

WOOD GREEN ANIMAL SHELTERS

TRUSTEE REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

CHARITY REGISTERED NUMBER: 298348

COMPANY REGISTERED NUMBER: 02073930

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Chairman's Statement

I am delighted to introduce Wood Green's Annual Report for 2019/20.

This has been an extraordinary year in nearly every respect for Wood Green – with a voluntary transformation to deliver the core of the Charity's purpose with more impact and then an involuntary transformation in response to COVID-19. The first is the Charity doing what it does best – caring for pets and finding them loving new homes; the second marks a drastic shift in how we go about our work and continue providing that vital support. Some of these changes were already underway as part of our new five-year strategy, others were enforced or accelerated due to the threat of COVID-19.

Recently, words and phrases like “unprecedented” and “once in a generation” have been used liberally to reflect the enormous impact of the pandemic. However, even before the crisis, Wood Green was positioning itself for unprecedented change after a fundamental and deep-rooted look at its placement in today's world. This combined with an energy and burning ambition to help more pets and pet owners led to the Charity agreeing a new strategy in June 2019. At its heart is a pet pathway, one that brings together all the expertise we possess to improve the lives of many more animals – and achieve our goal of ensuring pets in need are never turned away.

Our strategy reflects the reality of a more digital and mobile world against a traditional model where care and rehoming are provided at centres, fixed to and constrained by their location. It was in early 2020 that trustees concluded the Charity was not in a position to grow its impact without making significant changes. We agreed that difficult decisions needed to be made to move forward and so that is what we did.

By developing our fostering programme, introducing mobile collection services and enhancing the care provision at our biggest site in Godmanchester, Huntingdon, we can offer wider ranging care options. Enhancement of care included the decision to build a new 60-unit cattery, designed with high-end need cats in mind. This is due to be completed no later than June 2021. The belief that underpinned our approach was that by better channelling our resources, we would be able to increase the number of animals we could help.

For the reasons outlined above, the Charity took the very difficult decision to close its Wood Green Centre in London in March 2020, and is proposing to close its Heydon Centre in March 2021. Outwardly, it may seem contradictory that by closing centres you can increase your capacity to help, but our experience during COVID-19 has reinforced that it is possible to have a greater impact. Lockdown and non-essential travel would have created significant operational issues, but because we had already invested in developing our fostering programme, we were able to swiftly place over 200 animals into the capable hands of our devoted fosterers. Those animals that required the most dedicated care and attention stayed on our sites, and we continued taking in pets in the greatest need, such as strays.

COVID-19 arrived as we were beginning the implementation of our strategy. The change in direction we were planning directly contributed to how successfully we coped with the pandemic's impact on our work, and will continue to hold us in good stead through the turbulent times that lie ahead.

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Amongst all the numbers contained in this report, some of the most important are the financials. Given the current climate, their status and relevance will only become more pronounced over the next few years. Our new strategy is about increasing our impact by providing more support for people and pets with the same or less resource. We anticipate the need for Wood Green only increasing in the current environment and so the support of existing and new donors is going to be critical in helping meet this challenge, one of matching an increased need with significantly reduced income.

Whilst 2019/20 was a year of big decisions, 2020/21 will be one where demand on our services will be bigger than ever before. Recessions, particularly as deep as the one forecasted, can hugely impact on pets as much as people. The years ahead will present exceptional challenges to Wood Green. Nevertheless, we are backing ourselves not only to survive but thrive. With the continued dedication of our incredible staff and volunteers, along with the support of our wonderful supporters, we will always be there for pets in need.

Finally, I would like to end on paying tribute to our founder, Miss Louisa Snow and the teams who have worked at our former centre in London over the years. Wood Green, Lordship Lane, is where it all began in 1924. Louisa started something then that I hope she would be immensely proud of today. She had a vision to help homeless pets that has grown into something much bigger. Among the many milestones that demonstrate that growth is our recent foray into mainstream television on Channel 4's TV series The Dog House, which has captivated audiences of animal lovers across the world. We look forward to sharing more stories of how we bring pets and people closer together in the next series.



Dr Steven Carden
5 September 2020

We present our Trustee Report and Accounts for the 12 months to the end of March 2020

STRATEGIC REPORT

Who we are

Wood Green Animal Shelters have been successfully caring for pets in need since 1924. We care for any pet that needs us, whether they have been abandoned, neglected, are vulnerable or simply need a home. At the same time we guide people to find the right pet for them and encourage the best standards of pet care.

Our Vision

Our vision is for every pet to have a home where they are loved, well cared for and enjoy positive relationships with their owners.

Our Objects as stated in the Memorandum of Association are that Wood Green Animal Shelters exists to provide:

- the relief of need of pets through care and re-homing;
- the education of the public as to responsible ownership and care of pets.

Our Mission

Our mission is to care for vulnerable pets. We are committed to providing our pets with outstanding care and secure and loving homes and supporting pet owners and the wider community to build rewarding relationships with pets.

We do this through digital engagement and through our operations at three locations:

- Our rescue centre, veterinary surgery, kennels, cattery, small animal centre and fields outside Godmanchester near Huntingdon
- Our rescue centre in Wood Green, North London (closed 31 March 2020)
- Our rescue centre in Heydon, Cambridgeshire (to be closed in 2021)

In addition our community outreach team based at Godmanchester work extensively throughout the region working with schools and community groups to spread the responsible pet ownership message.

Our Strategy

In order to achieve our Mission the Trustees have agreed a strategy with the following goals:

- To ensure that pets and pet owners in need of our help are never turned away
- To provide high quality care for pets in need of our help
- To champion and increase responsible pet acquisition, ownership and relinquishment across the UK
- To build a robust and resilient organisation
- To be known and recognised for what we do and our impact

Achievements, Performance and Future Plans

Our Pet Services - A bold new vision that will improve the lives of many more pets

What we said we'd do:

For 96 years Wood Green has been providing shelter to abandoned, neglected or unwanted pets and then rehoming them. That's always going to be at the heart of what we do, but recent factors have given us a real opportunity to improve the services we offer and reach out to thousands more pets and their owners.

Our mission is to care for vulnerable pets. We are committed to providing our pets with outstanding care and secure loving homes and supporting pet owners and the wider community to build rewarding relationships with pets.

What we've achieved in 2019/20:

Helped 8,448 pets through our intake, outreach, behaviour, and rehoming services. This is an increase of 21% compared to last year.

How have we achieved this?

We have listened carefully to our customers and identified the support services that are most suited to the needs of their pet and situation. Through offering a range of outreach, behaviour, and financial support options alongside our established intake and rehoming services, we have been able to provide owners with the support and advice needed to keep much loved pets in homes. This year we increased the number supported by 957, resulting in us helping 4,179 pets in this way. Where it is in the best interest of the pet to come into the care of Wood Green we offer a caring and supportive intake service. 4,269 pets benefited from coming into the care of our teams in 2019/20, 690 of these were strays that had nowhere else to go.

How have we helped?

