

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**

**(LIMITED BY GUARANTEE)**

**CHARITY NO. 1001346**

**COMPANY NO. 887353 (ENGLAND AND WALES)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**DIRECTORS' AND TRUSTEES' ANNUAL REPORT**

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**

**YEAR ENDED 31ST DECEMBER 2020**

The directors present their Annual Report together with the financial statements of the Company for the year ended 31st December 2020.

**INTRODUCTION**

The Manchester and District Home for Lost Dogs was caring for lost and stray dogs, thirteen years before the Dogs Act was passed in 1906. At that time there were large numbers of strays for which no one was responsible. The aim of the Home was to return these dogs to their owners, to find new homes for those not claimed and to minimise distress and suffering - that is still the aim today. In 1906 the Dogs Act charged the Police with the responsibility for stray dogs. However, from April 2008, this responsibility was transferred from the Police to the Local Authorities. Manchester Dogs Home has reportedly the largest number of rehomes in the UK and over 500 dogs passed through the Home in 2020.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

The Manchester and District Home for Lost Dogs is a company limited by guarantee and registered under the Companies Act, registration number 887353 and is therefore governed by a Memorandum and Articles of Association. It is a registered charity, charity number 1001346. Funding is by Donations, Legacies, Gift Aid, the re-homing of dogs and services to Local Authorities.

**DIRECTORS**

The Directors in office during the year were as follows:-

Mrs J. Jackson	K.C.A.I.	(Chairman)
Mr S. Stansfield		(Treasurer)
Mr T. J. Askew.		(Secretary)
Mrs J. Bridson.		
Mr G. Bridson.		
Mr C Winterburn.		
Mrs L. J. Grimes		
Mrs M. Fletcher.		(Resigned 3 March 2021)

**SOLICITORS**

TLT LLP  
3 Hardman Square  
Manchester  
M3 3EB

**AUDITORS**

Clarke Nicklin LLP  
Chartered Accountants & Registered Auditors  
Clarke Nicklin House  
Brooks Drive  
Cheadle Royal Business Park  
Cheadle  
Cheshire SK8 3TD

**INVESTMENT ADVISORS**

Brewin Dolphin  
1 The Avenue  
Spinningfields Square  
Manchester M3 3AP

**DIRECTORS' AND TRUSTEES' ANNUAL REPORT**

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**

**YEAR ENDED 31ST DECEMBER 2020**  
**(continued)**

**BANKERS**

The Royal Bank of Scotland plc  
St Ann Street  
Manchester M60 2SS

**VETERINARY SURGEONS**

Mr C Cantera M.R.C.V.S.  
Ms A Hanszke M.R.C.V.S.

**REGISTERED OFFICE**

Crofter's House  
Moss Brook Road  
Harpurhey  
Manchester M9 5PG

**AIMS, OBJECTIVES AND ACTIVITIES**

In accordance with its objects the principal activity of the Company during the year was to take in, care for and re-home stray dogs. The aim of the Manchester Dogs Home is to reunite every dog with its owner but if this is not possible, to re-home the dogs with caring new owners. All the dogs are vaccinated and micro-chipped prior to being offered for rehoming. No healthy dog is ever destroyed, dogs are kept as long as it takes to re-home them. Transport is by specifically equipped dog ambulances which can be called upon to deal with emergencies. First class veterinary care is provided together with a fully equipped surgery for sick and injured dogs attended by the Home's in house veterinary surgeons and qualified veterinary nurse. An isolation unit is maintained. The Home offers a pet cremation and funeral service facility which is for public use. We also actively encourage responsible dog ownership by visits to schools and other organisations. There have been no material changes in policies during the year. In deciding what activities the Charity should undertake the Trustees have paid due regard to the Charity Commission's guidance on public benefit.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Charity is governed by its Council which consists of no more than twelve Trustee members. All directors of the Company are members of the Council and there are no other Council members.

