

Charity Number: 1003998

Hull Animal Welfare Trust

**Trustees' Annual Report and Financial Statements
for the year ended 31 May 2022**

Hull Animal Welfare Trust

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Hull Animal Welfare Trust

Charity Information

Trustees

Mrs Jane Harper
Mrs Sue Sewell
Mrs Katherine Batch (Appointed 27 June 2022)
Mr Stephen Parnaby OBE

Chair

Mrs Sue Sewell

Treasurer

Mrs Jane Harper

Registered charity number

1003998

Rescue Kennels

Sunnydene Animal Shelter
South Cave
Brough
HU15 2HE

Registered Office

Canada House
Church Lane
Patrington
Hull
HU12 0RJ

Independent Examiner

Alan Sidebottom FCA
Azets Audit Services Limited
Triune Court
Monks Cross Drive
York
YO32 9GZ

Bankers

HSBC Bank plc
King William House
Market Place
Hull
HU1 1RS

Hull Animal Welfare Trust

Report of the Trustees for the year ended 31 May 2022

The Trustees present their annual report together with the financial statements of the Trust for the year ended 31 May 2022.

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 governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Structure, Governance and Management

The Trust is a registered charity (number 1003998). The Trust Deed dated 29 July 1991 forms its governing document.

Principal Office

Canada House, Church Lane, Patrington, Hull, HU12 0RJ.

Trustees

The Trustees who served during the year and to the date of approval are:

Mrs Jane Harper
Mrs Sue Sewell
Mrs Katherine Batch (Appointed 27 June 2022)
Mr Stephen Parnaby OBE
Mr Graham Atkins (Resigned 30 November 2021)

New Trustees may be appointed at any Trustees' meeting by a resolution of the Trustees, and recorded in the minutes. The minutes would be signed by the new Trustee to provide evidence of appointment.

Reference and Administrative Details

Rescue Kennels

Sunnydene Animal Shelter
South Cave
Brough
HU15 2HE

Correspondence

Canada House
Church Lane
Patrington
Hull
HU12 0RJ

Principal Advisors

Independent Examiner:

Alan Sidebottom FCA
Azets Audit Services Limited
Triune Court
Monks Cross Drive
York
YO32 9GZ

Bankers:

HSBC Bank plc
King William House
Market Place
Hull
HU1 1RS

Hull Animal Welfare Trust

Report of the Trustees for the year ended 31 May 2022 (continued)

Charitable Objectives and Activities

We have referred to the guidance given in the Charity Commission's general guidance on public benefit when reviewing our aims, objectives and current activities and also in planning our future activities. The object of the Trust is to relieve the suffering of animals that are in need of care and attention. In particular, to provide, build or maintain kennels or other facilities for the reception and care of unwanted animals and the treatment of sick and ill treated animals and to find suitable permanent homes for such animals.

The Trustees oversee the day-to-day running of the Trust generally, liaising by telephone regularly, if not daily, when required. They endeavour to meet monthly so that any issues or projects can be discussed with the staff.

Our long term objectives remain the same and as always our prime concern continues to be ensuring the long-term security of the Trust.

Public benefit statement

In shaping our objectives for the year and planning our activities, the Trustees have complied with the duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Trustees consider that these activities and objectives summarised above, provide benefit both to those people who use the Trust's services and the wider community of Hull and East Yorkshire. In planning our activities for the period, we kept in mind the Charity Commission's guidance on public benefit at our Trustees' meetings.

Financial review

The Charity's total income for the year was £290,000 with net expenditure for the year of £216,974. Donations and legacies made up a large proportion of the total income for which the Trust is extremely grateful. Unrestricted funds at the year end stand at £527,892.

Reserves policy

Due to the nature of the Trust, its reliance on donations as income and the inherent unpredictability of legacy income, the Trustees consider that twelve months forward expenditure is the minimum level of reserves required to cover current running costs and are comfortable with a level in excess of this. Current monthly running costs are approximately £42,248. The level of free reserves at 31 May 2022 is £369,481, which equates to around nine months forward expenditure which is below the free reserves target.