Our pet helpline team received over 50,000 pet related enquiries in 2019/20, the team triage these calls and emails into our pet services to ensure an efficient and effective response, resulting in an increase of 30% in the number of pets helped through our support services and maintaining previous levels in intake:

- Proactive outreach support including home visits and health and wellbeing checks, delivered using our bespoke community vehicle. The number of pets supported in this way rose from 674 during 2018/19 to 1,600 in 2019/20.
- 344 pet owners received financial support towards medical care costs for their sick or injured pets.
- 882 pet owners accessed our behaviour and training services, an increase of 26% compared to 2018/19. In 57% of these cases the owner had originally called us with the intention of giving up their pet but decided that, with the support received, they wanted to keep their pet.
- Streamlined processes and developed our Pet Profiling tool to support robust and quicker decision-making during our intake process. The process takes into account the

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pets' medical and behavioural needs to form quicker decisions about when we can bring a pet into our care and what care that pet will need on its individual journey.

- Engaged with 10,964 people through the delivery of targeted education and practical workshops across schools, community groups, and families. New digital educational resources for children and families have been released on our website to reach a wider audience and provide key educational messaging which will result in a positive impact on the lives of pets.

“The children have really enjoyed having the lovely, friendly staff from Wood Green in every week for this club. They have been taught in a fun, collaborative style that has helped them to understand some of the basics of animal welfare. The passports are so popular with the group – parents have told me that they enjoyed taking them home to show their families what they have been learning about each week at the club. The children have been talking about their learning in school with their peers, and also parents have told me about the knowledge and advice their children have shared with them at home. This is important learning for many of our children have pets at home and their families often have limited knowledge of the care needed.”

Testimonial received from a local primary school

Provided bespoke Care options for Wood Green pets, offering more ways to support those pets which needed to be rehomed:

- Expanded our models of care for pets in need. One of our plans for this year was to maximise our off-site care provisions to complement our on-site capacity. We're always striving to improve the way we work and learning from experience is key to making progress. Being flexible, accessible and available has proven successful with pet owners and potential fosterers. It's all about being more responsive to the need that exists. With that in mind, we have been exploring two off-site home care models; Foster Home Care (FHC) and Owner Home Care (OHC) in more depth than before. Both models are a different way of approaching fostering and home-to-home services. Looking at the barriers to fostering in Cambridgeshire, it became clear that the travelling distance to our centre – as well as the frequency required to collect supplies or see the vet - seemed restrictive to a number of potential fosterers. We needed to think differently and be more flexible.

Over 1,150 pets benefitted from care in a home environment with one of our fantastic fosterers.

In 2019/20 we developed a number of new service options to further ensure the pets entrusted to us receive the best care possible for their needs:

Recruited 20 new fosterers in Peterborough since November

- Introduced our first Regional Foster Home Care pilot via our Peterborough charity shop in November 2019. This provided a great base to meet and interview new fosterers across all species. By the end of the year we had 20 new fosterers accepted and ready to go, a great start! This initiative is demonstrating that with local vet partnerships, access to supplies, support and care advice, we can have a fostering base beyond our Cambridgeshire Centre and help pets that we couldn't help before.

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58 pets helped through our new 'Owner Home Care' scheme

- Introduced the Owner Home Care pilot. Whilst still in its infancy, it is also doing really well and enables pets to stay with their current owners at home, gain access to our specialist staff and services whilst we get them in the best place to find a new home. Since the project started, 40 dogs and 18 small pets have benefitted from this initiative, without having to spend a single day in our on-site care!

42 journeys to alleviate the burden on pet owners and our valuable fosterers.

- Introduced a new Pet Courier provision to add support of off-site pets. In the final quarter of the financial year completed 42 journeys to alleviate the burden on pet owners and our valuable fosterers. This will be significantly expanded in future years.

We've found loving new homes for 3,532 pets, including a 7% increase in the number of dogs rehomed, Guinea pig rehoming has increased by 48% whilst ferret rehoming has increased by 32% supported by the use of our mixing services.

- Launched and refined the 'pet seeker' digital matching tool and developed engagement touchpoints to provide an enriched customer experience for pet seekers. This has resulted in an increase in the number of pets placed in new homes and the success of the improved matching process is reflected in the significant reduction in the number of pets that are returned.
- Supported higher needs pets. This year we have seen an increase of 3% in cat rehoming, including finding 12 new loving homes for our more difficult to rehome cats that have FIV (Feline Immunodeficiency Virus is a viral infection of cats). This has been possible by providing tailored rehoming assessments for each individual alongside excellent matching to the right new homes.
- Tested a bespoke community engagement programme in an area of Huntingdon. By working closely with community groups and stakeholders, such as food banks, housing offices and people charities we were able to mobilise services of particular relevance to the needs of the pets and pet owners in the area. These targeted services helped us reach 129 of the pets and owners most in need of our support.

Striving to be even better

- Invested in our staff to provide higher levels of expertise in recognising any subtle changes in pet behaviour at the earliest opportunity and implement bespoke training plans, ensuring that we are meeting the needs of each individual pet at all times.
- Improved our infrastructure by continuing to invest in both our staff and our accommodation as we strive to become a Centre of Excellence. With the help of a supporter group and our Facilities team, we have improved key areas across our sites to ensure we maintain a high level of pet care, until our new facilities are built. This has included a refurbishment of our Godmanchester cattery, including new flooring and general repairs. We also replaced the gravel around our summerhouses with tyre substrate to minimise noise and so improve the welfare of our cats that need a little extra support.
- Strengthened our partnership with the RVC. We helped to mentor approximately 450 veterinary students during their shelter medicine rotation. This gives them great

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awareness of the vital veterinary work that Wood Green carries out in order to rehome the pets that come into our care.

- Utilised resources in the best way possible in order to free up our veterinary surgeons for specialised workloads. This has led to a reduction in veterinary consultations and a 15% increase in nurse interventions and other non-vet led procedures.

The impact of COVID-19

The desire to increase our fostering capacity, as part of Strategic Plan, was already in flight prior to COVID-19 and therefore we were able to quickly respond and support a decision to reduce the numbers of pets on our sites.

Over 200 pets fostered off site to relieve the pressure of staff caring for pets on sites and to free up capacity to take in urgent cases immediately.

3 times as many cats & dogs relinquished due to financial reasons this year compared to the previous year.

Before the COVID-19 crisis began, we had already seen a three-fold increase in the number of pets being relinquished as a result of financial difficulties.

When the government-enforced lockdown began, Wood Green quickly adapted to new, innovative ways of working. After an initial halt of intake and rehoming activity from 24th March, (except stray dogs and emergencies), the teams across Pet Services worked tirelessly to place as many pets into foster homes as possible and continue to support people who had already rehomed a pet from Wood Green.

However, as we were unable to work face-to-face or support visiting people who needed our services this demonstrated the need for us to be more flexible in the way we interacted with the pets and people who needed us.

By introducing digital initiatives sooner than anticipated, we've been able to provide vital distance-based services, offering individual veterinary advice for fostered pets and bespoke behaviour and training advice through video links, our website, and by phone.

