

Animal Concern Cumbria
Financial Statements
31 December 2020

SAINT & CO

Chartered Accountants & statutory auditor
Chartered Accountants
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

Animal Concern Cumbria
Financial Statements
Year ended 31 December 2020

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Animal Concern Cumbria

Trustees' Annual Report

Year ended 31 December 2020

The trustees present their report and the financial statements of the company for the year ended 31 December 2020.

Reference and administrative details

Registered charity name Animal Concern Cumbria

Charity registration number 1161354

Principal office The Mary Irwin Centre
Marlborough Lonning
Egremont
CA22 2UA
Cumbria

The trustees

Mr D Hallett

Mr I Hodgson

Mrs J Heaslip

Ms C Jenkinson (Resigned 30 April 2020)

Mrs J Todd (Resigned 30 April 2020)

Ms J McGill

Mrs L Porter (Resigned 30 April 2020)

Mrs D Simmons (Resigned 30 April 2020)

CEO Lyz Turner-Dow

Auditor Saint & Co
Chartered Accountants & statutory auditor
Chartered Accountants
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

Bankers Unity Trust Bank PLC
Nine Brindleyplace
Birmingham
B1 2HB

Animal Concern Cumbria

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Structure, governance and management

ORGANISATIONAL STRUCTURE AND DECISION MAKING

Animal Concern Cumbria is a long standing animal support charity originally constituted and registered in 1982 under charity number 513091. In 2015 the charity dissolved the original charity and became a Charitable Incorporated Organisation (CIO) registered by the Charity Commission with charity number 1161354. The Board of Trustees meets regularly to oversee the proper running of the charity. New trustees are appointed at the discretion of the existing trustees as per the charity constitution. The Chief Executive Officer has responsibility for the day to day operations of the charity and working with the trustees on strategy, compliance, and development of the charity. The trustees consider the charity's aims and activities meet the Commission's requirement for public benefit.

GOVERNANCE

The charity is governed by the constitution document which is based upon the Charity Commission's model for a Charitable Incorporated Organisation. The activities of the charity are overseen by the Board of Trustees, none of whom receive any remuneration. Day to day operations are managed by the CEO and activities are undertaken by the staff at the Mary Irwin Centre supported by volunteers. The trustees acknowledge their responsibilities in respect of the ongoing stewardship of the charity, and the preparation for preparing and approving both this report and the financial statements.

FINANCIAL AND RISK MANAGEMENT

The trustees consider the CIO charity's financial position stays robustly secure, at least in the short to medium term, with reserves adequate to continue to support the ongoing renovation and running costs of the Centre. The trustees have reviewed the sensible level of funds to be held in reserve in case of reduced future income. The principle source of income continues to be from bequests, and trustees are keenly aware of the unpredictability of this funding stream and continue to look at alternative income streams. Charities of a similar nature lean towards high street charity shops and online sales to supplement income; there are also considerations for running animal day care and boarding facilities on a commercial enterprise which supplements rescue income; these are all being assessed to decide if workable for ACC.

Animal Concern Cumbria

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Objectives and activities

STATEMENT OF PUBLIC BENEFIT

For the benefit of the public to relieve the suffering of dogs and cats in need of care and attention and to supply and maintain rescue homes or other facilities for the reception, care, and treatment of such animals.

Charity Objects

2020 was a challenging year for the charity and as with many people the impact of covid severely curtailed the ability to go about daily business and life. However, despite these limitations ACC strived to deliver its aims of working to promote humane behaviour towards animals: to encourage kindness and suppress cruelty, and to offer support for the welfare of all animals in need of care and protection. This year we continued to meet these aims through a variety of activities such as providing food and vet care to feral cat communities across west Cumbria, giving guidance and advice to pet owners who were facing issues with their pets behaviours, we also supported community food banks by donating animal food and equipment for owners who were struggling financially. We provided critical vet care for animals in need via our Peppa's Pot fund and we supported the trap, neuter and return of feral cats.

One of our areas of strength throughout the difficult period was in continuing to respond to phone calls, emails and where possible, visits to the rehoming site, this enabled us to continue to respond to requests for support for animals.

Fundraising and donations

The charity's usual fundraising activities were badly affected by covid as events that ACC would have attended were cancelled, which meant we couldn't see the public face to face to promote our work. However, ACC are extremely lucky to have generous regular donators who support the charity work by giving each month via direct debit or standing order. The charity is extremely grateful for this ongoing support.

