		<u>(224,479)</u>	<u>(16,247)</u>	<u>(240,726)</u>
Fund balances at 1 May 2018		<u>2,099,107</u>	<u>195,941</u>	<u>2,295,048</u>
<b>Fund balances at 30 April 2019</b>		<u><u>1,874,628</u></u>	<u><u>179,694</u></u>	<u><u>2,054,322</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 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13	1,190,891		1,239,968	
Investment properties	14	67,487		67,487	
Investments	15	281,766		501,922	
			<u>1,540,144</u>		<u>1,809,377</u>
<b>Current assets</b>					
Stocks	17	10,287		15,024	
Debtors	18	254,024		308,719	
Cash at bank and in hand		194,299		21,944	
			<u>458,610</u>		<u>345,687</u>
<b>Creditors: amounts falling due within one year</b>	19	(107,964)		(100,742)	
Net current assets			<u>350,646</u>		<u>244,945</u>
<b>Total assets less current liabilities</b>			<u><u>1,890,790</u></u>		<u><u>2,054,322</u></u>
<b>Income funds</b>					
Restricted funds	20	176,067		179,694	
Unrestricted funds		1,714,723		1,874,628	
			<u><u>1,890,790</u></u>		<u><u>2,054,322</u></u>

The financial statements were approved by the Trustees on 28 April 2021

**S Syson, Chair**  
Trustee

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2020

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	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24		(66,430)		(311,645)
<b>Investing activities</b>					
Purchase of investments		(21,800)		(15,096)	
Proceeds on disposal of investments		243,861		265,606	
Investment income received		16,724		23,851	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>			238,785		274,361
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			172,355		(37,284)
Cash and cash equivalents at beginning of year			21,944		59,228
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>194,299</u>		<u>21,944</u>



# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 APRIL 2020

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#### 1 Accounting policies

##### Charity information

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

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's 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. This includes taking into account the potential impact of COVID-19 to ensure that cashflow is positively managed and the impact to the charity's operations are mitigated. The Board has concluded that the going concern assumption is appropriate in preparing these financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

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#### 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 2020

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#### 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 2020

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#### 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

	2020 £	2019 £
Donations and gifts	411,475	315,283
Legacies receivable	395,731	408,141
Grants	56,060	-
	<u>863,266</u>	<u>723,424</u>

Included in donations is £13,480 (2019 - £13,989) "Adopt-A-Kennel" donation income.

#### 4 Charitable activities

	2020 £	2019 £
Re-homing contributions	80,290	91,137
Council and police contract income	25,281	25,379
	<u>105,571</u>	<u>116,516</u>

#### 5 Other trading activities

	2020 £	2019 £
Summer fayre	3,826	13,305
Shop income	145,046	132,456
	<u>148,872</u>	<u>145,761</u>

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

### 6 Investments

	<b>2020</b>	<b>2019</b>
	£	£
Rental income	4,345	4,740
Income from listed investments	12,232	19,026
Interest receivable	147	85
	<u>16,724</u>	<u>23,851</u>

### 7 Raising funds

	<b>2020</b>	<b>2019</b>
	£	£
<b>Fundraising and publicity</b>		
Fundraising costs	40,363	25,228
Staff costs	140,805	61,561
	<u>181,168</u>	<u>86,789</u>
<b>Trading costs</b>		
Operating charity shops	17,624	19,146
Operating pet shops and coffee shop	20,298	6,809
	<u>37,922</u>	<u>25,955</u>
Trading costs	3,605	4,323
Investment management	3,605	4,323
	<u>222,695</u>	<u>117,067</u>

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

### 8 Charitable activities

	2020 £	2019 £
Staff costs	500,796	556,735
Depreciation and impairment	49,077	52,236
Property repairs and improvements	41,976	45,671
Veterinary fees and vaccinations	143,851	130,336
Animal hygiene and welfare	118,128	137,446
Motor running expenses	11,720	9,897
Rent, rates and insurance	34,678	38,635
Lighting and heating	55,831	48,454
Equipment / skip hire	4,245	1,675
Sundries	10,837	14,880
	<u>971,139</u>	<u>1,035,965</u>
Share of support costs (see note 9)	83,005	67,448
Share of governance costs (see note 9)	23,030	24,330
	<u>1,077,174</u>	<u>1,127,743</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,073,547	1,118,496
Restricted funds	3,627	9,247
	<u>1,077,174</u>	<u>1,127,743</u>

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 9 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	54,955	-	54,955	30,398	-	30,398
Printing, stationery and office supplies	5,014	-	5,014	12,921	-	12,921
Telephone and postage	22,337	-	22,337	20,046	-	20,046
Training costs	699	-	699	4,083	-	4,083
Audit fees	-	7,500	7,500	-	8,250	8,250
Legal and professional	-	15,530	15,530	-	16,080	16,080
	<u>83,005</u>	<u>23,030</u>	<u>106,035</u>	<u>67,448</u>	<u>24,330</u>	<u>91,778</u>
Analysed between						
Charitable activities	<u>83,005</u>	<u>23,030</u>	<u>106,035</u>	<u>67,448</u>	<u>24,330</u>	<u>91,778</u>

The auditor's remuneration amounts to an Audit fee of £5,500 (2019 - £5,000), and accounts preparation fees of £2,000 (2019 - £1,500).

### 10 Trustees

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

### 11 Employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Animal welfare	35	32
Management and administration	7	7
Total	<u>42</u>	<u>39</u>

### Employment costs

	2020	2019
	£	£
Wages and salaries	649,875	599,098
Social security costs	32,232	38,629
Other pension costs	14,449	10,967
	<u>696,556</u>	<u>648,694</u>

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

### 11 Employees (Continued)

The average headcount expressed as a full time equivalent was 39 (2019 - 36).

