

Registered number: 04311334
Charity number: 201654

Friends of Animals League
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2019

Friends of Animals League
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the company, its Trustees and advisers	1
Trustees' report	2 - 6
Independent auditors' report on the financial statements	7 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 30

Friends of Animals League
(A company limited by guarantee)

Reference and administrative details of the company, its Trustees and advisers
For the year ended 31 December 2019

Trustees Paul Dewdney, Chair
Charles Johnston, Vice Chair
Elizabeth Cordingley
Ian Price
Carole Vernon
Lydia Buttinger (resigned 13 July 2019)
Ross Miller (resigned 30 June 2019)
Royston Abernethy (resigned 1 November 2019)
Edward Knox (appointed 14 September 2019)
Nicholas Ulycz (appointed 14 September 2019)

Company registered number 04311334

Charity registered number 201654

Registered office Jail Lane
Biggin Hill
Kent
TN16 3AX

Independent auditors Kreston Reeves LLP
Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Friends of Animals League
(A company limited by guarantee)

Trustees' report
For the year ended 31 December 2019

The Trustees present their annual report together with the audited financial statements of the Friends of Animals League for the year ended 31 December 2019. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objective

The primary objective of the Friends of Animals League (FOAL) is to relieve the suffering of animals. The mission of FOAL is to take in as many animals as can be properly cared for, restore them to health and, where possible, find them good new homes or provide sanctuary and safety for life.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Key performance indicators

At the year end our net deficit was £43,388 which compares to a net surplus of £260,691 for the previous year. With general funds at the year end of £1,480,855 (2018: £1,551,099) we remain in a secure financial position. The main income stream remains as legacy income, however there has been a significant fluctuation compared to the previous year, with £514,893 received this year compared to £827,527 last year.

b. Review of activities

The financial year ending December 2019, continued to show why this charity is so important in the community in which it serves. Our members and supporters showed how much this charity means to them through their generosity in terms of donations, gifts, legacies and event participation. They continue to challenge us to ensure the charities longevity and progression.

Preserving the financial security of the charity remains one of our main priorities alongside relieving the suffering of animals. Significant financial support continues to come from generous benefactors who recognise FOAL in their wills. Whilst these legacies are gratefully received, they are also unpredictable in nature. Therefore, the management team and trustees continue to focus on generating income in other ways and carefully managing costs to ensure FOAL can continue to offer a haven for animals in the long term.

Our activities were constantly reviewed against those priorities of animal welfare and financial security. A more focused approach on fund raising led the charity to increase use of social media and increase the volume of grant applications, both of which have laid solid foundations for the future. All our planned events took place with continued success. Our Easter Fayre raised over £4,000 and our Country Festival raised more than £24,000 with both events benefitting from favourable weather. The introduction in May of our large animal 'Meet & Greet' interactive tours has proved highly successful and is adding to our revenue. We also rescued eight greyhounds from China after the closure of the Canidrome dog racing track, and our appeal for this was highly successful. As a result of these efforts and others, income derived from sales of goods and fundraising was up on 2018.

Friends of Animals League
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2019

Strategic report (continued)

Achievements and performance (continued)

Whilst this report relates to our 2019 Financial Statements, it is important to note the potential impact of the Covid-19 pandemic on our financial security and ability to meet our objectives. The full financial effects of this will not be known for some time, but with the Farm closed to visitors and our charity shop closed we expect trading income to be materially lower in 2020, partly offset by lower operating costs and increased online fundraising activities. Our operations have been constantly under review to lessen any financial impacts with Trustee Meetings held fortnightly during the crisis, to support the charity and our farm colleagues.

With over half of general funds held in Stocks and Shares, reserves may also be materially impacted. In the lead up to the Covid-19 pandemic the Board of Trustees had agreed to invest in the upgrade of the main kennel block, were exploring the commercial and operational benefits of improving the road access to the farm and considering an additional retail outlet to generate income. Given the uncertain outlook, the board agreed to put material investment on hold. This is being kept under review.

Overall animal management has improved over the 2019 year, with a re-focusing on the re-homing process. It was recognised that returns of homed animals was increasing, and a review of the rules and procedures was undertaken to ensure that more animals stay at their new homes. As such, the number of animal returns decreased sharply over the year. There have also been challenges with some of our animal groups, which are reflected in the re-homed charts below.