The Council is responsible for formulating the strategy and policies for the Charity including the approval of budgets and the exercising of financial controls through regular financial reporting. De la Wyche Travis & Co. Chartered Accountants, provide full accounting and bookkeeping support to enable the Council to discharge its responsibilities in this area.

The Council of Management is responsible for all aspects of the Home's management and has powers to delegate responsibility.

**Key Management Personnel Remuneration**

The directors consider that the board of directors (who are also trustees of the charitable company) are the key management personnel of the charity in charge of directing and controlling, running and operating the Company on a day to day basis. All directors give of their time freely and no director received remuneration in the year.

**Risk Management**

The trustees have identified the major risks to which the Charity is exposed. These have been reviewed and systems have been established to mitigate risks in all areas

## **DIRECTORS' AND TRUSTEES' ANNUAL REPORT**

### **MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED** **CHARITY NO. 1001346**

#### **YEAR ENDED 31ST DECEMBER 2020** **(continued)**

#### **Recruitment and Training of Trustees**

As set out in the Articles of Association the Council may from time to time and at any time appoint a member of the Society as a member of the Council, either to fill a vacancy or by way of addition to the Council, provided that the prescribed maximum is not exceeded. Any member so appointed shall retain office only until the next Annual General Meeting but shall then be eligible for election.

Prospective trustees normally attend Council meetings to meet their future fellow trustees. They are briefed on their legal obligations under charity and company law and the content of the Memorandum and Articles of Association. Visits to the Charity's branches to see progress of projects and meet staff and volunteers are encouraged. All staff matters are dealt with by the Secretary.

#### **ACHIEVEMENTS AND PERFORMANCE**

A lower number of dogs were admitted in 2020 to both branches of the Home and we also had to change the way the branches operated. This was of course to conform to government rules.

However our staff rose to the challenge and it has proved to be highly successful with the possibility of continuing in the future.

We have been able when allowed to continue with many discount facilities including veterinary treatments and Farewells.

We have also completed the CCTV and alarm installations at the Manchester branch.

#### **FINANCIAL REVIEW**

##### **Fixed Assets and Investments**

Additions to tangible fixed assets in the year were £45,456 (2019 - £269,522). Quoted investments at market value amounted to £893,160 (2019 - £833,372).

##### **Principal funding sources and results for the year**

The principal funding sources for the charity are from the re-homing of dogs, legacies, donations, appeals income and Local Authority contributions.

Income has increased to £2,231,447 (2019 - £1,658,201). Legacies have increased to £1,690,278 (2019 - £969,541) and donations have decreased to £250,489 (2019 - £257,739). Local Authority contributions have decreased to £26,921 (2019 - £48,056).

Expenditure has decreased to £1,571,329 (2019 - £1,586,947). Wages costs have increased to £886,087 (2019 - £840,099). Repairs and Renewals have increased to £59,002 (2019 - £57,380).

Net income for the year is £660,118 (2019 - £71,254).

##### **Investment Policy**

The Company's investment powers are prescribed in its Memorandum and Articles of Association and provide for the Company to invest the monies of the Charity not immediately required for its purposes in such investments, securities or property as may be thought fit, subject to any restrictions imposed by law. Only investments compatible with the Home's objects will be made. Brewin Dolphin have been appointed as investment advisors by the directors to assist them in applying these investment policies.

**DIRECTORS' AND TRUSTEES' ANNUAL REPORT**

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**

**YEAR ENDED 31ST DECEMBER 2020**  
**(continued)**

**Reserves**

During the year the Charity's general reserve increased to £4,693,002. Restricted funds are £604. The trustees have reviewed the assets of the Charity and concluded that to allow the Charity to be managed efficiently and to provide a buffer for uninterrupted services the present level of general reserves suffice for its needs.

**PLANS FOR FUTURE PERIODS**

We have had to put on hold some of our building projects as we try to mitigate the Covid impact of closing both branches of the Home and the charity shops and no events to bring in much needed funds.