We were also proud to supply and deliver pet food supplies to the British Red Cross, local food banks and individual pet owners in need – supplying 60 dogs and cats with food. We also provided an average of £90 per pet in financial support toward medical costs and free advice to people experiencing behavioural problems with their pets; two of which were dog bite cases that are believed to be caused by a change in routine, increased proximity to people within the home, and heightened anxiety during the Coronavirus pandemic.

'That is so generous of you and it made me cry! Thank you so much!! We are so so grateful. You've saved us and we can look forward to having a healthy dog. I will ensure to make a donation once I am working again. Thank you so much'

Email from a local pet owner who lost their job due to COVID-19 and has been struggling with vet bills.

Plans for the future

New insights into pet health coupled with new technology have paved the way for a revolutionary approach to care - one that will allow us to improve the lives of many more animals and achieve our goal of ensuring pets and owners in need are never turned away.

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A flagship part of the development of our Godmanchester Centre will be a brand-new cat facility which will allow us to increase the number of cats we can accommodate and significantly improve their quality of care. Each individual cat unit will be larger than present and certain units will have secure gardens to speed their rehabilitation and the cats will benefit from climate control, ventilation, and natural light, whilst their housing units will be configured so that they cannot see, smell or hear each other, (which can cause great distress to nervous or frightened pets).

With Godmanchester becoming a recognised centre of excellence in pet care and through the launch of a mobile pet collection service, we can ensure that our services are being made more accessible to all. To reach many more pets and owners who need us, we'll now be able to focus more resource on new pet care support, information and services through new channels. Digital technology has given us the opportunity to take our work – our knowledge, expertise and advice - out into the world, we've never been better placed to improve the lives of many more pets and support even more owners as they care for their pets.

As part of our review of how and where we deliver care for pets, we looked at the way the NHS works with treatment pathways for patients. That idea of a pathway is one we can adopt for pets and owners to ensure the pets get the best care for their needs at the right time and owners are able to get the support they need. Whether a pet comes to Wood Green for rehoming or whether we're supporting pet owners to hold on to and look after their pets, the pathway will bring all our services and support together for much greater effect.

The pathway starts with help choosing the right pet and continues through a pet's life, ensuring we provide the right support at the right time. This is critical if we're going to break the cycle of pets being abandoned, rehomed and then brought to us in desperation.

This innovative approach will bring together our existing rehoming and support services, from simple advice to hands-on guidance from one of our experts - or even financial support. The Charity offers a range of essential services that are now more vital than ever before that include assistance in the form of urgent supplies and financial aid when owners are in times of hardship.

Many people's lifestyles, finances and health have been impacted by COVID-19 and, as a direct result, more pets are now in need of support from Wood Green. Over the next year we will continue to reach out to key audiences and help more vulnerable pets.

Financial Review

Income

Total Income increased in the year to £15.0m (2019: £13.0m). This is partly explained by an increase in donations and legacy gifts of £270,000 and £707,000 respectively. In addition, charity shop income increased from £1.2m to £1.7m as our network of charity shops was further expanded. Exceptional income of £530,000 was received in the year in relation to the settlement of a longstanding legal dispute.

Income from charitable activities is largely from animal placement fees and this source of income saw a small increase of 14% to £301,000.

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Expenditure

Total expenditure increased by 4.2% to £15.8m (2019: £15.1m). This reflects our continued investment in activities to generate future income from donations and legacies with expenditure increasing to £5.5m in 2020 (2019: £4.8m). Other trading costs increased from £2.2m to £2.7m as a result of the increase in our network of charity shops. Expenditure on our charitable work was £7.4m (2019: £8.0m) as we continued to reshape the Charity in line with the new strategy.

During the year the trustees have made the decision to close the cattery operation at 601 Lordship Lane, London with effect from 1 April 2020. This decision will allow the Charity to reinvest £400,000 of operational expenditure into charitable activities carried out its other sites. Similarly, the trustees have made the decision, subject to consultation, to close the cattery and small animal operation at Heydon with effect from April 2021. This will free up a further £500,000 of expenditure to be reinvested in charitable operations.

To mitigate the impact of these closures, the Charity is building a class leading cattery at its Godmanchester site, which is expected to open in June 2021. In addition, a collection service has been launched for customers wishing to relinquish their cats in the area of London previously served by the London site.

The trustees also decided to end the hospitality operation on 31 March 2020 that was being conducted by Wood Green Enterprises Limited (WGEL). The operation had started to incur losses following a reduction in business and attempts to move to profitability failed. The activities carried out by WGEL are now limited to electricity generation and commission from pet insurance referrals.

Net position

Net income after investment losses shows a deficit of £1.1m (2019: deficit £1.1m), which is £1.2m better than the budgeted deficit of £2.3m. The deficits in recent years are the result of the deliberate decision to invest in fundraising initiatives designed to generate future income to fund the ambitious plans of the charity. Financial investment losses in the year were £381,000 (2019: gain of £1.0m) as a direct result of the financial markets initial reaction to the COVID-19 pandemic.

This year's result means that total year end funds reduced by 5% to £24.2m of which £1.1m were restricted (2019: £1.1m).

Fixed assets

Fixed assets are held in order to achieve the objects of the Charity. Movements in fixed assets during the year are set out in note 10 to the financial statements. There were no individually significant transactions during the year, although as already mentioned the cattery at 601 Lordship Lane, London has been closed. It has nil net book value for land and buildings and all equipment has been relocated. A decision on the future of the site will be made before March 2021.

In October 2017 Bidwells performed a desktop valuation of the Charity's freehold land and buildings on an 'existing use' basis. The valuations of our Godmanchester, London and Heydon centres are not being adopted by the Charity; the Council is of the opinion that the 'existing use' valuations of the sites do not give a true and fair reflection of their value to the Charity, and

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therefore their inclusion at depreciated historic cost is considered a more appropriate basis, as stated in note 10 to the accounts.

Investments

The Charity held listed investments totalling £16.4m (including working capital) at the end of the year (2019: £18.3m). The investments are split between a growth portfolio and a project portfolio. The project portfolio invests in low risk assets as it exists to meet the short-term requirement to draw down on reserves to fund large capital projects. The growth portfolio is long term in nature and is held to generate both income and capital growth. The portfolio is managed by Charles Stanley on our behalf on a discretionary basis, subject to a risk profile and asset allocation agreed by the Trustees. JTFM Investment Consulting continue to act as our independent investment advisers reviewing the performance of our investment managers.

Performance of the growth portfolio is measured against the MSCI Private Investor Balanced Total Return Index. This benchmark for the asset allocation has been consistently exceeded by our investment managers over the past five years. During 2019/20 the benchmark total return was negative 7.9% and the portfolio saw growth of 0.7%. Our investment policy targets a rolling five year return of inflation (as measured by CPI) plus 3%. As at March 2020, the five year return on the growth portfolio was 38.5% against the target of 26.4%.

As at 31 March the total portfolio was split as follows:

	2020	2019
	£000	£000
Listed equity investments	6,985	9,053
Fixed and variable interest bonds and gilts	7,491	8,337
Other	378	593
Cash	1,533	268
Total listed investments	16,387	18,251

With effect from 2018 we have implemented our ethical investment policy which states that we do not invest, directly or indirectly, in companies that carry out animal testing for non-medical purposes or are involved in any aspect of the fur trade.