Investment policy

In accordance with the Trust Deed, the Trustees have the power to invest in stock or other investments as they see fit.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees regularly review risks which the charity faces, looking at operational and financial reviews and business risks which have been identified as:

- Inability to operate the animal home because of fire or other destruction;
- Loss of reputation through error or fraud;
- Loss of income through error or fraud;
- Insufficient funds to cover costs of animal welfare activities.

Steps to mitigate significant risks include:

- Internal control risks have been minimised by the implementation of procedures in accordance with the Charities Act 2011;
- Procedures are in place to ensure compliance with health and safety regulations for staff, volunteers and visitors;
- Emergency plans have been drawn up to ensure the animal centre can continue to operate in the event of fire, flood or other destruction.

Hull Animal Welfare Trust

Report of the Trustees for the year ended 31 May 2022 (continued)

Trustee recruitment and training

As stated in our last report, mainly due to the enforced changes brought about by the pandemic which resulted in so many of our volunteers retiring, we have reviewed and re-structured our working practices accordingly.

Our manager Holly Barker has been made CEO and we have also employed 2 full time duty managers who work back-to-back according to the rota, 4 full time general assistants and 4 part-time general assistants.

Our weekend supervisor, Lyn Scott, who was also the founder of this rescue organization, has retired after 40 years dedicated to saving the lives of so many animals. We wish her well in her much deserved retirement and are so grateful for the wealth of wisdom she has shared with us over the years.

Graham Atkins has retired from the trust board after 3 years and we thank him too for his valued contribution and advice during his time with us.

As trustees we continue to oversee the grass roots running of the trust and liaise with our ceo on a regular, usually daily, basis. Physical meetings have been less frequent as a result of the pandemic but if anything operational matters have tightened significantly which is beneficial to staff, volunteers and animals alike. There is a much reduced footfall at the shelter as we continue to work on an appointment only basis and this works well for everyone's safety as we continue to have a number of long-stay dogs who have serious behavioural issues and are much less stressed in a quieter environment among familiar staff with whom they have formed a trusting relationship.

Achievements, performance and fundraising

As with last year, this year is all about caution and maintenance with financial uncertainty determining careful planning to ensure the ongoing care of our animals and the safety and well-being of our much valued staff and remaining volunteers. The world is a very different place these days as a result of the ongoing pandemic. It has seen a change in our working practices, the decimation of many fundraising activities and the permanent closure of our charity shop which had provided us with an important level of regular income every month for the last 5 years. The fear of financial commitment to a further 5 year lease during these uncertain times was considered by the trustees to be a risk too far.

The government furlough scheme has helped considerably enabling us to retain staff when our income dropped, because there have been periods this year when we have had to cope with skeleton staff, staff working in bubbles, no volunteers able to work at the shelter or people self-isolating.

The charity seeks and receives individual donations to support our work. We strive to achieve the highest standards and value our supportive funders and donors. We stay up to date with charity regulations and data protection to make sure we are legally compliant and adhering to all guidelines and best practice. No fundraising complaints have been received during the year by the charity.

We have also been gratified and humbled by the generosity of donations this year by way of dog and cat food from pet suppliers, public donations, and legacies.

This year the Greyhounds of Great Britain have chosen us to help them find loving homes for greyhounds who don't make the grade as racing dogs. We have also been awarded the East Riding of Yorkshire Dog Warden contract. This means we take stray dogs picked up in our area therefore as well as giving us much needed income, any unclaimed dogs can be rehomed directly from our kennels, minimizing the dogs' trauma as they don't have to be transferred to other rescues for rehoming. The number of animals being abandoned is increasing as the financial fallout from lockdown starts to kick in, coupled with the escalating cost of veterinary treatment. The very real cost of pet ownership is overwhelming many people and the other side to this is the fact that it slows down rehoming as people think twice before commitment, which is obviously better for the animal but it also means that many dogs and cats are with us much longer. Despite there being help out there too many people still see abandonment as the answer to their problems. Many lockdown pets are also being relinquished as people return to work or who find themselves with unruly adolescent pets who haven't been socialized. This makes rehoming challenging because these pets require more