We did at the end of 2020 close our Gorton Road Charity shop as expenditure was exceeding income and also looked to sell a property which was part of a legacy

We hope that in 2021 along with any necessary major refurbishments we can move forward, time of course will tell.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors (who are also the trustees of the charitable company) are responsible for preparing the Directors' and Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period. In preparing these financial statements, the directors 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 UK 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 charitable company will continue in business.

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

In so far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware; and they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

A resolution to appoint auditors and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting.

This report was approved by the Council of Management and signed on their behalf.

J. Jackson.....

Director  
Date 20 September 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**

**Opinion**

We have audited the financial statements of Manchester and District Home for Lost Dogs Limited (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its result, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 Report of the Independent Auditors 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**

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

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

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

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

**Responsibilities of trustees**

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Procedures to identify risks:

- enquiring of management concerning the charitable company's procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: timing and recognition of legacy and other income, correct fund allocation, and posting of unusual journals; and
- obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the charitable company. The key laws and regulations we considered in this context included the Companies Act, Charities Act, employment law, health and safety, pensions legislation and tax legislation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**

The procedures to respond to risks identified included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of Trustees' meetings;
- examining available correspondence for legacy and other income;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the rationale of any significant transactions that are unusual or outside the charitable company's normal activities.

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

**Use of our report**

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

Graham Travis FCA (Senior Statutory Auditor)  
for and on behalf of Clarke Nicklin LLP  
Chartered Accountants and Statutory Auditors  
Clarke Nicklin House, Brooks Drive  
Cheadle Royal Business Park,  
Cheadle, Cheshire SK8 3TD

Date: 22 September 2021

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31ST DECEMBER 2020**

	<u>Note</u>	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total <u>2020</u> £	Total <u>2019</u> £
<b>INCOME</b>					
<b>Donations and legacies:</b>					
Donations	3	250,489	-	250,489	257,739
Subscriptions		360	-	360	435
Legacies		1,690,278	-	1,690,278	969,541
<b>Income from charitable activities:</b>					
Trading income	4	184,638	-	184,638	294,068
<b>Income from other trading activities:</b>					
Fundraising	5	46,871	-	46,871	88,070
Sales of merchandise		7,887	-	7,887	19,687
<b>Investment income</b>	6	24,132	-	24,132	28,661
<b>Other incoming resources:</b>					
Grants		26,792	-	26,792	-
<b>Total income</b>		2,231,447	-	2,231,447	1,658,201
<b>EXPENDITURE</b>					
<b>Costs of raising funds:</b>					
Fundraising costs	7	22,872	-	22,872	36,974
Fundraising trading costs	8	48,297	-	48,297	54,374
<b>Charitable activities</b>	9	1,499,896	264	1,500,160	1,495,599
<b>Total expenditure</b>	18	1,571,065	264	1,571,329	1,586,947
<b>Net income/(expenditure) before gains and losses on investments</b>					
		660,382	(264)	660,118	71,254
Gains/(losses) on investment assets:					
Realised gains/(losses)		21,633	-	21,633	16,191
Unrealised gains/(losses)		49,131	-	49,131	91,220
<b>Net income/(expenditure)</b>		731,146	(264)	730,882	178,655
Transfer between funds		-	-	-	-
<b>Net movement in funds</b>		731,146	(264)	730,882	178,655
<b>Reconciliation of funds</b>					
Total funds brought forward		8,483,018	868	8,483,886	8,305,221
<b>Total funds carried forward</b>		9,214,164	604	9,214,768	8,483,886

There were no recognised gains and losses for 2020 or 2019 other than those included in the above statement of financial activities. All of the above results are derived from continuing activities.

The notes on page 12 to 19 form part of these financial statements.

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**(Continued)**

Changes in resources available for Charity use

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 2020</u>
	£	£	£
Net movement in funds for the year	731,146	(264)	730,882
Net (increase)/decrease in tangible fixed assets:			
for direct charitable purposes	75,276	-	75,276
for other purposes	786	-	786
Net movement in funds available for future activities	----- 807,208 =====	----- (264) =====	----- 806,944 =====

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total 2020</u>	<u>Total 2019</u>
	£	£	£	£
Note on historical cost profits and losses				
Reported net movement in funds	731,146	(264)	730,882	178,655
Current year unrealised (gains)/losses	(49,131)	-	(49,131)	(91,220)
Historical cost net movement in funds	----- 682,015 =====	----- (264) =====	----- 681,751 =====	----- 87,435 =====

The notes on page 12 to 19 form part of these financial statements.