Reserves

As a Charity we rely on a number of income streams including donations, legacy gifts, trading profits and investment income and gains. Legacy gifts and investment income and gains in particular are subject to large in-year fluctuations. However, there will always be animals in need of our rehoming services and people who need our advice and education services and as a Charity we are committed to providing a comprehensive ongoing service offering. In order to do this we need to maintain a level of reserves should there be a short term fall in income or an exceptional rise in costs.

The trustees have set a policy that requires 6-9 months' of budgeted expenditure in free reserves. Free reserves are deemed to be the funds remaining after accounting for designated funds (including the fixed asset fund: £5.7m) and the revaluation reserves (£1.5m) – see note 16 to the accounts. As at 31 March 2020 the level of free reserves stood at £14.4m (2019: £10.3m) and represent 10.2 months' of 2021 budgeted expenditure. Free reserves will be

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brought into line with the target in 2021 as we maintain activity levels whilst addressing income shortfalls following the impact of the COVID-19 pandemic.

During the previous year, we received two large restricted donations that are detailed in note 16. A legacy contribution from Ms Snowden for £872,000 is being held as a restricted contribution towards our planned new cattery. An in-memory contribution from Ms Larratt for £250,000 is restricted to activities related to care for cats that is to be spent over a three year period. The total amount held in restricted reserves at 31 March 2020 was £1.1m (2019; £1.1m).

The Trustees have decided to release £4m of the designated infrastructure reserve until there are clear plans on the utilisation of the reserve. The remaining £1m will be used to fund part of the costs of the new cattery along with the legacy from Ms Snowden and a fundraising campaign. The cattery is due for completion in 2021. The designated infrastructure reserve will be reviewed annually.

The remaining designated fund of £551,000 is to cover one-off strategic project costs that will be incurred in the next financial year. This fund was established in 2018 and will be closed in 2021.

Going Concern Considerations – The Financial Impact of COVID-19

The trustees have reviewed the impact of COVID-19 on the ability of the Charity to continue to operate and are confident that existing reserves will be sufficient to cover the short-term financial effect of the pandemic. The initial focus of response was on ensuring sufficient cash was available to meet immediate liabilities given that the charity shop network was forced to close. The retail grants provided immediate support of £350,000 and the Charity has taken advantage of the furlough grant scheme for employees not required to work. In addition, the charity has circa £17.9m in quoted investments as at 31 July 2020 that can be liquidated immediately. To date, no drawdown from the investment portfolio has been required. The Charity does not intend to make use of any of the government backed coronavirus loan schemes.

Early forecasts of the financial impact showed a possible net loss impact of £1.4m as a result of the pandemic, mostly due to the closure of charity shops, but also the expected delays in receiving legacy gifts. However, since shops have been allowed to open a lot earlier than initially thought, the impact may be lower depending on how quickly the performance can be brought back to pre-COVID-19 levels. Legacy income is also holding up well, although the pipeline is lower than expected. Whilst face-to-face fundraising was initially put on hold, it has now restarted and other fundraising campaigns are actually performing better than expected and better than previous years. Donor recruitment through television advertising has been highly cost effective during the pandemic.

Before the pandemic, it was planned to sell the London site that had been closed, but these plans are on hold until the property market is more receptive to a marketing campaign.

The value of our fixed assets has also been reviewed, but given that our operations are fully functional there is no reason to reduce the carrying value or remaining life of any individual asset or category of assets. Similarly, due to the nature of its activities the Charity holds no current assets or liabilities that will be affected by the pandemic.

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Whilst the pandemic has resulted in a short term financial shock, it has also resulted in an accelerated move to a digital-first approach, which was always part of the organisational strategy.

Given the financial impact of COVID-19 on income and expenditure, investment performance, and the delayed disposal of the London site, a worst case forecast is that free reserves will reduce to circa £8.7m at 31 March 2021. This represents about 7 months' of budgeted expenditure, which is still in line with the reserves target of 6-9 months. Total reserves would reduce to around £19m on the same date.

Notwithstanding the terrible personal impact on many from the pandemic, Wood Green has emerged in a better place and does not expect to suffer any long term financial effects that would hinder implementation of its strategy.

Principal risks and uncertainties

The trustee body (Council) is responsible for ensuring that effective risk management and internal control systems are in place to manage the Charity's exposure to major risks including fraud and other irregularities. We operate a risk management framework designed to mitigate, though not to eliminate, major risks and to provide reasonable, though not absolute, assurance against material errors or loss.

The current COVID-19 pandemic provided an opportunity for the Charity to test its approach to risk management at all levels and has been judged to be successful. Staff that weren't furloughed were all able to operate from home due to effective IT systems and the Charity has been able to offer all of its pre-COVID-19 charitable services, subject to government restrictions. All workplaces have been risk-assessed to be COVID-19 secure in accordance with the relevant contemporary guidance. However, the pandemic has resulted in two key Raising Funds risks to be increased to a high net impact level.

The Charity has a comprehensive annual business planning and budgeting process. This process and the annual budget is approved by Council. Performance is then monitored and reported on during the year in reports to the Finance and Risk Committee and Council. Major public, employer and property liabilities are fully insured. The Charity has risk management policies in place to identify risks arising from the external environment and from existing operations.

Risks are assessed according to the potential impact on the Charity and their likelihood of occurrence. Controls are in place, or are being developed and enhanced to manage these risks. A complete strategic review was carried out during the year that identified key risks and opportunities for the Charity and the new Strategic Plan is designed to mitigate these risks and exploit the opportunities.

The principal risks facing the Charity's objectives are summarised below along with the main mitigating actions in place.