Hull Animal Welfare Trust

Report of the Trustees for the year ended 31 May 2022 (continued)

experienced dog-owners to cope with what is ultimately starting -from -scratch training. We have also had some desperately sad cases coming in from Romania and no one can begin to imagine the horrors they have suffered. Fortunately, there are some amazing people who are willing to turn their lives and homes upside down to accommodate the complex needs of some of these dogs and a recent example was a lovely boy who was even terrified of his own reflection when he came to us...too frightened to go for walks and terrified of people in general. An amazing family in the Brecon Beacons have adopted him and literally changed their lives to patiently enable Cedric to change his, even down to letting him dig a mansize cave in their garden! Other prospective adopters of particularly nervous animals have spent weeks patiently visiting their chosen dog and in some cases their selected cat, in order to build a trusting relationship before taking them home for good. We have rehomed 178 dogs this year but still have a fair number of long-termers who either have health or temperament issues or both.

Abandonment is becoming an even wider problem with cats and people leaving their cats behind when they move house is seen as a favoured solution to their "problem". These are not cats that have ever had to fend for themselves so are less able to survive than equally unfortunate, but more street savvy feral cats, and it takes caring members of the public to alert us in these cases and we often have to rely on their kindness to feed them until we can get them in. We've even had the case of a beautiful tabby cat taped up in a box labelled "CAT" and left in a remote lay-by. Fortunately she was found by a member of the public, brought to us and she now has a lovely home, but the sadness is that people go to these lengths to dispose of defenceless animals. We have managed to rehome 203 cats and kittens this year and we do continue to trap and neuter or spay feral cats where possible, but sadly the misery of unwanted cats is a problem that will never go away and will only get worse. Lockdown saw a huge rise in the kitten population as vets were not neutering so despite us taking part in regular neutering programmes over the years, lockdown has probably set everything back at least 3 years.

Continuing the problem of abandonment, 8 beautiful young white rabbits were found in a box left under a hedge and brought to us by a motorist. We are still rescuing small animals even though they are now being cared for by our specialised foster carers since the pandemic. They have had another busy year running at full capacity with homing being slow. 6 pet rabbits were rescued by a volunteer just as they were about to be sold for meat, unbelievably, and another removed from the clutches of a child who was swinging the rabbit round her head....this led to the discovery of a mother and father rabbit and babies in the same house, the parent let us take them all. We never cease to be surprised and shocked at the level of ignorance and blatant cruelty surrounding rabbit ownership. Caring for pets should be on the school curriculum.

We are constantly looking for ways to take our charity forward and protect it's future in a challenging world, and our ceo is very proactive in this. She has found and organized the opening of another charity shop after we had to close our last one during the pandemic. It is very early days but we have to say a massive thank you to all the trades people who gave their free time and free materials and goods to get the shop ready and to those volunteers who were eager to get behind the counter again.

Our next ideal would be to have our own vet, part-time initially, with the biggest expense of this next step being the fitting out of the treatment rooms needed. Major surgery will still be outsourced but so much routine treatment can then be done inhouse with all the advantages that will come with it, in not having to transport animals to the vets and not least an eventual saving in vets bills much further down the line. Our ceo has applied for a grant from the Pets at Home Foundation and we will undergo extensive interviews and inspections before a decision is made, but that is our next goal. 2022 is our 40th anniversary and there are celebrations planned for the summer. We have come on such a momentous journey and rescued over 35,000 animals over the years but there is still a real need for rescues like ours and much that we still need to do, which is why we remain so humble and grateful for the kindness and generosity of the public during such difficult times, donating money and food, which enables us to continue to save as many animals as we possibly can.

This report was approved by the Trustees on 01/02/2023..... and signed on their behalf by:

Jane Harper

.....

Mrs Jane Harper

Trustee

Hull Animal Welfare Trust

Statement of Trustees' accounting and reporting responsibilities for the year ended 31 May 2022

The Trustees are responsible for preparing the Trustees' Annual 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 period 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 period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principals 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 business.

The Trustees are responsible for keeping proper 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Hull Animal Welfare Trust

Independent Examiner's report to the trustees of The Hull Animal Welfare Trust for the year ended 31 May 2022

I report to the trustees on my examination of the financial statements of the Hull Animal Welfare Trust for the year ended 31 May 2022.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my independent examination work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent Examiner's Statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

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

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

Alan Sidebottom

Alan Sidebottom FCA
Azets Audit Services Limited

17/02/2023.....