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**

**BALANCE SHEET AS AT 31ST DECEMBER 2020**

	<u>Note</u>	<u>2020</u>		<u>2019</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		4,182,206		4,258,268
Investment property	11		338,956		338,956
Investments	12		893,160		833,372
			-----		-----
			5,414,322		5,430,596
<b>CURRENT ASSETS</b>					
Stock		47,734		29,888	
Debtors	13	816,829		289,005	
Cash at bank and in hand		3,018,508		2,812,266	
		-----		-----	
		3,883,071		3,131,159	
		-----		-----	
<b>CREDITORS: Amounts falling due within one year</b>					
Taxation and social security costs		11,980		10,383	
Trade creditors		45,179		47,453	
Accruals		25,466		20,033	
		-----		-----	
		82,625		77,869	
		-----		-----	
<b>NET CURRENT ASSETS</b>			3,800,446		3,053,290
			-----		-----
<b>NET ASSETS</b>			9,214,768		8,483,886
			=====		=====
<b>FUNDS</b>					
Restricted funds	14		604		868
Unrestricted funds:					
General	15		4,693,002		3,855,794
Designated	15		4,521,162		4,627,224
			-----		-----
<b>TOTAL FUNDS</b>	16		9,214,768		8,483,886
			=====		=====

The financial statements were approved by the Council of Management on 20 September 2021 and signed on its behalf.

J. Jackson

Director

The notes on page 12 to 19 form part of these financial statements.

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		£	£
<b>Net cash provided by operating activities</b>	(i)	216,590	(67,616)
		=====	=====
<b>Cash flows from investing activities:</b>			
Investment income		24,132	28,661
Proceeds from disposal of tangible fixed assets		-	-
Purchase of tangible fixed assets		(45,456)	(269,522)
Proceeds from sale of investments		171,353	197,813
Purchase of investments		(160,377)	(436,643)
		-----	-----
<b>Net cash (used in)/provided by investing activities</b>		(10,348)	(479,691)
		=====	=====
(Decrease)/Increase in cash in the year		206,242	(547,307)
Cash at the beginning of the year		2,812,266	3,359,573
		-----	-----
<b>Cash at the end of the year</b>		3,018,508	2,812,266
		=====	=====

**Notes to the cash flow statement**

**(i) Reconciliation of net movement in funds to net cash flow from operating activities:**

	<u>2020</u>	<u>2019</u>
	£	£
Net income/(expenditure)	730,882	178,665
Adjustments for:		
Depreciation	121,518	121,405
(Gains)/losses on investments	(70,764)	(107,411)
Dividends, interest and rents	(24,132)	(28,661)
(Profit)/loss on disposal of fixed assets	-	-
(Increase)/decrease in stocks	(17,846)	7,347
(Increase)/decrease in debtors	(527,824)	(208,985)
Increase)/(decrease) in creditors	4,756	(29,976)
	-----	-----
<b>Net cash provided by operating activities</b>	216,590	(67,616)
	=====	=====

The notes on page 12 to 19 form part of these financial statements.

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**

**NOTES TO THE FINANCIAL STATEMENTS**

**31ST DECEMBER 2020**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

There are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in Sterling (£).

**1.2 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Legacies are recognised following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are received. Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

**1.3 Investment income**

Dividends and interest received under deduction of tax are stated gross in the income and expenditure account. Deposit interest is received gross.

**1.4 Gifts in kind**

Gifts in kind comprise food, beds etc for the dogs of 15,350. They are valued by officers of the Charity having regard to market prices when received. Undistributed food etc is valued at £9,250 and has been included as stock.

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Staff costs are apportioned on the basis of staff time spent on a particular activity.