Small animal adoptions have been impacted by rising public awareness of the difficulties keeping rabbits in the right conditions and tighter home checks to ensure we only offer small animals to suitable homes. Cat re-homing has been excellent, with an increase on 2018. Dog re-homing has dropped due to the revised procedures noted above to avoid the high levels of returned dogs seen in 2018 (1 in 5). The re-homing strategy is working well with 5 dogs that had been at Foal for over two years for behavioural reasons now successfully re-homed. It is essential to ensure that animals are only re-homed once wherever possible.

The hard work of our colleagues and volunteers is extremely appreciated by the trustees, and by our animals who ultimately benefit greatly from the care and love given to them.

The table below shows Total Re-Homed Animals over 5 years

Group	2015	2016	2017	2018	2019	Total 19 v 18
Small Animals	218	209	273	202	91	-111
Cats	288	266	225	179	230	51
Dogs	260	255	306	265	175	-90
Totals	766	730	804	646	496	-150

Friends of Animals League
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2019

Strategic report (continued)

Achievements and performance (continued)

Detailed breakdown for 2019 with Return comparison v 2018

Animal Type	Admitted	Re-Homed	Returned 2019	Returned 2018	Returned 19 v 18
Birds	33	25	0	2	-2
Guinea Pigs	40	33	2	3	-1
Small Rodents	8	10	0	0	0
Rabbits	31	23	1	8	-7
Cats	198	230	21	25	-4
Dogs	134	175	43	51	-8
Totals	444	496	67	89	-22

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The current policy is to have sufficient reserves as recommended by the Charity Commission to cover our annual operating costs, which are around £1.1m. As a result our reserves policy is to maintain free reserves of £1.1m. Reserves at the balance sheet date exceed the reserves policy level but the Trustees have future plans to improve the site that will require additional reserves.

At the year end we have total funds of £3,425,185 (2018 : £3,468,573). These are split between unrestricted funds which are used for the day-to-day activities of the charity; a designated fixed assets fund which represents our assets which are in use and cannot be easily realised; a restricted fund which is used to cover the cost of rebuilding the kennels and the Foal's Adoption and Foster in Need restricted fund which is for long term foster care or for animals which have been adopted with recognised medical issues or other long-term problems.

c. Material investments policy

The Board's investment policy is to retain the majority of its reserve in a combination of cash across a number of instant access accounts together with longer-term accounts that provide improved rates of interest.

FOAL occasionally receives shares, unit trust investments and gilts as part of legacy proceeds and its policy remains to retain such investments as long as they are listed on the London Stock Exchange and are readily realisable should the need arise.

Friends of Animals League
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2019

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties

The Board have assessed the major risks to which the Charity is exposed in particular those relating to operation and finance of the Charity. Although we are satisfied that systems are in place to mitigate the Charity's exposure to major risk. The audit process for the previous year identified areas with our financial controls and returns that needed improving, and these have been addressed for this year. An updated risk register will now be reviewed on a regular basis by the Board.

e. COVID-19

At the time of signing the accounts the Trustees are aware of the potential economic and social effects of the COVID-19 virus outbreak. The full impact of the pandemic on the UK economy is yet to be seen, but the Charity will continue to seek to mitigate this risk by following the UK Government's guidelines and adapting/developing its own internal strategy.

Structure, governance and management

a. Constitution

Friends of Animals League is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

Friends of Animals League
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2019

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Companies Act 2006. 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Paul Dewdney
Chairman

Date: 23/01/20

Friends of Animals League
(A company limited by guarantee)

Independent auditors' report to the Members of Friends of Animals League

Opinion

We have audited the financial statements of Friends of Animals League (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of financial activities, the Balance sheet, the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2019 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Friends of Animals League
(A company limited by guarantee)

Independent auditors' report to the Members of Friends of Animals League (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Friends of Animals League
(A company limited by guarantee)

Independent auditors' report to the Members of Friends of Animals League (continued)

Responsibilities of trustees

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

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

Auditors' 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 Auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 of the effectiveness of the charitable company's 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 charitable 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 Auditors' 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 Auditors' report. However, future events or conditions may cause the charitable 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.

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.

Friends of Animals League
(A company limited by guarantee)

Independent auditors' report to the Members of Friends of Animals League (continued)

Use of our report

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

A handwritten signature in black ink that reads "Kreston Reeves LLP".