Triune Court
Monks Cross Drive
York
YO32 9GZ

Hull Animal Welfare Trust

Statement of Financial Activities for the year ended 31 May 2022

	Notes	Unrestricted funds £	Designated property fund £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	2	247,531	-	247,531	633,448
Grants	3	4,095	-	4,095	26,103
Other trading activities:					
- Fundraising activities		-	-	-	7,585
- Rental income		21,386	-	21,386	7,400
- Subscriptions		-	-	-	1,735
- Other income		16,918	-	16,918	9,732
Investment income:					
- Bank interest	4	70	-	70	37
Total income		290,000	-	290,000	686,040
Expenditure on:					
Raising funds	5	4,981	-	4,981	10,560
- Charitable activities	6	475,810	26,183	501,993	399,269
Total expenditure		480,791	26,183	506,974	409,829
Net (expenditure)/income and net movement in funds		(190,791)	(26,183)	(216,974)	276,211
Funds brought forward	14	718,683	482,177	1,200,860	924,649
Funds carried forward	14	527,892	455,994	983,885	1,200,860

The statement of financial activities includes all gains and losses recognised in the period and all income and expenditure in the current year and previous year is unrestricted in nature.

All income and expenditure derive from continuing activities.

The notes on pages 11 to 21 form part of these financial statements.

A comparative statement of financial activities can be found at note 19.

Hull Animal Welfare Trust

Balance Sheet as at 31 May 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	8		614,405		648,100
Current assets					
Stocks		400		400	
Debtors	9	37,125		33,390	
Cash at bank and in hand		360,407		534,786	
			397,932	568,576	
Creditors: amounts falling due within one year	10	(28,451)		(15,816)	
Net current assets		369,481		552,760	
Net assets			983,886		1,200,860
Funds of the charity:					
Unrestricted	12		527,892		718,683
Designated	13		455,994		482,177
Total funds	14		983,886		1,200,860

The financial statements were approved by the Trustees on 01/02/2023 and signed on their behalf by:

Jane Harper
.....
Mrs Jane Harper
Trustee

Sue Sewell
.....
Mrs Sue Sewell
Chair

The notes on pages 11 to 21 form part of these financial statements.

Hull Animal Welfare Trust

Statement of Cash Flows for the year ended 31 May 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Cash (used by)/generated from operations	18	(160,104)	338,480
Investing activities			
Purchase of tangible fixed assets		(14,345)	-
Interest received		70	37
Net cash (used by)/generated from investing activities		(14,275)	37
Net (decrease)/increase in cash and cash equivalents		(174,379)	338,517
Cash and cash equivalents at beginning of year		534,786	196,269
Cash and cash equivalents at end of year		360,407	534,786

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Charitable Trust information

Hull Animal Welfare Trust is a charity established by Trust Deed dated 29 July 1991 and registered in England and Wales with the Charity Commission under charity number 1003998.

The principal office address is Canada House, Church Lane, Patrington, Hull, HU12 0RJ.

1.2 Accounting convention

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("Charities SORP (FRS102)"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice (effective 1 January 2019).

Hull Animal Welfare Trust meets the definition of a public benefit entity under 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 £1.

Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.3 Going concern

The Trustees have considered all factors, including in the wider economy, as part of their assessment of going concern. The Trustees believe on balance that they have sufficient resources to enable trading to continue for a period of at least one year from the date of approval of the financial statements, on the basis of information currently available to them as at the point of approval. Accordingly, these financial statements have been prepared on the going concern basis.

1.4 Income

Income in the statement of financial activities is recognised when the charity has entitlement to the funds, any performance conditions attaching to the item(s) have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from legacies is recognised once probate has been granted, provided that sufficient information has been received to enable valuation of the charity's entitlement. Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably and where the charity is not aware of any potential challenge to the estate. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 17).

Income from government grants and other grants whether 'capital' grants or 'revenue' grants is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

1.5 Expenditure

Expenditure is included in the statement of financial activities on an accruals basis.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs which support the services providing care to animals.

All governance and support costs are allocated to the various costs of raising funds and charitable activities on a specific expenditure basis where appropriate, and the remaining balances are allocated based in proportion to the levels of income in each category. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

1.6 Staff costs

The costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

1.7 Pensions

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the period they are payable.