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

### 12 Net gains/(losses) on investments

	2020 £	2019 £
Gain/(loss) after revaluation of investments	(5,828)	(5,468)
Gain/(loss) on sale of investments	7,732	-
	<u>1,904</u>	<u>(5,468)</u>

### 13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 May 2019	67,744	1,560,132	200,449	40,752	1,869,077
At 30 April 2020	<u>67,744</u>	<u>1,560,132</u>	<u>200,449</u>	<u>40,752</u>	<u>1,869,077</u>
<b>Depreciation and impairment</b>					
At 1 May 2019	1,577	457,727	151,416	18,389	629,109
Depreciation charged in the year	677	35,453	7,355	5,592	49,077
At 30 April 2020	<u>2,254</u>	<u>493,180</u>	<u>158,771</u>	<u>23,981</u>	<u>678,186</u>
<b>Carrying amount</b>					
At 30 April 2020	<u>65,490</u>	<u>1,066,952</u>	<u>41,678</u>	<u>16,771</u>	<u>1,190,891</u>
At 30 April 2019	<u>66,167</u>	<u>1,102,405</u>	<u>49,033</u>	<u>22,363</u>	<u>1,239,968</u>

The cost or valuation figure for Land and Buildings includes:

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



# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

#### 13 Tangible fixed assets (Continued)

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

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

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

#### 14 Investment property

**2020**  
**£**

##### Fair value

At 1 May 2019 and 30 April 2020 67,487

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. The trustees believe there has not been any changes to fair value of the property since this valuation.

#### 15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
<b>Cost or valuation</b>			
At 1 May 2019	492,245	9,677	501,922
Additions	21,800	52,933	74,733
Valuation changes	(5,827)	-	(5,827)
Disposals	(289,062)	-	(289,062)
	<u>219,156</u>	<u>62,610</u>	<u>281,766</u>
<b>Carrying amount</b>			
At 30 April 2020	<u>219,156</u>	<u>62,610</u>	<u>281,766</u>
At 30 April 2019	<u>492,245</u>	<u>9,677</u>	<u>501,922</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 2020 is £215,013 (2019: £493,059).

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

15	Fixed asset investments	(Continued)	
16	<b>Financial instruments</b>	<b>2020</b>	<b>2019</b>
		£	£
	<b>Carrying amount of financial assets</b>		
	Instruments measured at fair value through profit or loss	219,156	492,245
		<u>          </u>	<u>          </u>
17	<b>Stocks</b>	<b>2020</b>	<b>2019</b>
		£	£
	Finished goods and goods for resale	10,287	15,024
		<u>          </u>	<u>          </u>
18	<b>Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>Amounts falling due within one year:</b>	£	£
	Trade debtors	2,951	1,558
	Other debtors	23,552	22,395
	Prepayments and accrued income	227,521	284,766
		<u>          </u>	<u>          </u>
		254,024	308,719
		<u>          </u>	<u>          </u>
19	<b>Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
		£	£
	Other taxation and social security	11,815	8,738
	Trade creditors	55,189	63,644
	Other creditors	745	4,285
	Accruals and deferred income	40,215	24,075
		<u>          </u>	<u>          </u>
		107,964	100,742
		<u>          </u>	<u>          </u>

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

#### 20 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 2019	Resources expended	Balance at 30 April 2020
	£	£	£
All funds	160,805	(3,576)	157,229
Pedigree Brighter Futures Fund	14,366	-	14,366
Pedigree - Indoor Play Barn Fund	4,523	(51)	4,472
	<u>179,694</u>	<u>(3,627)</u>	<u>176,067</u>

Monies received specifically through appeals in relation to the refurbishment and extension of the main kennel block at the Benton North Farm premises.

Pedigree Brighter Futures Fund - towards the organisation and building of the dog grooming room and dog towers.

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

#### Restricted funds - Prior year

	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>

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

#### 21 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Fund balances at 30 April 2020 are represented by:				
Tangible assets	1,014,979	175,912	1,190,891	1,239,968
Investment properties	67,487	-	67,487	67,487
Investments	281,766	-	281,766	501,922
Current assets/(liabilities)	350,491	155	350,646	244,945
	<u>1,714,723</u>	<u>176,067</u>	<u>1,890,790</u>	<u>2,054,322</u>

Restricted funds current assets amounting to £155 relate to amounts held within cash at bank and in hand (2019 - £155).

#### 22 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:

	2020 £	2019 £
Within one year	7,882	20,632
Between two and five years	12,368	17,698
In over five years	28,072	30,624
	<u>48,322</u>	<u>68,954</u>

#### 23 Related party transactions

##### Remuneration of key management personnel

Key personnel are the Chief Executive Officer and Deputy Chief Executive Officer of the charity.

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>105,019</u>	<u>102,220</u>

During the year there were no transactions made to or from any related parties (2019 - none).

# NEWCASTLE UPON TYNE DOG AND CAT SHELTER AND ANIMAL SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

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<b>24 Cash generated from operations</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deficit for the year	(163,532)	(240,726)
Adjustments for:		
Investment income recognised in statement of financial activities	(16,724)	(23,851)
Gain on disposal of investments	(7,732)	-
Fair value gains and losses on investments	5,828	5,468
Depreciation and impairment of tangible fixed assets	49,077	52,236
Movements in working capital:		
Decrease/(increase) in stocks	4,737	(3,390)
Decrease/(increase) in debtors	54,695	(132,927)
Increase in creditors	7,221	31,545
<b>Cash absorbed by operations</b>	<u>(66,430)</u>	<u>(311,645)</u>