Costs of raising funds comprise costs of generating donations and legacies and costs of fundraising trading. Expenditure on charitable activities covers all costs which directly relate to the objects of the Charity and their associated support costs. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the fees and costs linked to the strategic management of the charity.

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
**CHARITY NO. 1001346**

**NOTES TO THE FINANCIAL STATEMENTS**

**31ST DECEMBER 2020**

**(Continued)**

**1.6 VAT**

All figures are shown exclusive of Value Added Tax.

**1.7 Tangible fixed assets and depreciation**

Fixed asset additions are capitalised at cost.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:-

Buildings	2% per annum on cost
Fixtures and Fittings	10%/25% per annum on cost
Plant	10% per annum on cost
Motor Vehicles	25% per annum on cost

**1.8 Investment assets**

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities.

**1.9 Taxation**

As a registered charity, no liability arises to taxation. Tax credits arising on gift aid and donated income are taken into account upon receipt of the tax repayment.

**1.10 Stocks**

Stocks are valued at the lower of cost and net realisable value, a basis consistent with that adopted in previous years.

**1.11 Pensions**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

**1.12 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

**1.13 Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31ST DECEMBER 2020**

**(Continued)**

	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total <u>2020</u> £	Total <u>2019</u> £
<b>2. NET INCOME FOR THE YEAR</b>				
Net income for the year is stated after charging:				
Depreciation of tangible fixed assets owned by the Company	121,518	-	121,518	121,405
Auditors' remuneration	6,500	-	6,500	6,400
Directors' emoluments	-	-	-	-
Pension costs	14,165	-	14,165	11,892
Operating lease rentals	8,707	-	8,707	8,387
	=====	=====	=====	=====
<b>3. DONATIONS</b>				
General donations	235,139	-	235,139	247,332
Gifts in kind	15,350	-	15,350	10,407
	-----	-----	-----	-----
	250,489	-	250,489	257,739
	=====	=====	=====	=====
<b>4. TRADING INCOME</b>				
Dogs adopted / rehomed	66,780	-	66,780	136,906
Dogs claimed MDH	1,867	-	1,867	3,921
Neutering Fees	13,082	-	13,082	26,164
Cremation Fees	19,131	-	19,131	22,483
Treatments	8,584	-	8,584	8,595
Kennel Hire	5,239	-	5,239	4,874
Local Authority contributions	26,921	-	26,921	48,056
Pet Plan Commission	43,034	-	43,034	43,069
	-----	-----	-----	-----
	184,638	-	184,638	294,068
	=====	=====	=====	=====
<b>5. FUNDRAISING INCOME</b>				
Dog Walk	-	-	-	574
Dogs Christmas Dinner	9,928	-	9,928	6,139
Collecting Boxes	1,112	-	1,112	2,220
Christmas Raffle	1,525	-	1,525	-
Charity Shops	32,243	-	32,243	45,961
Volunteers	1,763	-	1,763	33,126
Sponsor a Kennel	300	-	300	50
	-----	-----	-----	-----
	46,871	-	46,871	88,070
	=====	=====	=====	=====
<b>6. INVESTMENT INCOME</b>				
Dividends including Interest - arising from listed investments	14,809	-	14,809	17,866
Deposit interest	3,544	-	3,544	8,159
Rents received	5,779	-	5,779	2,636
	-----	-----	-----	-----
	24,132	-	24,132	28,661
	=====	=====	=====	=====

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31ST DECEMBER 2020**  
**(Continued)**