1.8 Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	4% Straight line
Property improvements	10% Straight line
Motor vehicles	25% Reducing balance
Fixtures, fittings and equipment	33% Straight line

No depreciation is provided in respect of freehold land.

Items of equipment are capitalised where the cost exceeds £100.

1.10 Fund accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated property fund – this is the net book value of assets purchased being previously designated and restricted funds. These assets are not subject to ongoing restrictions in use but have been designated so that the financial statements more fairly present the funds available to operate the charity.

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

1.11 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.

1.12 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Debtors

Prepayments and accrued income represent time apportioned expenses or income to be recognised in a future accounting period.

Debtors, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Debtors are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

1.14 Stock

New goods for retail are measured at cost.

Stock represents pet consumables held related to the care and wellbeing of animals.

1.15 Creditors, loans and provisions

Creditors, loans and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are derecognised when, and only when, obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.16 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.

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

1.16 Critical accounting estimates and judgements (continued)

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, if the revision affects only that period, or in the period of the revision and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Critical estimates – legacies

Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

1.17 Taxation

Hull Animal Welfare Trust is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

2. Donations and Legacies

	2022	2021
	£	£
Donations	152,067	143,218
Legacies	95,463	490,230
	247,530	633,448

As at 31 May 2022 the Trustees were aware of one residuary legacy that the charity was entitled to (2021 – one). See note 17 for further details.

During the year there were no restricted donations or legacies (2021 - none).

3. Income from grants

	2022	2021
	£	£
Coronavirus job retention scheme grant	4,095	26,103

4. Income from investments

	2022	2021
	£	£
Interest on UK cash deposits	70	37

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

5. Expenditure on raising funds

	Total 2022 £	Total 2021 £
<i>Cost of generating funds:</i>		
- Shop rent and rates	-	3,453
<i>Support costs:</i>		
- Advertising	67	1,740
- Printing, postage and stationery	654	159
- Telephone	776	1,128
- Equipment hire	625	368
- Light and heat	148	126
- Bank charges	61	270
- Sundry expenses	664	242
- Accountancy and payroll fees paid to the Independent Examiner	1,986	3,074
	4,981	10,560

All expenditure on raising funds in the current and preceding year related to unrestricted funds.

Included within accountancy and payroll fees is an allocation of the Examiner's Independent Examination fee of £390 (2021 - £370).

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

6. Expenditure on charitable activities

	Total 2022 £	Total 2021 £
Charitable activities:		
- Staff costs (Note 7)	200,954	154,972
- Veterinary fees	126,092	91,316
- Animal food	12,382	11,424
- Kennel costs	35,113	28,923
- Rabbit bedding and food	2,485	1,609
Support costs:		
- Advertising	101	2,610
- Motor expenses	5,541	1,855
- Printing, postage and stationery	2,614	637
- Telephone	3,102	4,512
- Equipment hire	2,500	1,473
- Repairs and renewals	3,170	2,310
- Light and heat	7,254	6,150
- Cleaning	3,420	-
- Insurance	12,538	11,457
- Shop rent and rates	11,640	15,805
- Sundry expenses	16,323	4,589
- Bank charges	244	1,079
- Depreciation	48,040	46,252
- Staff training	534	-
- Accountancy and payroll fees paid to the Independent Examiner	7,946	12,296
	501,993	399,269

All expenditure on charitable activities in the current and prior year related to unrestricted funds.

Included within accountancy and payroll fees is an allocation of the Examiner's Independent Examination fee of £1,520 (2021 - £1,450).

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

7. Employment costs

Staff costs comprise:	2022	2021
	£	£
Wages and salaries	190,507	148,355
Employer's National Insurance	7,762	4,702
Pension costs	2,685	1,915
	200,954	154,972

The Charity had 12 employees during the year under review (2021 – 12).

No employees received remuneration in excess of £60,000 (2021 - £nil).

The charity considers the Chief Executive Officer to be the key management of the charity. Aggregate employee benefits received by key management personnel was £37,786.