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Principal Risks	Risk Management
<p>Raising Funds Serious economic downturn that results in a sustained reduction in cash and regular donations. (HIGH)</p> <p>Legacy income falls below budgeted levels and leads to the inability of the charity to implement its strategy. (HIGH)</p>	<p>Diverse fundraising base with investment to grow multiple channels. Strategy based on recruiting regular givers to improve sustainability of income. Significant investment and activity to drive legacy marketing.</p> <p>Regular monitoring of current performance, pipeline, and general legacy trends. Active marketing to prospective legators through increased activity and better use of data. Keeping products, such as pet promise, refreshed. Ability to switch resources to other fundraising channels.</p>
<p>Reputation Theft of customer and/or supporter data. The consequences could include reputational damage, inability to contact supporters/customers, and inability to process direct debits. (HIGH)</p> <p>An allegation, true or false, against Wood Green or the sector leads to reputational damage to the charity. (MEDIUM)</p> <p>Serious safeguarding issue affecting a customer or supporter resulting from action by a Wood Green employee or volunteer leads to reputational damage to the charity. (MEDIUM)</p> <p>Serious animal welfare incident leads to reputational damage to the charity. (MEDIUM)</p>	<p>Data is stored, accessed, and transferred securely and in line with the requirements of GDPR (General Data Protection Regulations 2018).</p> <p>Staff briefed to report potential issues to line manager and/or Communications team. Communications team provide reactionary response. Communications team use media (social and print) monitoring agency and You Gov to monitor reputation, both instantaneously and over time.</p> <p>Fundraising vulnerable persons policy applies to all fundraising activities, whether carried out by internal or external persons. Public Interest Disclosure Procedure in the staff handbook for reporting. Mental health training to spot safeguarding issues internally and externally. Lone worker policies and procedures. Customers and supporters can access our complaints process to report concerns.</p> <p>Animals brought into the charity are carefully assessed and managed throughout their time with Wood Green. A thorough matching process ensures animals are only rehomed to suitable families.</p>
<p>Business Interruption Regional or national (human or animal) disease outbreak leads to extensive closure of the site and hence our ability to take in new animals and rehome those in our care. (MEDIUM)</p> <p>Physical, digital, or IT infrastructure is damaged so as to become unavailable in the short term. (LOW)</p>	<p>Business Continuity Plans and Incident Management processes are well established and have been fully tested. Many staff are able to work from home as all systems are cloud-based or accessible remotely; healthy animals can be housed with fosterers (including staff working from home); the majority of the animal rehoming and relinquishment journey can be carried out remotely. Incident plans recognise importance of ability to isolate sections or areas.</p> <p>Business continuity planning is in place including a comprehensive IT disaster recovery plan.</p>

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Principal Risks	Risk Management
Financial Serious financial fraud is carried out against the charity. (MEDIUM)	Procurement procedures; dual payment authorisation; rigorous bank detail change controls; strong internet banking security; CPD on cyber threats; segregation of duties; and regular reconciliations. Cyber crime insurance is in place that offers expert advice and financial compensation in the case of loss.

People

Our people are at the heart of Wood Green's success and continual improvement. We employ 143 full time equivalent staff to deliver our charitable services; they are focussed on the provision of care for our pets and delivering a wide range of pet related services to our customers. We employ a total of 66 staff in our fundraising teams and charity shops, which is essential if we are to grow our future income. There are a further 48 staff in support service roles that, amongst other things, makes sure our sites are well maintained, safe, and secure.

Alongside our staff we have a wonderful group of dedicated and hardworking volunteers who support our work in a variety of ways. Our volunteers help us with dog walking and other aspects of animal care, assist with reception work, cleaning, site maintenance and running our charity shops.

During the year we carried out a staff engagement survey for the first time in many years to identify the positive and negative feelings of our employees. We used an externally moderated tool and the response rate was 71%. The survey revealed that almost 90% of employees felt proud working for Wood Green (89%) and enjoyed working with their teams (89%). A significant majority were happy with their remuneration (58%) and felt they had a good work/life balance (60%). Nevertheless, we have also listened to concerns and have put in place action plans at an organisational level and at team level.

Fundraising and Our Supporters

The generosity of our supporters is amazing, whether responding in record numbers to our appeals, participating in our events or their own, or working with their colleagues in companies across the UK to raise vital funds for the work we do. What unites our supporters is a clear desire to support pets and pet owners who are vulnerable or who need our help. With their support we have been able to raise £10.8m, up from £9.8m for the previous year, with more than 30,000 people choosing to provide support in one-off or regular gifts, fundraising with their friends, gifts and services in kind or leaving a legacy to Wood Green in their Will.

We continue to develop a broad fundraising programme, ensuring we provide our supporters with a range of ways to aid our cause, increasing the amount we can raise and ensuring we reduce reliance on one income stream or another. We also seek to build sustainability within our income generation activities, recruiting regular givers where we can, developing volunteer-led fundraising groups to raise money on our behalf, and building partnerships with organisations who share our commitment to support pets and pet owners.

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With the development of our new organisational strategy for 2020 to 2025, we will be transforming the way we work and innovating to develop new services to meet the changing needs of pets and pet owners. If we are to fund these new services and to ensure we extend our reach to all who need us, we will need to continue to grow our fundraising income significantly.

This means continuing to invest in growing our fundraising programme and means that in 2019/20 we invested £5.5m in raising funds, up from £4.8m in the previous year. We carefully monitor the performance of this investment and are pleased to report that we are seeing a strong and positive return; our individual giving programme now has 22,268 regular givers (up from 17,999 in the previous year) and net income from the programme is now increasing rapidly.

We continue to broaden the opportunities we provide to potential supporters and the last year saw us mature and grow our TV and digital fundraising. We expanded our sponsorship offering to give people the opportunity to support specific areas of our work, and we developed new products for individuals and groups to mobilise and fundraise for us in a fun and engaging way. Next year will see the development of a class leading new cattery at our King's Bush Farm site. This offers the opportunity to build and develop a high-value giving programme and preparations for this are well under way.

We are continuously focussed on developing our stewardship and communications to supporters to keep them connected with the work they make possible; we want our donors to be part of our mission, not just funders, and we will continue to work on involving our supporters with the work delivered by our pet services colleagues.

Of particular highlight, an incredible £7.2m was raised from gifts in wills and we are humbled and grateful for the generosity of those individuals who have chosen to remember us in this way and who choose to have such an enduring legacy on the lives of many thousands of pets and their owners. We understand that these gifts are carefully considered and personal acts of generosity and we take our responsibility very seriously to ensure they are spent wisely.

Our charity shops

Over the last year we opened new shops in Bicester, Cambridge, Daventry, Kempston and Thetford. We now have 19 shops that generated gross income of £1.7m in the year and we have made significant advances to the support and management of our charity shops. With a strong central management team in place, we have been able to make important improvements to the management of stock across our shops, the recruitment of volunteers upon whom we depend, and of course to our financial performance.

We did face a number of challenges over the year, including poor weather at the start of 2020 and of course the advent of COVID-19 in March. All of these affected our year end results, but we are confident that our strategy remains robust and will ensure that our shops play an important role not only raising vital funds but extending the reach and profile of our organisation and connecting with people who need our services and support.

We carried out a review of the retail strategy that confirmed our intention to expand to 32 shops over the next few years. The impact of COVID-19 has been carefully assessed and while there is much uncertainty as to the lasting effect of the pandemic, we believe the case for increasing

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our number of shops is strong and that there will be opportunities, particularly for new sites and a renewed willingness and interest in volunteering locally.

The development of pet services activities within our shops has been rather more measured as we seek to ensure alignment with the new organisational strategy and the support services we need to develop and provide. However, we have seen particular success in our fosterer recruitment trial operating out of our Peterborough shop and have important insight into how our shops can support the work in pet services. We continue to see a role for our retail sites in promoting the organisation and the help we provide to pets and pet owners and look forward to developing this offering over the years to come.

Our charity shop activity is entirely dependent on our team of over 500 volunteers – we simply could not do this without them and they have our sincere gratitude for the work they do every day. Whether sorting donated goods, working on the tills or helping customers in our shops they are an integral part of our success and they reflect the very best elements of our organisation and supporters.