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2020</u> £	<u>Total</u> <u>2019</u> £
<b>7. FUNDRAISING COSTS</b>				
Fundraising wages	3,967	-	3,967	14,074
Advertising and promotion	16,875	-	16,875	16,098
Fundraising Events	2,030	-	2,030	6,802
	-----	-----	-----	-----
	22,872	-	22,872	36,974
	=====	=====	=====	=====
 <b>8. FUNDRAISING TRADING COSTS</b>				
Fundraising wages	42,935	-	42,935	41,637
Merchandise	5,071	-	5,071	12,446
Depreciation	291	-	291	291
	-----	-----	-----	-----
	48,297	-	48,297	54,374
	=====	=====	=====	=====
 <b>9. CHARITABLE ACTIVITIES</b>				
Care of Dogs	929,525	-	929,525	943,734
Premises	383,032	264	383,296	369,810
Telephone	6,827	-	6,827	6,497
Transport	10,964	-	10,964	16,984
Financing	5,396	-	5,396	6,733
 Governance related:				
Audit Fees	6,500	-	6,500	6,400
Legal and Professional Fees	17,537	-	17,537	16,579
Subscriptions	1,482	-	1,482	2,149
Depreciation	495	-	495	495
 Support costs:				
Admin Salaries	78,163	-	78,163	60,500
Accountancy Services	39,500	-	39,500	39,500
General Expenses	2,577	-	2,577	2,866
Printing and Stationery	12,535	-	12,535	17,181
Postage	3,146	-	3,146	2,422
Cash in transit costs	2,217	-	2,217	3,749
	-----	-----	-----	-----
	1,499,896	264	1,500,160	1,495,599
	=====	=====	=====	=====

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31ST DECEMBER 2020**  
**(Continued)**

**10. TANGIBLE ASSETS**

	Freehold Land and <u>Buildings</u> £	<u>Plant</u> £	Fixtures and <u>Fittings</u> £	<u>Motor Vehicles</u> £	<u>TOTAL</u> £
<u>Cost</u>					
At 1.1.20	5,092,054	232,139	142,280	39,521	5,505,994
Additions	40,456	-	-	5,000	45,456
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31.12.20	5,132,510	232,139	142,280	44,521	5,551,450
	=====	=====	=====	=====	=====
<u>Depreciation</u>					
At 1.1.20	905,406	210,924	94,354	37,042	1,247,726
Charge for the year	102,650	7,387	7,756	3,725	121,518
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31.12.20	1,008,056	218,311	102,110	40,767	1,369,244
	=====	=====	=====	=====	=====
<u>Net Book Value</u>					
At 31.12.20	4,124,454	13,828	40,170	3,754	4,182,206
	=====	=====	=====	=====	=====
At 31.12.19	4,186,648	21,215	47,926	2,479	4,258,268
	=====	=====	=====	=====	=====

The Net Book Value at 31st December 2020 represents Fixed Assets used for the following purposes:-

Direct Charitable	4,095,140	13,828	40,170	3,754	4,152,892
Other	29,314	-	-	-	29,314
	-----	-----	-----	-----	-----
	4,124,454	13,828	40,170	3,754	4,182,206
	=====	=====	=====	=====	=====

**11. INVESTMENT PROPERTY**

	<u>2020</u> £	<u>2019</u> £
Market value at 1 January 2020	338,956	338,956
Additions	-	-
Revaluations	-	-
	-----	-----
Market value at 31 December 2020	338,956	338,956
	=====	=====
Historical cost at 31 December 2020	338,956	338,956
	=====	=====

**MANCHESTER AND DISTRICT HOME FOR LOST DOGS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31ST DECEMBER 2020**  
**(Continued)**

**12. FIXED ASSET INVESTMENTS**

	<u>2020</u>	<u>2019</u>
	£	£
Quoted investments		
Market value 1 January 2020	833,372	487,131
Additions	160,377	436,643
Disposals	(149,720)	(181,622)
Unrealised investment gain/(loss) in year	49,131	91,220
	-----	-----
Market value 31 December 2020	893,160	833,372
	=====	=====
Historical cost at 31st December 2020	716,761	707,468
	=====	=====

As a registered charity no taxation liability would arise if the investments were sold at valuation.