Over the years ACC have developed good relations with local stores and Event Organisers within Cumbria, and we are extremely grateful to all the stores, outlets and pubs who kindly display our collection tins for public donations, and to those stores who hold a food donation bin for ACC on their premises. In addition, we were delighted to have been selected again as Pets at Home (Workington) appointed charity of the year. Being a nominated charity of the year enables ACC to receive funds, equipment and food from P@H, their VIP scheme, and their own charity arm - Pets at Home Foundation (Support adoption for pets). In previous years ACC volunteers were working alongside the Pets @ Home store staff running fundraising and awareness events within the store but unfortunately due to covid ACC were not able to join the Pets at Home staff team in their valiant fundraising efforts. We extend our grateful thanks and appreciation to the team for continuing with fundraising events which support ACC and many other animal charities.

We also extend our appreciation and gratitude to the stalwart volunteers who continued to collect and assist with the distribution of animal food and equipment. In 2020 ACC received several generous legacies which enabled the charity to proceed with the major refurbishment of the charity animal rehoming facilities.

Strategy & planning

The Board of Animal Concern Cumbria continue to develop their strategic plan addressing sustainability, budget planning, financing and investment, development planning and restructuring to meet charity needs and aspirations going forward. Our plans for financing our aims and principles are outlined in the strategic plan. Our financing strategy will ensure that our core work is maintained and sustained, our objects are met and that we make effective use of all financial support received.

During the past year the charity continued to support the rehoming and welfare of companion animals through adoption, donating food and assisting with the cost of veterinary treatments

Animal Concern Cumbria

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

The Trustees have reviewed the Friends for Life scheme and while there are several cats, dogs, and a Shetland pony (Dee Dee) continuing to receive care on this scheme, it has been replaced with Peppa's Pot- a fund that helps support one off veterinary treatment and emergency costs for people who have financial difficulties. Examples of support from Peppa's Pot are paying for dog walkers/carers when an owner had to go to hospital for treatment, emergency surgery for a young dog that had eaten textiles, and surgery for a dog suffering cancer who was a 'lifeline' for someone with mental health issues, we have also paid for health checks, treatments and neutering for cats of all ages. It is anticipated the scheme will be ongoing with its support and become a standard in ACCs future.

New build

As with many other organisations working within this sector Animal Concern Cumbria has faced numerous challenges throughout the last few years but it has managed to stay active for animal support and rehoming and it is expected that with the refurbishment of the animal care facilities the charity will continue its work. The Trustees and CEO with our staff have worked to develop our ideas for the new facilities so that they meet all the new standards and those that were outlined in the Government legislative program in The Queens Speech. The board have worked to ensure that the new facilities are of a suitable quality, offer comfortable, friendly, safe, secure animal accommodation; ancillary buildings that are fit for purpose and environmentally sustainable. The board have researched alternative off-grid energy solutions to power the site and to increase its biodiversity.

Securing planning approval was challenging and led to several delays with the program. However, in May 2021 planning consent was given and work got underway. Whilst the demolition of the old buildings on the Mary Irwin site meant we had to halt the intake of animals onto site, the charity developed a Home to Home approach whereby if it was possible, animals awaiting for adoption were supported in their original home whilst a suitable adoptive home was found. The approach was having many positive results; being less stressful for the animals involved and cost effective such that trustees consider it to be the main thrust of rehoming in the future. Alas Covid 19 lockdown restrictions prevented staff from their assessment of animals and prospective homes.

Operations at the Mary Irwin Centre were curtailed in March 2020 when some staff were put on furlough due to the safety restrictions imposed and the building program curtailed. Throughout the closure of the centre in preparation for demolition of existing buildings and rebuilding, and the working restrictions imposed by the pandemic, we have continued with our charitable work supporting animals. As the redevelopment progresses the trustees and staff look forward to commencing animal care operations by late 2021.

The Covid Pandemic forced Trustees to meet remotely via apps such as Zoom and Teams. Together with the adoption of Microsoft 365 it has allowed the trustees to meet more frequently with more focussed meetings. The Trustees have used this opportunity to update and review its policies and procedures in readiness for reopening its facilities at the Mary Irwin Centre. The Trustees also carried out a consultation about the members involvement with the Charity. Due to the ongoing pandemic, the age demographic of our members and the reluctance to use IT we were unable to hold our AGM for 2019, although the formal accounts for that period were published.

Animal Concern Cumbria

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

Financial review

Financial Review

The charity made a surplus during the year of £1,062,580 (2019 - deficit £88,302). General reserves brought forward totalled £894,221 and following the surplus there were reserves of £1,956,801 carried forward of which £15,150 was restricted and £526,805 can only be realised on the sale of tangible fixed assets. After accounting for the above, unallocated reserves available for use by the CIO total £1,459,864.