How we raise money

Wood Green relies almost entirely on voluntary donations in addition to the sales from our charity shops. This means we do have to ask for money from both existing and potential new supporters. We are committed to doing so responsibly and respectfully and in accordance with our fundraising promise (full version available online):

- We are committed to high standards
- We are honest and open
- We are clear
- We are respectful

Our Council of Trustees and Senior Leadership Team regularly review our income generation activities and we continue to be proud members of the Institute of Fundraising and the Fundraising Regulator.

We work with carefully chosen external agencies to support the development and delivery of our fundraising. As well as bringing unique skills and insight, they enable us to increase our reach in a cost effective way, flex our geographical presence and to manage risk. This includes the use of face-to-face fundraising agencies recruiting supporters for us at events or private sites.

All agencies must conduct themselves in a respectful manner and in accordance with our standards and sector regulations such as the Fundraising Codes of Practice. We conduct regular reviews of complaints and other feedback, alongside regular audits, mystery shopping and training of agency fundraisers.

We also have careful safeguards for people who may be in vulnerable circumstances where we take appropriate steps to protect them from fundraising approaches, including stopping communications and appeals.

In 2019/20 we received 129 complaints (up from 73 in the previous year). The majority of these continue to be from face-to-face fundraising and reflects the fact that this activity grew significantly over the course of the year. However, every complaint is considered individually

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with investigations, feedback and changes to our policies and standards where required. While any complaint or expression of dissatisfaction is regrettable, we view them as vitally important acts of feedback to shape both the delivery and strategy of our fundraising.

The Impact of COVID-19

The financial year ended just as the potential impact of COVID-19 was becoming clear. The last weeks of the year and much of the activity to date has seen us moving quickly to understand the implications for Wood Green and our income generation activities, and to respond by adapting plans for the months and years ahead.

As with most of our peers in the sector, the short-term financial impact is likely to be considerable and potentially in the region of a 20% drop in income against previous forecasts. There will also be a lasting impact as the planned growth in our fundraising and charity shop activities are delayed.

Nonetheless, we remain optimistic about the future, in part because of our achievements in diversifying and investing in new income streams in recent years. While certain areas such as supporter and volunteer led fundraising are particularly affected, we have a profitable and growing direct marketing programme and are developing alternative ways to harness our grass roots support. What is particularly comforting is that we have already seen that both current and new supporters recognise the challenge ahead for organisations such as ourselves and we have seen an up swell of support.

More than ever we will need to be agile and fleet-of-foot, adjusting quickly to a rapidly changing world and public needs and expectations. We anticipate significant changes in the mix of fundraising activities that are undertaken, but after careful review, the broad principles of our strategy remain unchanged. It is clearer than ever that the need for support for pets and pet owners will become greater because of the pandemic and the challenge of funding these services ever more acute. We will continue to invest in growing our fundraising and particularly with regard to leveraging digital channels to foster engagement and support.

This is the end of the Strategic Report.

GOVERNANCE

Legal structure

Wood Green Animal Shelters is a charitable company limited by guarantee. The Articles of Association set out the Charity's objects and powers and is its Governing Document. The Charity is governed by its Council of Management which consists of the Trustees as stated below and meets regularly throughout the year. As elected members the Trustees are subject to fixed terms of office. Decisions are taken by majority vote.

The Charity has a 100% interest in its trading subsidiary, Wood Green Enterprises Limited, which runs non-charitable trading operations including hospitality, new goods retail sales and wind turbine electricity generation. Profits of the subsidiary are gifted to the Charity in accordance with a deed of covenant.

As at 31 March 2020, the Council had the following committees which met during the year to advise on specific aspects of Wood Green operations:

Animal Welfare – which reviews animal welfare and education policies and projects and supports their implementation.

Finance and Risk – which oversees all financial aspects of the Charity including reviewing budgets, performance against budget, risk management, trustee report and accounts as well as setting and reviewing investment policy and performance.

Remuneration – which oversees the remuneration policy of the Charity and recommends major changes to employee remuneration and benefits to Council.

Appointment and induction of Trustees

Trustee recruitment and appointment takes place through a Trustee Search Committee that meets as required. This committee identifies the skills and experience likely to be of value to the Charity and finds people with such skills who may wish to become Trustees or serve as a Director of the Charity's trading subsidiary. An induction programme is offered to all new Trustees and further updates and training are provided as required. This includes visits to Wood Green operations, meetings with the Chief Executive, members of the Senior Leadership Team and other senior managers as appropriate.

Governance Code

The Trustees are aware of the seven principles of the Charity Governance Code and ensure that these are followed. Recent activities that demonstrate adherence to the code include a rewriting of the Articles of Association to review Trustee appointment terms and charitable objects, recruitment of Trustees with specific skill sets, as well as a complete refresh of the organisational strategy. Trustees are kept up to date with governance developments by the management and plans are in process to focus on Board Effectiveness in the next year.

Public Benefit

Charity trustees have a duty to ensure that the Charity's work meets public benefit requirements and to report on this in their Annual Report. The many activities undertaken by Wood Green are summarised in this report and trustees have given careful consideration to the Charity Commission guidance on public benefit in their decision making.

We believe that our work provides considerable public benefit by:

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- Rescuing at risk pets and placing them in loving homes for life
- Educating and enabling the public to better care for animals
- Ensuring that we fully comply with the Animal Welfare Act for pets in our care
- Offering volunteering opportunities for those who wish to support our work

Our work in supporting pets in need through care and re-homing and the education of the public as to responsible ownership and care of pets provides a benefit to society as a whole and support to people who are particularly concerned for pet welfare as well as improving the lives of the animals we rescue.

Remuneration

The talents of our staff and committed volunteers are vital in providing the high-quality work that we deliver in the communities in which we operate. Wood Green is a complex organisation and it is essential that we attract and retain people with the right skills, talents and insight, so that we can run the Charity as efficiently and effectively as possible.

With this in mind we review our salaries annually and seek to offer suitably competitive levels of reward and appropriate recognition for all our staff. Remuneration levels are based on a job evaluation system that aims to deliver a fair and comparative process in determining all job levels and pay bands. The pay and benefits of our Chief Executive and Senior Leadership Team are set to attract the best possible talent and, like all our positions are also benchmarked against similar jobs in other charities and relevant organisations.

Policies and decision making

The Council, assisted by the Chief Executive and the Senior Leadership Team, is responsible for formulating the strategy and policies of the Charity as a whole, including the approval of budgets and exercising financial control through regular financial reporting. The Council acts on advice and information from regular meetings with its professional advisors as required. The Council retains a number of professional advisors in conjunction with the operation of the Charity. The advisors currently appointed are listed in this report.

The Council continually monitors the Charity's performance throughout the year including measurement against key performance indicators.

Reference and Administrative Details

Company details

Wood Green Animal Shelters is a company limited by guarantee, registered company no. 02073930, registered Charity no. 298348.

The registered office is at:

King's Bush Farm, London Road, Godmanchester, Cambridgeshire, PE29 2NH.