The portfolio includes the following material investments (over five percent by value): -

	<u>Market Value</u>
	£
Vanguard Funds PLC S&P 500 Index	107,804
Maitland Select Managers North American Equity	92,808
Maitland Select Managers UK Equity	53,321

The market value of investments as at 31 December 2020 can be analysed as:

	<u>2020</u>	<u>2019</u>
	£	£
Investments in the UK	362,346	368,291
Investments outside the UK	530,814	465,081
	-----	-----
	893,160	833,372
	=====	=====

**13. DEBTORS**

	<u>2020</u>	<u>2019</u>
	£	£
Due within one year:		
Local Authorities	5,664	9,240
Other Debtors	811,165	279,765
	-----	-----
	816,829	289,005
	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS**

**31ST DECEMBER 2020**

**(Continued)**

<b>14. RESTRICTED FUNDS</b>	<u>Balance</u> <u>01/01/20</u> £	<u>Movement</u>		<u>Balance</u> <u>31/12/20</u> £
		<u>Incoming</u> £	<u>Outgoing</u> £	
Fencing at Cheshire	868	-	264	604
	-----	-----	-----	-----
	868	-	264	604
	=====	=====	=====	=====

<b>15. UNRESTRICTED FUNDS</b>	<u>2020</u> £	<u>2019</u> £
General Funds	4,693,002	3,855,794
Designated Funds - Fixed Asset Fund	4,521,162	4,597,224
Designated Funds – Top surgery at Manchester	-	30,000
	-----	-----
	9,214,164	8,483,018
	=====	=====

General funds represent the free funds of the Charity which are not designated for particular purposes. The fixed asset fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets and investment property except for those represented by restricted funds.

<b>16. ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2020</u> £
Fund Balances at 31st December 2020 are represented by:			
Tangible fixed assets	4,182,206	-	4,182,206
Investment property	338,956	-	338,956
Investments	893,160	-	893,160
Current assets	3,882,467	604	3,883,071
Current liabilities	(82,625)	-	(82,625)
	-----	-----	-----
	9,214,164	604	9,214,768
	=====	=====	=====
Unrealised gains included above:			
On investment assets (see note below)	176,399	-	176,399
	=====	=====	=====
Reconciliation of movements in unrealised gains on investment assets:			
Unrealised gains at 31st December 2019	125,094	-	125,094
Add/(deduct) in respect of movements in year	2,174	-	2,174
Net gains arising on revaluations in year	49,131	-	49,131
	-----	-----	-----
Unrealised gains at 31st December 2020	176,399	-	176,399
	=====	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS**

**31ST DECEMBER 2020**  
**(Continued)**

<b>17. COMMITMENTS FOR CAPITAL EXPENDITURE</b>	<u>2020</u>	<u>2019</u>
	£	£

At the year-end the Company had capital commitments as follows:

Contracted for but not provided in these accounts	5,000	18,000
	=====	=====

There were capital commitments at the year end relating to the refurbishment of the New Adoption Block and Crofters House at Manchester Dogs Home.

**18. TOTAL RESOURCES EXPENDED**

	Staff <u>Costs</u> £	Other <u>Costs</u> £	<u>Depreciation</u> £	Total <u>2020</u> £	Total <u>2019</u> £
Cost of raising funds	46,902	23,976	291	71,169	91,348
Charitable activities	839,185	539,748	121,227	1,500,160	1,495,599
	-----	-----	-----	-----	-----
Total resources expended	886,087	563,724	121,518	1,571,329	1,586,947
	=====	=====	=====	=====	=====

**19. STAFF COSTS**

No remuneration was paid to directors in the year as in previous years. No member of staff was paid over £60,000. The costs of the remaining staff were:

	<u>2020</u>	<u>2019</u>
	£	£
Wages and Salaries	821,744	782,785
Social Security Costs	50,178	45,422
Pensions	14,165	11,892
	-----	-----
	886,087	840,099
	=====	=====

The average number of staff employed by the Charity during the year was

	49	52
	==	==

**20. OPERATING LEASE COMMITMENTS**

Total future minimum lease payments for equipment are as follows:

	<u>2020</u>	<u>2019</u>
	£	£
Within one year	9,347	8,387
Between one and five years	32,903	32,957
More than five years	-	13,120
	=====	=====