8. Tangible fixed assets

	Land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
As at 1 June 2021	1,184,422	50,577	13,160	1,248,159
Additions	1,495	616	12,234	14,345
At 31 May 2022	1,185,917	51,193	25,394	1,262,504
Depreciation				
As at 1 June 2021	537,453	50,576	12,030	600,059
Charge in the year	44,493	206	3,341	48,040
As at 31 May 2022	581,946	50,782	15,371	648,099
Net book values				
At 31 May 2022	603,971	411	10,023	614,405
At 31 May 2021	646,969	1	1,130	648,100

Included within land and buildings is land to the estimated cost of £4,000 (2021 – £4,000) which has not been depreciated.

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

9. Debtors

	2022	2021
	£	£
Prepayments and accrued income	1,944	14,562
VAT recoverable	33,131	18,828
Other debtors	2,050	-
	37,125	33,390

Accrued income includes legacy income accruals of nil (2021 - nil). Details of contingent legacies are included in note 17 of these financial statements.

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals and other creditors	7,763	9,492
Trade creditors	18,226	3,655
Tax and social security	2,462	2,669
	28,451	15,816

11. Financial commitments

The charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Less than one year	3,035	3,035
2-5 years	7,586	10,621
	10,621	13,656

12. Unrestricted funds

	2022	2021
	£	£
Balance at 1 June 2021	718,683	416,289
Net (expenditure)/income for the period	(190,791)	302,394
Balance at 31 May 2022	527,892	718,683

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

13. Designated funds

	2022 £	2021 £
Balance at 1 June 2021	482,177	508,360
Net expenditure for the period	(26,183)	(26,183)
Balance at 31 May 2022	455,994	482,177

The balance in the designated property fund represents the Animal Welfare Centre used by the charity on an on-going basis for animal welfare activities.

14. Analysis of net assets between funds

	Unrestricted £	Designated £	Total £
Tangible fixed assets	158,411	455,994	614,405
Current assets	397,932	-	397,932
Current liabilities	(28,451)	-	(28,451)
Total net assets at 31 May 2022	527,892	455,994	991,376

	Unrestricted £	Designated £	Total £
Tangible fixed assets	165,923	482,177	648,100
Current assets	568,576	-	568,576
Current liabilities	(15,816)	-	(15,816)
Total net assets at 31 May 2021	718,683	482,177	1,200,860

15. Capital commitments

At 31 May 2022 there were no capital commitments (2021 - none).

16. Related party transactions

Sewell Facilities Management Limited, a company in which a close relative of Mrs S Sewell (Chair) is a director, continues to provide maintenance and repair services to the charity. Mrs S Sewell (Chair) is not part of the sub-committee meetings at which decisions are made regarding maintenance and repairs.

During the period Sewell Facilities Management Limited provided maintenance and repair services totalling £26,231 (2021 - £20,493), no balances remained outstanding at the year end (2021 - £nil).

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

17. Contingent assets

At 31 May 2022, the charity had been notified of its entitlement to 1 (2021: 1) residuary legacy with probate granted, the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have either not been accrued or not been accrued in full.

18. Cash generated from operations

	2022	2021
	£	£
Surplus/ (deficit) for the year	(216,974)	276,211
<i>Adjustments for:</i>		
Investment income	(70)	(37)
Depreciation of tangible fixed assets	48,040	46,252
<i>Movements in working capital:</i>		
(Increase)/decrease in debtors	(3,735)	15,580
Increase in creditors	12,635	474
Cash (used by)/provided from operations	(160,104)	338,480

Hull Animal Welfare Trust

Notes to the Financial Statements for the year ended 31 May 2022 (continued)

19. Comparative Statement of Financial Activities

	Unrestricted funds	Designated Property fund	31 May 2021
	£	£	£
Income from:			
Donations and legacies	633,448	-	633,448
Grants	26,103	-	26,103
Other trading activities:			
- Fundraising activities	7,585	-	7,585
- Rental income	7,400	-	7,400
- Subscriptions	1,735	-	1,735
- Other	9,732	-	9,732
Investment income:			
- Bank interest	37	-	37
Total income	686,040	-	686,040
Expenditure on:			
Raising funds	10,560	-	10,560
Charitable activities	373,086	26,183	399,269
Total expenditure	383,646	26,183	409,829
Net income/ (expenditure) and net movement in funds	302,394	(26,183)	276,211
Funds brought forward	416,289	508,360	924,649
Funds carried forward	718,683	482,177	1,200,860