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President

Vacant

Vice Presidents

Dennis Baker OBE

Peter Burton OBE

Dr Peter Jackson MA BVM&S DVM&S FRCVS

Myriam Warburton

Celia Waldron

Shirley Knowles OBE (resigned 31 October 2019)

Council of Management (Trustees)	A	F	R
Dr Steven Carden <i>Chair</i>		✓	✓
Colin Alder		✓	✓
Angela Au MA (Cantab) FCA		✓	✓
Duncan Canney BSc Civ Eng FCA		✓	
John Cousins BSc <i>Treasurer</i>		✓	✓
Pamela Gee	✓		
Dr Jo Lawton BSc MSc PhD	✓		Resigned 5 August 2020
Janet South BA FIoF		✓	✓
Jonathan Younger BA DipISP DipIDM			
Joanne Day ACMA FCIPD			Resigned 10 February 2020
Lynn Povey	✓		

A - member of Animal Welfare Advisory Group

F - member of Finance and Risk Committee

R - member of Remuneration Committee

Executive

Council delegates policy implementation to the Chief Executive who manages Wood Green through the Senior Leadership Team based in Godmanchester:

Clive Byles	Chief Executive	
Ian Briggs	Director of Corporate Services	
Linda Cantle	Director of Animal Services	
Vanessa Cunningham	Director of Animal Services	
Mandy Jones	Interim Director of Human Resources	Resigned 4 April 2019

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Justin Morris Director of Marketing and Digital Engagement
Rohan Putter Director of Income and Innovation Appointed 1 April 2019

Principal professional advisors

External Auditors	Crowe U.K. LLP St Brides House, 10 Salisbury Square, London, EC4Y 8EH
Investment Managers	Charles Stanley 55 Bishopsgate, London, EC2N 3AS
Investment Advisers	JT Financial Management Spaces Station View, Austen House, Guildford, GU1 4AR
Bankers	NatWest 92 High Street, Huntingdon, PE29 3DT
Solicitors	Hewitsons Shakespeare House, 42 Newmarket Rd, Cambridge CB5 8EP

Trustee responsibility statement

The Trustees (who are also directors of Wood Green Animal Shelters for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102.

Company and Charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable 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 charities SORP 2015 (FRS 102)
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate and proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware there is no relevant audit information of which the Charity's auditor is unaware. The trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditors

Crowe U.K. LLP were appointed by the Trustees as the Charity's auditors on 7 December 2017.

The Trustees' Report and Strategic Report were approved by the Trustees in their capacity as Directors of the company on 5 September 2020 and are signed on their behalf by



Dr Steven Carden, Chairman

Independent auditors' report to the members of Wood Green Animal Shelters

Opinion

We have audited the financial statements of Wood Green Animal Shelters for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account), the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group's and the charitable company's affairs as at 31 March 2020 and of the group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information

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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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the trustees' report.

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

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, 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 group's or 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

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trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

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.

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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

25 September 2020

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Income					
Donations and legacies	2	10,581	213	10,794	9,817
Charitable activities	3	301	-	301	263
Other trading activities	4	2,768	-	2,768	2,293
Investment income	5	629	-	629	608
Other income	6	531	-	531	-
Total income		14,810	213	15,023	12,981
Expenditure					
<i>Raising funds:</i>					
Donations and legacies		(5,519)	-	(5,519)	(4,782)
Other trading activities		(2,721)	-	(2,721)	(2,227)
Investment management fees		(90)	-	(90)	(97)
<i>Charitable activities:</i>					
Animal rehoming and care services		(4,938)	(184)	(5,122)	(5,887)
Education and awareness		(2,293)	(28)	(2,321)	(2,100)
Other expenditure		-	-	-	(11)
Total expenditure	7	(15,561)	(212)	(15,773)	(15,104)
Net gain/(loss) on investments	12	(381)	-	(381)	1,049
Net gain on investment properties		-	-	-	-
Net gain/(loss) on foreign currency		(2)	-	(2)	-
Net Income / (expenditure)		(1,134)	1	(1,133)	(1,074)
Transfers		6	(6)	-	-
NET MOVEMENT IN FUNDS		(1,128)	(5)	(1,133)	(1,074)
Reconciliation of funds					
Total funds at 1 April	16	24,264	1,074	25,338	26,412
TOTAL FUNDS AT 31 MARCH	16	23,136	1,069	24,205	25,338

All activities relate to continuing operations. There were no other recognised gains or losses other than those stated above.

The notes on pages 31 to 51 form part of these financial statements.

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BALANCE SHEET AS AT 31 MARCH 2020 COMPANY REGISTERED NUMBER: 02073930

		Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
	Note				
Fixed assets					
Tangible assets	10	5,732	6,152	5,728	6,144
Investment Property	11	460	460	460	460
Investments	12	16,387	18,251	16,392	18,256
Total fixed assets		22,579	24,863	22,580	24,860
Current assets					
Stocks	13	26	11	26	2
Debtors	14	1,208	1,047	1,299	1,297
Cash at bank and in hand		1,164	625	1,050	354
Total current assets		2,398	1,683	2,375	1,653
Creditors: amounts due within one year	15	(625)	(1,115)	(616)	(1,097)
Net current assets		1,773	568	1,759	556
Total assets less current liabilities		24,352	25,431	24,339	25,416
Creditors: amounts due after more than one year	15	(147)	(93)	(147)	(94)
NET ASSETS		24,205	25,338	24,192	25,322
The funds of the charity					
Restricted funds	16	1,069	1,074	1,069	1,074
Designated funds	16	7,283	12,152	7,283	12,152
Revaluation reserve	16	1,465	1,848	1,465	1,848
General funds	16	14,388	10,264	14,375	10,248
NET ASSETS		24,205	25,338	24,192	25,322

The financial statements were approved by the Council of Management on 5 September 2020 and were signed on its behalf by:



Dr Steven Carden, Chairman



Mr J M Cousins, Treasurer

The notes on pages 31 to 51 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash used in operating activities	18	<u>(1,323)</u>	<u>(1,239)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		629	608
Purchase of property, plant and equipment		(253)	(380)
Proceeds from sale of property, plant and equipment		5	374
Proceeds from sale of investments		5,116	12,222
Movement in investment cash		(1,263)	383
Purchase of investments		<u>(2,370)</u>	<u>(12,603)</u>
Net cash provided by / (used in) investing activities		<u>1,864</u>	<u>604</u>
Change in cash and cash equivalents in the reporting period		<u>541</u>	<u>(635)</u>
Cash and cash equivalents at the beginning of the reporting period		625	1,260
Change in cash due to exchange rate movements		(2)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		<u><u>1,164</u></u>	<u><u>625</u></u>

The notes on pages 31 to 51 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting Policies

1.1 Basis of preparation and consolidation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

1.2 Group financial statements and consolidation

The Charity 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 notes.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking, Wood Green Enterprises Limited. The results of the subsidiary are consolidated on a line by line basis. No separate SOFA or cashflow statement has been presented for the parent charity alone as permitted by section 408 of the Companies Act 2006. All entities prepared financial statements to 31st March 2020.

