

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 2021

DIRECTORS' AND TRUSTEES' ANNUAL REPORT

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

YEAR ENDED 31ST DECEMBER 2021

The directors present their Annual Report together with the financial statements of the Company for the year ended 31st December 2021.

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. Over 500 dogs passed through the Home in 2021.

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 2021

(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 2021 **(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 smaller number of dogs were admitted in 2021 to both branches of the Home. We have now fully adapted the way the branches operate in keeping with government guidelines.

Our staff are learning new skills and have a greater degree of job well done. It has also benefited our residents in a more positive experience of being rehomed to the right adoptees.

We are to continue with the many discount facilities including veterinary treatments and Farewells.

Since the CCTV and alarm installations at the Manchester branch it has given us more finances to spend in important areas.

FINANCIAL REVIEW

Fixed Assets and Investments

Additions to tangible fixed assets in the year were £34,815 (2020 - £45,456). Quoted investments at market value amounted to £1,001,602 (2020 - £893,160).

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 decreased to £1,191,122 (2020 - £2,231,447). Legacies have decreased to £719,461 (2020 - £1,690,278) and donations have increased to £252,941 (2020 - £250,489). Local Authority contributions have decreased to £13,697 (2020 - £26,921).

Expenditure has decreased to £1,496,350 (2020 - £1,571,329). Wages costs have decreased to £867,722 (2020 - £886,087). Repairs and Renewals have decreased to £45,501 (2020 - £59,002).

Net expenditure for the year is £83,943 (2020 net income - £730,822).

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 2021

(continued)

Reserves

During the year the Charity's general reserve increased to £4,836,637. 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 defer many of our building projects as we try to mitigate the Covid impact of closing both branches of the Home and charity shops.

We will only be able to tell the financial impact after the end of 2021 but we are doing the best we can for the Charity and our residents.

We hope that in 2022 along with any necessary major refurbishments we are also working with ADCH organisation to monitor the impact on puppies and dogs bought during lockdown and its problems for the future.

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
3 October 2022

**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 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our opinion on the financial statements does not cover the other information and 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. 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: 7 October 2022

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2021

	<u>Note</u>	Unrestricted <u>Funds</u> £	Restricted <u>Funds</u> £	Total <u>2021</u> £	Total <u>2020</u> £
INCOME					
Donations and legacies:					
Donations	3	252,941	-	252,941	250,489
Subscriptions		345	-	345	360
Legacies		719,461	-	719,461	1,690,278
Income from charitable activities:					
Trading income	4	163,613	-	163,613	184,638
Income from other trading activities:					
Fundraising	5	28,375	-	28,375	46,871
Sales of merchandise		6,061	-	6,061	7,887
Investment income	6	16,367	-	16,367	24,132
Other incoming resources:					
Grants		3,959	-	3,959	26,792
		-----	-----	-----	-----
Total income		1,191,122	-	1,191,122	2,231,447
		-----	-----	-----	-----
EXPENDITURE					
Costs of raising funds:					
Fundraising costs	7	19,972	-	19,972	22,872
Fundraising trading costs	8	28,776	-	28,776	48,297
Charitable activities	9	1,447,602	-	1,447,602	1,500,160
		-----	-----	-----	-----
Total expenditure	18	1,496,350	-	1,496,350	1,571,329
		-----	-----	-----	-----
Net (expenditure)/income before gains and losses on investments					
		(305,228)	-	(305,228)	660,118
Gains/(losses) on investment assets:					
Realised gains/(losses)		29,196	-	29,196	21,633
Unrealised gains/(losses)		192,089	-	192,089	49,131
		-----	-----	-----	-----
Net (expenditure)/income		(83,943)	-	(83,943)	730,822
Transfer between funds		-	-	-	-
		-----	-----	-----	-----
Net movement in funds		(83,943)	-	(83,943)	730,822
Reconciliation of funds					
Total funds brought forward		9,214,164	604	9,214,768	8,483,886
		-----	-----	-----	-----
Total funds carried forward		9,130,221	604	9,130,825	9,214,768
		=====	=====	=====	=====

There were no recognised gains and losses for 2021 or 2020 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 21 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 2021

(Continued)

Changes in resources available for Charity use

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2021</u>
	£	£	£
Net movement in funds for the year	(83,943)	-	(83,943)
Net (increase)/decrease in tangible fixed assets:			
for direct charitable purposes	82,836	-	82,836
for other purposes	786	-	786
Net movement in funds available for future activities	----- (321) =====	----- - =====	----- (321) =====

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2021</u>	<u>Total</u> <u>2020</u>
	£	£	£	£
Note on historical cost profits and losses				
Reported net movement in funds	(83,943)	-	(83,943)	730,882
Current year unrealised (gains)/losses	(192,089)	-	(192,089)	(49,131)
Historical cost net movement in funds	----- (276,032) =====	----- - =====	----- (276,032) =====	----- 681,751 =====

The notes on page 12 to 21 form part of these financial statements.