RESERVES POLICY

Animal Concern Cumbria's reserves policy is to keep a sufficient level of reserves to enable operating activities to be supported, taking account of potential risks and contingencies that may arise from time to time. Animal Concern Cumbria's unrestricted reserves are held to meet the financial risks associated with the potential contingencies and uncertainties relating to the charity's operating activities. The trustees consider that at a minimum sufficient reserve must be retained to cover the costs of at least 24 months operation of the Mary Irwin Centre and charity activities, this is currently estimated to be £275,000

Going forward

The trustees will continue to work with the CEO and charity staff to develop and deliver animal care services; it is also anticipated that we will be able to commence recruitment of volunteers and establish a good programme of activity to support the charity work and the community.

Trustees' responsibilities statement

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

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, of the company 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 principles in the applicable Charities SORP;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Animal Concern Cumbria

Trustees' Annual Report *(continued)*

Year ended 31 December 2020

The trustees' annual report was approved on 23 Dec 21 and signed on behalf of the board of trustees by:

Mr D Hallett

Trustee



Mr I Hodgson

Trustee



Animal Concern Cumbria

Independent Auditor's Report to the Members of Animal Concern Cumbria

Year ended 31 December 2020

Opinion

We have audited the financial statements of Animal Concern Cumbria (the 'company') for the year ended 31 December 2020 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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.

Animal Concern Cumbria

Independent Auditor's Report to the Members of Animal Concern Cumbria *(continued)*

Year ended 31 December 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Animal Concern Cumbria

Independent Auditor's Report to the Members of Animal Concern Cumbria *(continued)*

Year ended 31 December 2020

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

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;

Animal Concern Cumbria

Independent Auditor's Report to the Members of Animal Concern Cumbria *(continued)*

Year ended 31 December 2020

- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, Charities Commission and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Animal Concern Cumbria

Independent Auditor's Report to the Members of Animal Concern Cumbria *(continued)*

Year ended 31 December 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Saint & Co
Chartered Accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

23 December, 2021

Animal Concern Cumbria
Statement of Financial Activities
Year ended 31 December 2020

		2020			2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	1,227,362	15,150	1,242,512	71,222
Other trading activities	5	3,472	–	3,472	4,789
Investment income	6	4,604	–	4,604	5,647
Total income		<u>1,235,438</u>	<u>15,150</u>	<u>1,250,588</u>	<u>81,658</u>
Expenditure					
Expenditure on charitable activities	7,8	154,780	–	154,780	158,581
Other expenditure	10	33,228	–	33,228	11,379
Total expenditure		<u>188,008</u>	<u>–</u>	<u>188,008</u>	<u>169,960</u>
Net income/(expenditure) and net movement in funds					
		<u>1,047,430</u>	<u>15,150</u>	<u>1,062,580</u>	<u>(88,302)</u>
Reconciliation of funds					
Total funds brought forward		894,221	–	894,221	982,523
Total funds carried forward		<u>1,941,651</u>	<u>15,150</u>	<u>1,956,801</u>	<u>894,221</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 23 form part of these financial statements.

Animal Concern Cumbria
Statement of Financial Position

31 December 2020

	Note	2020 £	£	2019 £
Fixed assets				
Tangible fixed assets	15		526,805	453,984
Current assets				
Debtors	16	143,646		5,247
Cash at bank and in hand		1,331,368		440,703
		<u>1,475,014</u>		<u>445,950</u>
Creditors: amounts falling due within one year	17	45,018		5,713
Net current assets			<u>1,429,996</u>	<u>440,237</u>
Total assets less current liabilities			<u>1,956,801</u>	<u>894,221</u>
Net assets			<u>1,956,801</u>	<u>894,221</u>
Funds of the charity				
Restricted funds			15,150	-
Unrestricted funds			1,941,651	894,221
Total charity funds	20		<u>1,956,801</u>	<u>894,221</u>

These financial statements were approved by the board of trustees and authorised for issue on 23 Dec 21 and are signed on behalf of the board by:

Mr D Hallett
Trustee



Mr I Hodgson
Trustee



The notes on pages 15 to 23 form part of these financial statements.