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

Date: 24 September 2020

Friends of Animals League
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	3	663,277	24,025	687,302	1,036,281
Charitable activities	4	62,269	-	62,269	73,644
Other trading activities	5	190,331	-	190,331	183,005
Investments	6	10,522	-	10,522	9,063
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		926,399	24,025	950,424	1,301,993
Expenditure on:					
Raising funds		38,436	-	38,436	13,625
Charitable activities	7	1,060,618	820	1,061,438	972,512
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		1,099,054	820	1,099,874	986,137
Net gains/(losses) on investments		106,062	-	106,062	(55,165)
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(66,593)	23,205	(43,388)	260,691
Reconciliation of funds:					
Total funds brought forward		3,355,356	113,217	3,468,573	3,207,882
Net movement in funds		(66,593)	23,205	(43,388)	260,691
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		3,288,763	136,422	3,425,185	3,468,573
		<hr/>	<hr/>	<hr/>	<hr/>

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

The notes on pages 14 to 30 form part of these financial statements.

Friends of Animals League
(A company limited by guarantee)
Registered number: 04311334

Balance sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	1,807,908	1,804,257
Investments	13	914,940	808,878
		<u>2,722,848</u>	<u>2,613,135</u>
Current assets			
Stocks	14	2,092	2,101
Debtors	15	40,476	521,739
Cash at bank and in hand		732,559	398,712
		<u>775,127</u>	<u>922,552</u>
Creditors: amounts falling due within one year	16	(72,790)	(67,114)
Net current assets		<u>702,337</u>	<u>855,438</u>
Net assets		<u>3,425,185</u>	<u>3,468,573</u>
Charity funds			
Restricted funds	18	136,422	113,217
Unrestricted funds	18	3,288,763	3,355,356
Total funds		<u>3,425,185</u>	<u>3,468,573</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Paul Dewdney
Chairman

Date: 23/09/20

The notes on pages 14 to 30 form part of these financial statements.

Friends of Animals League
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>368,180</u>	<u>(117,746)</u>
Cash flows from investing activities			
Dividends and interest from investments		10,522	9,063
Purchase of tangible fixed assets		<u>(44,855)</u>	<u>(451)</u>
Net cash (used in)/provided by investing activities		<u>(34,333)</u>	<u>8,612</u>
Change in cash and cash equivalents in the year		333,847	(109,134)
Cash and cash equivalents at the beginning of the year		<u>398,712</u>	<u>507,846</u>
Cash and cash equivalents at the end of the year	22	<u><u>732,559</u></u>	<u><u>398,712</u></u>

The notes on pages 14 to 30 form part of these financial statements

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

1. General information

Friends of Animals is a charitable company, limited by guarantee, incorporated in England and Wales.

The Charity's registered office is Foal Farm Animal Rescue Centre, Jail Lane, Biggin Hill.

The charitable activities of the charity is to relieve the suffering of animals.

In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The company has elected to apply all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), prior to mandatory adoption for accounting periods beginning on or after 1 January 2019.

Friends of Animals League meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Charity's main source of income is from the receipt of donations and grants.

In order to meet its day to day working capital requirements the Charity is dependent upon these donations and grants, the nature of which can have considerable variation in the timing of cash inflows.

Whilst the impact of the COVID-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

After making enquiries, the Trustees have a reasonable expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

2. Accounting policies (continued)

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the company, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Over 50 years
Plant and machinery	- Over 5 years
Motor vehicles	- Over 3 years
Office equipment	- Over 5 years

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.14 Pensions

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

2.15 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

3. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations	103,460	24,025	127,485
Legacies	514,893	-	514,893
Grants	33,000	-	33,000
Memberships and subscriptions	11,924	-	11,924
	<u>663,277</u>	<u>24,025</u>	<u>687,302</u>

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Donations	129,934	30,673	160,607
Legacies	827,527	-	827,527
Grants	36,000	-	36,000
Memberships and subscriptions	12,147	-	12,147
	<u>1,005,608</u>	<u>30,673</u>	<u>1,036,281</u>

4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Animal adoption receipts	43,748	43,748	55,986
Other income	18,521	18,521	17,658
	<u>62,269</u>	<u>62,269</u>	<u>73,644</u>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2019 £	Total funds 2019 £
Sale of new and donated goods	142,086	142,086
Other fundraising activities	38,995	38,995
Community fundraising	9,250	9,250
	<hr/> 190,331 <hr/>	<hr/> 190,331 <hr/>

	Unrestricted funds 2018 £	Total funds 2018 £
Sale of new and donated goods	141,615	141,615
Other fundraising activities	35,185	35,185
Community fundraising	6,205	6,205
	<hr/> 183,005 <hr/>	<hr/> 183,005 <hr/>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £
Dividends	8,160	8,160
Interest	2,362	2,362
	<hr/> 10,522 <hr/>	<hr/> 10,522 <hr/>