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

BALANCE SHEET AS AT 31ST DECEMBER 2021

	<u>Note</u>	<u>2021</u>		<u>2020</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		4,098,584		4,182,206
Investment property	11		195,000		338,956
Investments	12		1,001,602		893,160
			-----		-----
			5,295,186		5,414,322
CURRENT ASSETS					
Stock		46,221		47,734	
Debtors	13	265,137		816,829	
Cash at bank and in hand		3,607,830		3,018,508	
		-----		-----	
		3,919,188		3,883,071	
		-----		-----	
CREDITORS: Amounts falling due within one year					
Taxation and social security costs		11,427		11,980	
Trade creditors		48,376		45,179	
Accruals		23,746		25,466	
		-----		-----	
		83,549		82,625	
		-----		-----	
NET CURRENT ASSETS			3,835,639		3,800,446
			-----		-----
NET ASSETS			9,130,825		9,214,768
			=====		=====
FUNDS					
Restricted funds	14		604		604
Unrestricted funds:					
General	15		4,836,637		4,693,002
Designated	15		4,293,584		4,521,162
			-----		-----
TOTAL FUNDS	16		9,130,825		9,214,768
			=====		=====

The financial statements were approved by the Council of Management on 3 October 2022 and signed on its behalf.

J. Jackson

Director

The notes on page 12 to 21 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 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		£	£
Net cash provided by operating activities	(i)	350,971	216,590
		=====	=====
Cash flows from investing activities:			
Investment income		16,367	24,132
Proceeds from disposal of investment property		240,960	-
Purchase of tangible fixed assets		(34,815)	(45,456)
Proceeds from sale of investments		303,800	171,353
Purchase of investments		(287,961)	(160,377)
		-----	-----
Net cash provided by/(used in) investing activities		238,351	(10,348)
		=====	=====
Increase in cash in the year		589,322	206,242
Cash at the beginning of the year		3,018,508	2,812,266
		-----	-----
Cash at the end of the year		3,607,830	3,018,508
		=====	=====

Notes to the cash flow statement

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

	<u>2021</u>	<u>2020</u>
	£	£
Net (expenditure)/income	(83,943)	730,882
Adjustments for:		
Depreciation	118,437	121,518
(Gains)/losses on investments	(205,325)	(70,764)
Dividends, interest and rents	(16,367)	(24,132)
(Profit)/loss on disposal of Investment property	(15,960)	-
(Increase)/decrease in stocks	1,513	(17,846)
(Increase)/decrease in debtors	551,692	(527,824)
Increase)/(decrease) in creditors	924	4,756
	-----	-----
Net cash provided by operating activities	350,971	216,590
	=====	=====

The notes on page 12 to 21 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2021

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) – (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 Significant judgements and estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision only affects that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognized in the financial statements:

Depreciation – The useful economic lives and residual values of fixed assets can vary significantly. Estimates are based on historic experience and current expectations of useful life. The size of prior year gains and losses on disposal are also factored into estimates.

1.3 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 grant of probate prior to the year end, the charity's entitlement has been confirmed in writing by the administrator/executor for the estate and there is a reliable estimate of the amount due.

Donations are recognized when received.

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.

1.4 Investment income

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

1.5 Gifts in kind

Gifts in kind comprise food, beds etc for the dogs of 20,100. They are valued by officers of the Charity having regard to market prices when received. Undistributed food etc is valued at £10,300 and has been included as stock.

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

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2021

(Continued)

1.6 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.

1.7 VAT

All figures are shown exclusive of Value Added Tax.

1.8 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

1.9 Investment property

Investment property is shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

1.10 Investments

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

1.11 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.

1.12 Stocks

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

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(Continued)

1.13 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.

1.14 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.

1.15 Operating leases

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

1.16 Financial assets

Basic financial assets, including trade debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of financial activities.