Animal Concern Cumbria

Statement of Cash Flows

Year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Net income/(expenditure)	1,062,580	(88,302)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	16,674	16,564
Government grant income	(6,276)	–
Other interest receivable and similar income	(4,604)	(5,647)
Accrued expenses	3,700	18,407
<i>Changes in:</i>		
Trade and other debtors	(138,399)	(2,859)
Trade and other creditors	35,605	(1,511)
Cash generated from operations	<u>969,280</u>	<u>(63,348)</u>
Interest received	4,604	5,647
Net cash from/(used in) operating activities	<u>973,884</u>	<u>(57,701)</u>
Cash flows from investing activities		
Purchase of tangible assets	(89,495)	–
Net cash used in investing activities	<u>(89,495)</u>	<u>–</u>
Cash flows from financing activities		
Government grant income	6,276	–
Net cash from financing activities	<u>6,276</u>	<u>–</u>
Net increase/(decrease) in cash and cash equivalents	890,665	(57,701)
Cash and cash equivalents at beginning of year	440,703	498,404
Cash and cash equivalents at end of year	<u>1,331,368</u>	<u>440,703</u>

The notes on pages 15 to 23 form part of these financial statements.

Animal Concern Cumbria
Notes to the Financial Statements
Year ended 31 December 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Mary Irwin Centre, Marlborough Lonning, Egremont, CA22 2UA, Cumbria.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The Trustees consider there were no significant judgements in preparing the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The Trustees consider there are no key sources of estimation uncertainty.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Animal Concern Cumbria

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Animal Concern Cumbria

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Animal Concern Cumbria

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	37,004	150	37,154
Adoption & rehoming fees	3,175	–	3,175
Legacies			
Legacies	1,170,907	–	1,170,907
Grants			
Grants receivable	10,000	15,000	25,000
Government grant income	6,276	–	6,276
	<u>1,227,362</u>	<u>15,150</u>	<u>1,242,512</u>

Animal Concern Cumbria

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

4. Donations and legacies *(continued)*

Included within donations is donated goods valued at £4,578.

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Donations	23,862	–	23,862
Adoption & rehoming fees	9,531	–	9,531
Legacies			
Legacies	30,329	–	30,329
Grants			
Grants receivable	7,500	–	7,500
Government grant income	–	–	–
	<u>71,222</u>	<u>–</u>	<u>71,222</u>

5. Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Fundraising events	<u>3,472</u>	<u>3,472</u>	<u>4,789</u>	<u>4,789</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	<u>4,604</u>	<u>4,604</u>	<u>5,647</u>	<u>5,647</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Provision of Animal Welfare Services	84,289	84,289	99,105	99,105
Support costs	70,491	70,491	59,476	59,476
	<u>154,780</u>	<u>154,780</u>	<u>158,581</u>	<u>158,581</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Provision of Animal Welfare Services	<u>84,289</u>	<u>70,491</u>	<u>154,780</u>	<u>158,581</u>

Animal Concern Cumbria

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

9. Analysis of support costs

	Provision of Animal Welfare Services £	Total 2020 £	Total 2019 £
Staff costs	18,613	18,613	20,561
Premises	18,043	18,043	23,424
Communications and IT	2,123	2,123	1,563
Finance costs	31,260	31,260	13,928
	<u>70,039</u>	<u>70,039</u>	<u>59,476</u>

10. Other expenditure

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Irrecoverable VAT	<u>33,228</u>	<u>33,228</u>	<u>11,379</u>	<u>11,379</u>

11. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>16,674</u>	<u>16,564</u>

12. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Audit of the financial statements (2019: Independent Examination)	<u>5,680</u>	<u>1,980</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	60,568	67,845
Employer contributions to pension plans	1,236	(1,179)
	<u>61,804</u>	<u>66,666</u>

The average head count of employees during the year was 6 (2019: 3).

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

During the year £155 (2019: nil) was paid to 2 trustees (2019: 0) for mileage expenses.

Animal Concern Cumbria

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

15. Tangible fixed assets

	Land and buildings £	Equipment £	Assets under construction £	Total £
Cost				
At 1 January 2020	479,107	34,912	–	514,019
Additions	–	548	88,947	89,495
At 31 December 2020	<u>479,107</u>	<u>35,460</u>	<u>88,947</u>	<u>603,514</u>
Depreciation				
At 1 January 2020	35,332	24,703	–	60,035
Charge for the year	9,582	7,092	–	16,674
At 31 December 2020	<u>44,914</u>	<u>31,795</u>	<u>–</u>	<u>76,709</u>
Carrying amount				
At 31 December 2020	<u>434,193</u>	<u>3,665</u>	<u>88,947</u>	<u>526,805</u>
At 31 December 2019	<u>443,775</u>	<u>10,209</u>	<u>–</u>	<u>453,984</u>

Capital commitments

	2020 £	2019 £
Contracted for but not provided for in the financial statements	<u>498,289</u>	<u>–</u>

There is a commitment in place to complete the building project at the Mary Irwin Centre, the remaining cost at the year end was £498,289.