	Unrestricted funds 2018 £	Total funds 2018 £
Dividends	6,836	6,836
Interest	2,227	2,227
	<hr/> 9,063 <hr/>	<hr/> 9,063 <hr/>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Charitable activities	1,060,618	820	1,061,438

	Unrestricted funds 2018 £	Total funds 2018 £
Charitable activities	972,512	972,512

8. Analysis of expenditure by activities

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £
Charitable activities	879,036	182,402	1,061,438

	Direct costs 2018 £	Support costs 2018 £	Total funds 2018 £
Charitable activities	805,990	166,522	972,512

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	575,609	488,742
Depreciation	41,204	41,196
Animal food and supplies	115,072	109,732
Veterinary supplies and services	129,811	148,680
Subcontractor cost	17,340	17,640
	879,036	805,990

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Recruitment, welfare and staff training	1,119	284
Rates, light, heat and power	89,883	88,875
Insurance	7,214	7,293
Repairs and maintenance	35,066	22,767
Telephone and fax	5,718	6,646
IT expenses	6,341	3,222
Printing, postage and stationery	1,958	2,633
Subscriptions	921	293
Hire of photocopier	2,891	4,077
Sundry expenses	1,091	1,817
Vehicle running costs	10,281	6,812
Advertising	332	593
Consultancy and professional fees	10,576	12,977
Bank charges	4,511	3,733
Auditors' remuneration	4,500	4,500
	182,402	166,522

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £4,500 (2018 - £4,500).

10. Staff costs

	2019	2018
	£	£
Wages and salaries	530,693	451,929
Social security costs	31,721	26,797
Pension costs	13,195	10,016
	<u>575,609</u>	<u>488,742</u>

The average number of persons employed by the company during the year was as follows:

	2019	2018
	No.	No.
Charitable activities	36	31
Governance	1	1
	<u>37</u>	<u>32</u>

No employee received remuneration amounting to more than £60,000 in either year.

Remuneration and benefits received by key management personnel during the year (including employer's national insurance contributions) amounted to £69,584 (2018: £75,747).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, no Trustee expenses have been incurred (2018 - £NIL).

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2019	2,665,797	24,553	8,730	47,278	2,746,358
Additions	26,526	15,276	-	3,053	44,855
At 31 December 2019	<u>2,692,323</u>	<u>39,829</u>	<u>8,730</u>	<u>50,331</u>	<u>2,791,213</u>
Depreciation					
At 1 January 2019	863,248	24,553	7,554	46,746	942,101
Charge for the year	39,809	350	816	229	41,204
At 31 December 2019	<u>903,057</u>	<u>24,903</u>	<u>8,370</u>	<u>46,975</u>	<u>983,305</u>
Net book value					
At 31 December 2019	<u>1,789,266</u>	<u>14,926</u>	<u>360</u>	<u>3,356</u>	<u>1,807,908</u>
At 31 December 2018	<u>1,802,549</u>	<u>-</u>	<u>1,176</u>	<u>532</u>	<u>1,804,257</u>

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2019	808,878
Revaluations	106,062
At 31 December 2019	<u>914,940</u>
Net book value	
At 31 December 2019	<u>914,940</u>
<i>At 31 December 2018</i>	<u>808,878</u>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

14. Stocks

	2019	2018
	£	£
Finished goods and goods for resale	2,092	2,101

15. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	5,516	8,573
Other debtors	23,877	502,083
Prepayments and accrued income	11,083	11,083
	40,476	521,739

16. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Bank overdrafts	-	214
Trade creditors	33,689	33,238
Other taxation and social security	6,706	10,632
Other creditors	18,645	9,280
Accruals and deferred income	13,750	13,750
	72,790	67,114

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

17. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	1,655,831	1,218,979
	<u><u>1,655,831</u></u>	<u><u>1,218,979</u></u>
	2019	2018
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost through income and expenditure	63,961	56,268
	<u><u>63,961</u></u>	<u><u>56,268</u></u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand, fixed asset investments, trade debtors and accrued income.

Financial liabilities measured at amortised cost through income and expenditure comprise accruals, trade creditors and other creditors.

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
Designated funds						
Tangible assets	1,804,257	-	(41,204)	44,855	-	1,807,908
General funds						
Unrestricted income fund	1,551,099	926,399	(1,057,850)	(44,855)	106,062	1,480,855
Total Unrestricted funds	3,355,356	926,399	(1,099,054)	-	106,062	3,288,763
Restricted funds						
Kennel rebuild	100,717	23,205	-	-	-	123,922
Animal Ambulance Fund	12,500	-	-	-	-	12,500
Foal's Adoption & Foster Fund in Need	-	820	(820)	-	-	-
Total Restricted funds	113,217	24,025	(820)	-	-	136,422
Total of funds	3,468,573	950,424	(1,099,874)	-	106,062	3,425,185

Kennel rebuild

This fund was set up to cover costs of rebuilding the kennels.