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

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1.17 Financial liabilities

Basic financial liabilities, including trade creditors and amounts owed to group undertakings, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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 recognized initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>2021</u>	<u>2020</u>
	£	£	£	£
2. NET INCOME FOR THE YEAR				
Net income for the year is stated after charging:				
Depreciation of tangible fixed assets owned by the Company	118,437	-	118,437	121,518
Auditors' remuneration	6,650	-	6,650	65,400
Directors' emoluments	-	-	-	-
Pension costs	14,622	-	14,622	14,165
Operating lease rentals	7,313	-	7,313	8,707
	=====	=====	=====	=====
3. DONATIONS				
General donations	232,841	-	232,841	235,139
Gifts in kind	20,100	-	20,100	15,350
	-----	-----	-----	-----
	252,941	-	252,941	250,489
	=====	=====	=====	=====
4. TRADING INCOME				
Dogs adopted / rehomed	54,180	-	54,180	66,780
Dogs claimed MDH	1,928	-	1,928	1,867
Neutering Fees	14,583	-	14,583	13,082
Cremation Fees	30,073	-	30,073	19,131
Treatments	5,407	-	5,407	8,584
Kennel Hire	1,962	-	1,962	5,239
Local Authority contributions	13,697	-	13,697	26,921
Pet Plan Commission	41,783	-	41,783	43,034
	-----	-----	-----	-----
	163,613	-	163,613	184,638
	=====	=====	=====	=====

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31ST DECEMBER 2021
(Continued)

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2021</u> £	<u>Total</u> <u>2020</u> £
5. FUNDRAISING INCOME				
Dog Walk	-	-	-	-
Dogs Christmas Dinner	5,610	-	5,610	9,928
Collecting Boxes	847	-	847	1,112
Christmas Raffle	-	-	-	1,525
Charity Shops	18,718	-	18,718	32,243
Volunteers	3,110	-	3,110	1,763
Sponsor a Kennel	90	-	90	300
	-----	-----	-----	-----
	28,375	-	28,375	46,871
	=====	=====	=====	=====
6. INVESTMENT INCOME				
Dividends including Interest - arising from listed investments	12,722	-	12,722	14,809
Deposit interest	350	-	350	3,544
Rents received	3,295	-	3,295	5,779
	-----	-----	-----	-----
	16,367	-	16,367	24,132
	=====	=====	=====	=====
7. FUNDRAISING COSTS				
Fundraising wages	3,608	-	3,608	3,967
Advertising and promotion	16,291	-	16,291	16,875
Fundraising Events	73	-	73	2,030
	-----	-----	-----	-----
	19,972	-	19,972	22,872
	=====	=====	=====	=====
8. FUNDRAISING TRADING COSTS				
Fundraising wages	26,402	-	26,402	42,935
Merchandise	2,083	-	2,083	5,071
Depreciation	291	-	291	291
	-----	-----	-----	-----
	28,776	-	28,776	48,297
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2021

(Continued)

9. CHARITABLE ACTIVITIES

Care of Dogs	934,617	-	934,617	929,525
Premises	301,483	-	301,483	383,296
Telephone	4,875	-	4,875	6,827
Transport	9,440	-	9,440	10,964
Financing	5,489	-	5,489	5,396
Governance related:				
Audit Fees	6,650	-	6,650	6,500
Legal and Professional Fees	49,299	-	49,299	17,537
Subscriptions	2,088	-	2,088	1,482
Depreciation	495	-	495	495
Support costs:				
Admin Salaries	71,736	-	71,736	78,163
Accountancy Services	39,500	-	39,500	39,500
General Expenses	5,130	-	5,130	2,577
Printing and Stationery	12,199	-	12,199	12,535
Postage	1,980	-	1,980	3,146
Cash in transit costs	2,621	-	2,621	2,217
	-----	-----	-----	-----
	1,447,602	-	1,447,602	1,500,160
	=====	=====	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS

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(Continued)

10. TANGIBLE ASSETS

	Freehold Land and <u>Buildings</u> £	<u>Plant</u> £	Fixtures and <u>Fittings</u> £	Motor <u>Vehicles</u> £	<u>TOTAL</u> £
<u>Cost</u>					
At 1.1.21	5,132,510	232,139	142,280	44,521	5,551,450
Additions	-	-	34,815	-	34,815
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31.12.21	5,132,510	232,139	177,095	44,521	5,586,265
	=====	=====	=====	=====	=====
<u>Depreciation</u>					
At 1.1.21	1,008,056	218,311	102,110	40,767	1,369,244
Charge for the year	102,650	3,302	11,235	1,250	118,437
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31.12.21	1,110,706	221,613	113,345	42,017	1,487,681
	=====	=====	=====	=====	=====
<u>Net Book Value</u>					
At 31.12.21	4,021,804	10,526	63,750	2,504	4,098,584
	=====	=====	=====	=====	=====
At 31.12.20	4,124,454	13,828	40,170	3,754	4,182,206
	=====	=====	=====	=====	=====