16. Debtors

	2020 £	2019 £
Prepayments and accrued income	142,044	3,656
Other debtors	1,602	1,591
	<u>143,646</u>	<u>5,247</u>

17. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	28,381	–
Accruals and deferred income	5,680	1,980
Social security and other taxes	1,143	3,733
Other creditors	9,814	–
	<u>45,018</u>	<u>5,713</u>

18. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,236 (2019: £(1,179)).

Animal Concern Cumbria

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

19. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>6,276</u>	<u>–</u>

Government grants relates to income received under the Coronavirus Job Retention Scheme.

20. Analysis of charitable funds

Unrestricted funds

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
General funds	<u>894,221</u>	<u>1,235,438</u>	<u>(188,008)</u>	<u>1,941,651</u>

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
General funds	<u>982,523</u>	<u>81,658</u>	<u>(169,960)</u>	<u>894,221</u>

Restricted funds

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
Restricted Fund	<u>–</u>	<u>15,150</u>	<u>–</u>	<u>15,150</u>

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
Restricted Fund	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

Animal Concern Cumbria

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	526,805	–	526,805
Current Assets	1,459,864	15,150	1,475,014
Creditors less than 1 year	(45,018)	–	(45,018)
Net assets	<u>1,941,651</u>	<u>15,150</u>	<u>1,956,801</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	453,984	–	453,984
Current Assets	445,950	–	445,950
Creditors less than 1 year	(5,713)	–	(5,713)
Net assets	<u>894,221</u>	<u>–</u>	<u>894,221</u>

22. Analysis of changes in net debt

	At 1 Jan 2020 £	Cash flows £	At 31 Dec 2020 £
Cash at bank and in hand	<u>440,703</u>	<u>890,665</u>	<u>1,331,368</u>

23. Related parties

There have been no related party transactions during the year.

Animal Concern Cumbria
Management Information
Year ended 31 December 2020

The following pages do not form part of the financial statements.

Animal Concern Cumbria
Detailed Statement of Financial Activities
Year ended 31 December 2020

	2020 £	2019 £
Income and endowments		
Donations and legacies		
Donations	37,154	23,862
Adoption & rehoming fees	3,175	9,531
Legacies	1,170,907	30,329
Grants receivable	25,000	7,500
Government grant income	6,276	–
	<u>1,242,512</u>	<u>71,222</u>
Other trading activities		
Fundraising events	3,472	4,789
	<u>3,472</u>	<u>4,789</u>
Investment income		
Bank interest receivable	4,604	5,647
	<u>4,604</u>	<u>5,647</u>
Total income	<u>1,250,588</u>	<u>81,658</u>
Expenditure		
Expenditure on charitable activities		
Wages and salaries	60,568	67,845
Pension costs	1,236	(1,179)
Rates and water	294	896
Light and heat	1,669	5,282
Repairs and maintenance	10,408	10,389
Insurance	3,323	2,633
Other establishment	–	115
Vehicle leasing/hire	3,600	–
Other motor/travel costs	1,110	3,182
Legal and professional fees	27,763	14,199
Telephone	2,223	1,563
Other office costs	2,623	4,107
Depreciation	16,674	16,564
Bank charges	200	217
Vet fees	14,526	22,846
Feed and other supplies	8,563	9,922
	<u>154,780</u>	<u>158,581</u>
Other expenditure		
Irrecoverable VAT	33,228	11,379
	<u>33,228</u>	<u>11,379</u>
Total expenditure	<u>188,008</u>	<u>169,960</u>
Net income/(expenditure)	<u>1,062,580</u>	<u>(88,302)</u>

Animal Concern Cumbria

Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2020

	2020	2019
	£	£
Expenditure on charitable activities		
Provision of Animal Welfare Services		
<i>Activities undertaken directly</i>		
Wages/salaries	42,398	46,930
Pension costs	865	(825)
Other motor/travel costs	1,110	3,182
Legal, admin and professional fees	225	486
Depreciation	16,674	16,564
Vet fees	14,454	22,846
Feed and other supplies	8,563	9,922
	<u>84,289</u>	<u>99,105</u>
<i>Support costs</i>		
Wages/salaries	18,170	20,915
Pension costs	371	(354)
Rent, rates & water	294	896
Light & heat	1,669	5,282
Repairs & maintenance	10,408	10,389
Insurance	3,323	2,633
Other establishment	-	115
Audit fees	3,600	-
Legal and professional fees	27,538	13,713
Telephone and postage	2,223	1,563
Other office costs	2,623	4,107
Bank charges	200	217
Expense claims	72	-
	<u>70,491</u>	<u>59,476</u>
Expenditure on charitable activities	<u><u>154,780</u></u>	<u><u>158,581</u></u>