Foal's Adoption and Foster Fund in Need

For long term foster care, or animals that have been adopted with recognised medical issues, or long term problems.

Animal Ambulance Fund

Funding to pay for a new ambulance to transport animals that require vital treatments and procedures.

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Unrestricted funds						
Designated funds						
Tangible assets	1,845,002	-	(41,196)	451	-	1,804,257
General funds						
Unrestricted income fund	1,277,782	1,271,320	(944,941)	2,103	(55,165)	1,551,099
Total Unrestricted funds	3,122,784	1,271,320	(986,137)	2,554	(55,165)	3,355,356
Restricted funds						
Kennel rebuild	85,098	15,619	-	-	-	100,717
Foal's Adoption & Foster Fund in Need	-	2,554	-	(2,554)	-	-
Animal Ambulance Fund	-	12,500	-	-	-	12,500
Total Restricted funds	85,098	30,673	-	(2,554)	-	113,217
Total of funds	3,207,882	1,301,993	(986,137)	-	(55,165)	3,468,573

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	1,804,257	-	(41,204)	44,855	-	1,807,908
General funds	1,551,099	926,399	(1,057,850)	(44,855)	106,062	1,480,855
Restricted funds	113,217	24,025	(820)	-	-	136,422
	<u>3,468,573</u>	<u>950,424</u>	<u>(1,099,874)</u>	<u>-</u>	<u>106,062</u>	<u>3,425,185</u>

Summary of funds - prior year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Designated funds	1,845,002	-	(41,196)	451	-	1,804,257
General funds	1,277,782	1,271,320	(944,941)	2,103	(55,165)	1,551,099
Restricted funds	85,098	30,673	-	(2,554)	-	113,217
	<u>3,207,882</u>	<u>1,301,993</u>	<u>(986,137)</u>	<u>-</u>	<u>(55,165)</u>	<u>3,468,573</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,807,908	-	1,807,908
Fixed asset investments	914,940	-	914,940
Current assets	638,705	136,422	775,127
Creditors due within one year	(72,790)	-	(72,790)
Total	<u>3,288,763</u>	<u>136,422</u>	<u>3,425,185</u>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,804,257	-	1,804,257
Fixed asset investments	808,878	-	808,878
Current assets	809,335	113,217	922,552
Creditors due within one year	(67,114)	-	(67,114)
Total	<u>3,355,356</u>	<u>113,217</u>	<u>3,468,573</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	<u>(43,388)</u>	<u>260,691</u>
Adjustments for:		
Depreciation charges	41,204	41,196
Gains/(losses) on investments	(106,062)	55,165
Dividends, interests and rents from investments	(10,522)	(9,063)
Decrease in stocks	9	1,243
Decrease/(increase) in debtors	481,263	(476,248)
Increase in creditors	5,676	9,270
Net cash provided by/(used in) operating activities	<u>368,180</u>	<u>(117,746)</u>

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	<u>732,559</u>	<u>398,712</u>

Friends of Animals League
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2019

23. Analysis of Net Debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	398,712	333,847	732,559
Bank overdrafts repayable on demand	(214)	214	-
	<u>398,498</u>	<u>334,061</u>	<u>732,559</u>

24. Pension commitments

The charity operates a defined contribution pension scheme for its employees. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £13,195 (2018: £10,016). At the balance sheet date £3,674 was recognised as a liability owed to the scheme (2018: £5,224).

25. Operating lease commitments

At 31 December 2019 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	6,819	15,971
Later than 1 year and not later than 5 years	17,520	19,959
Later than 5 years	5,840	10,220
	<u>30,179</u>	<u>46,150</u>

26. Related party transactions

The charity engaged with T Kilsby, the brother-in-law of a trustee, in relation to the provision of labour services. Expenditure in the year was £17,340 (2018: £16,200) with a balance of £1,320 (2018: £1,320) owed by the charity as at 31 December 2019.

27. Post balance sheet events

Since the balance sheet date there has been a global outbreak of the pandemic COVID-19. It is not yet clear how long the pandemic will last and what the medium to long term effect it will have on the Charity. The Charity is continually monitoring the impact of the pandemic and UK Government's advice and guidance regarding COVID-19 and will continue to make necessary adjustments to manage the risk and to ensure the long term financial security of the Charity.