The Net Book Value at 31st December 2021 represents Fixed Assets used for the following purposes:-

Direct Charitable	3,993,276	10,526	63,750	2,504	4,070,056
Other	28,528	-	-	-	28,528
	-----	-----	-----	-----	-----
	4,021,804	10,526	63,750	2,504	4,098,584
	=====	=====	=====	=====	=====

11. INVESTMENT PROPERTY

	<u>2021</u> £	<u>2020</u> £
Market value at 1 January 2021	338,956	338,956
Additions	-	-
Disposals	(225,000)	-
Revaluations	81,044	-
	-----	-----
Market value at 31 December 2021	195,000	338,956
	=====	=====
Historical cost at 31 December 2021	113,956	338,956
	=====	=====

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31ST DECEMBER 2021
(Continued)

12. FIXED ASSET INVESTMENTS

	<u>2021</u> £	<u>2020</u> £
Quoted investments		
Market value 1 January 2021	893,160	833,372
Additions	287,961	160,377
Disposals	(290,564)	(149,720)
Unrealised investment gain/(loss) in year	111,045	49,131
	-----	-----
Market value 31 December 2021	1,001,602	893,160
	=====	=====
Historical cost at 31st December 2021	741,182	716,761
	=====	=====

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	109,173
Maitland Select Managers North American Equity	101,537
Maitland Select Managers UK Equity	79,255

The market value of investments as at 31 December 2021 can be analysed as:

	<u>2021</u> £	<u>2020</u> £
Investments in the UK	310,328	362,346
Investments outside the UK	691,274	530,814
	-----	-----
	1,001,602	893,160
	=====	=====

13. DEBTORS

	<u>2021</u> £	<u>2020</u> £
Due within one year:		
Local Authorities	3,665	5,664
Other Debtors	261,472	811,165
	-----	-----
	265,137	816,829
	=====	=====

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(Continued)

14. RESTRICTED FUNDS	<u>Balance</u> <u>01/01/21</u> £	<u>Movement</u>		<u>Balance</u> <u>31/12/21</u> £
		<u>Incoming</u> £	<u>Outgoing</u> £	
Fencing at Cheshire	604	-	-	604
	-----	-----	-----	-----
	604	-	-	604
	=====	=====	=====	=====

15. UNRESTRICTED FUNDS	<u>2021</u> £	<u>2020</u> £
General Funds	4,836,637	4,693,002
Designated Funds - Fixed Asset Fund	4,293,584	4,521,162
	-----	-----
	9,130,221	9,214,164
	=====	=====

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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2021</u> £
Fund Balances at 31st December 2021 are represented by:			
Tangible fixed assets	4,098,584	-	4,098,584
Investment property	195,000	-	195,000
Investments	1,001,602	-	1,001,602
Current assets	3,918,584	604	3,919,188
Current liabilities	(83,549)	-	(83,549)
	-----	-----	-----
	9,130,221	604	9,130,825
	=====	=====	=====
Unrealised gains included above:			
On investment assets (see note below)	395,512	-	395,512
	=====	=====	=====
Reconciliation of movements in unrealised gains on investment assets:			
Unrealised gains at 31st December 2020	176,399	-	176,399
Add/(deduct) in respect of movements in year	27,024	-	27,024
Net gains arising on revaluations in year	192,089	-	192,089
	-----	-----	-----
Unrealised gains at 31st December 2021	395,512	-	395,512
	=====	=====	=====

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(Continued)

17. COMMITMENTS FOR CAPITAL EXPENDITURE	<u>2021</u>	<u>2020</u>
	£	£

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

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

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>2021</u> £	Total <u>2020</u> £
Cost of raising funds	30,010	18,447	291	48,748	71,169
Charitable activities	837,712	475,784	118,146	1,431,642	1,500,160
	-----	-----	-----	-----	-----
Total resources expended	867,722	494,231	118,437	1,480,390	1,571,329
	=====	=====	=====	=====	=====

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>2021</u>	<u>2020</u>
	£	£
Wages and Salaries	801,230	821,744
Social Security Costs	51,870	50,178
Pensions	14,622	14,165
	-----	-----
	867,722	886,087
	=====	=====

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

	45	49
	==	==

20. OPERATING LEASE COMMITMENTS

Total future minimum lease payments for equipment are as follows:

	<u>2021</u>	<u>2020</u>
	£	£
Within one year	9,521	9,347
Between one and five years	23,258	32,903
More than five years	-	-
	=====	=====