1.3 Going concern

The charity's activities, together with factors likely to affect its future development, performance and financial position and commentary on its financial results and its cashflows, are set out in the Trustees' report on pages 5 to 24 and elsewhere in the financial statements. The Trustees have concluded that no matters have come to their attention that would prevent the charity from being able to maintain its current charitable activities and trade with customers and suppliers and they therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis.

1.4 Legal status of the charity

Wood Green Animal Shelters is a company limited by guarantee (registered number 02073930), which is a public benefit entity and registered as a charity in England and Wales (charity number 298348) and domiciled in the UK. The members of the company are the Trustees named on page 22. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The registered office is King's Bush Farm, London Road, Godmanchester, Huntingdon, PE29 2NH.

1.5 Fund accounting

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

Designated funds are 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 Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

1.6 Income

Income is recognised when: i) the charity has entitlement to the funds; ii) any performance conditions attached to the items of income have been met; iii) it is probable that the income will be received; and iv) the amount can be measured reliably.

Donations

Donations are accounted for as received. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred until either those conditions are met in full, or their fulfilment is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued income in debtors.

Donated goods

Donated Goods are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102) volunteer time is not recognised; refer to the Trustees' report for more information about their contribution. On receipt, donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised in expenditure when the service is utilised or the gift distributed.

Legacies

Wood Green recognises residuary legacy income at the earlier date of receipt of when the executors have determined that a payment can be made following the agreement of the estate's accounts, or on notification by the executors that payment will be made. Pecuniary legacy income is recognised on receipt unless it is considered material (greater than 1% of total Wood Green income) and there is non-contentious evidence of entitlement, value and probability of receipt, whereupon it is recognised in the same way

as residuary legacy income. Life interest legacy income is recognised at the date of death of the life interest provided the receipt and value criteria are met.

Trading activities

Income from trading activities includes income earned from activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Income received in advance for a future event is deferred until the criteria for income recognition has been met.

Interest and dividends

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised on ex-dividend dates when the charity has unconditional entitlement to the distribution. Income accrued and not received on these securities at 31 March is included in the market value of the investments held.

1.7 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Input VAT incurred which cannot be reclaimed is included as a cost.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Costs of raising funds includes fees and charges for the management of the investment portfolio, fundraising costs and costs associated with trading activities.

1.8 Tangible fixed assets and depreciation

Fixed assets are included at depreciated historical cost. Individual fixed assets costing £1,000 or more are capitalised at cost.

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

- i) Freehold property – 2.5 to 4% per annum on a straight line basis;
- ii) Motor vehicles - 25% per annum on a straight line basis;
- iii) Wind turbine – 5% per annum on a straight line basis;
- iv) Fixtures & fittings – 10 to 20% per annum on a straight line basis; and
- v) Computer equipment - 33% per annum on a straight line basis.

Assets are reviewed for any indications of impairment at each balance sheet date. Assets under the course of construction are capitalised on practical completion.

1.9 Investments

Investments in subsidiaries are measured at cost less provision for impairment, if applicable.

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the mid-market quoted price (the difference between mid-market and bid price is deemed not to be material). The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.10 Investment properties

In accordance with FRS 102 investment properties are revalued. Revaluations are undertaken periodically based on open market values. These are revised in subsequent years by reference to published indices or comparative evidence and assessment of the circumstances of each property.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the amounts receivable at the balance sheet date.

1.13 Cash at bank and In hand

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

1.14 Creditors

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

1.15 Financial instruments

The Charity has financial assets and financial liabilities only of a kind that qualify as basic financial instruments. The treatment of these instruments is described in the accounting policies above.

1.16 Pensions

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

1.17 Operating leases

The Charity classifies its leases of equipment as operating leases: the title to the equipment remains with the lessor, and the lease term is typically five years whilst the economic life of such equipment is in excess of this. The Charity also leases a number of premises from which it operates charity thrift stores; these are also considered operating leases with a term of three to five years. Rental charges are charged on a straight line basis over the term of the lease.

1.18 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Wood Green Enterprises Limited makes qualifying donations of all taxable profits to the charity at the discretion of the directors. No corporation tax liability arises in the accounts.

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2. Donations and legacies

	Unrestricted	Restricted	Total funds	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total funds</i>
	2020	2020	2020	<i>2019</i>	<i>2019</i>	<i>2019</i>
	£'000	£'000	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Donations	3,444	172	3,616	3,084	262	3,346
Legacies	7,137	41	7,178	5,600	871	6,471
	10,581	213	10,794	<i>8,684</i>	<i>1,133</i>	<i>9,817</i>

In addition to the legacy income recognised in the SOFA the charity has been notified of 78 residuary legacies (2019: 104) with a total estimated value of £3,703,000 (2019: £5,883,000). These legacies do not satisfy the criteria to recognise the income during the year. They are therefore disclosed as a contingent asset.

3. Income from charitable activities

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Income from animal placements	266	252
Clinic and other services	35	11
	301	<i>263</i>

All income from charitable activities received in 2020 and 2019 are unrestricted funds.

4. Income from other trading activities

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Charity shops	1,703	1,208
Retail operations	-	20
Other commercial trading	768	925
Fundraising events, raffles, and other income	297	140
	2,768	<i>2,293</i>

All trading income received in 2020 and 2019 are unrestricted funds.

5. Investment income

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Investment properties	24	24
Listed investments	604	582
Interest received	1	2
	629	<i>608</i>

All investment income received in 2020 and 2019 are unrestricted funds.

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6. Other income

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Profit on disposal of fixed assets	1	-
Settlement of HPN Insurance Claim	<u>530</u>	<u>-</u>
	<u>531</u>	<u>-</u>

All other income received in 2020 are unrestricted funds.

7. Expenditure by charitable activity

CURRENT YEAR	RAISING FUNDS			CHARITABLE ACTIVITIES		Total expenditure £'000
	Donations and legacies £'000	Other trading activities £'000	Investment management fees £'000	Animal Rehoming & Care Services £'000	Education, awareness and publicity £'000	
Direct Costs	5,133	2,146	90	3,462	1,892	12,723
<u>Allocated support costs</u>						
Management	93	138	-	399	103	733
Finance	38	56	-	164	42	300
IT & communication	28	42	-	121	31	222
HR	67	100	-	289	75	531
Volunteer management	1	2	-	5	1	9
Facilities & office costs	157	233	-	672	174	1,236
Governance	2	4	-	10	3	19
Total cost	5,519	2,721	90	5,122	2,321	15,773
<i>PRIOR YEAR</i>						
<i>Direct Costs</i>	4,469	1,745	97	4,254	1,456	12,021
<u>Allocated support costs</u>						
<i>Management</i>	68	104	-	351	138	661
<i>Finance</i>	36	56	-	190	75	357
<i>IT & communication</i>	26	40	-	137	54	257
<i>HR</i>	50	78	-	263	104	495
<i>Volunteer management</i>	1	2	-	6	2	11
<i>Facilities & office costs</i>	131	201	-	681	269	1,282
<i>Governance</i>	1	1	-	5	2	9
Total cost	4,782	2,227	97	5,887	2,100	15,093

Direct expenditure on Charitable activities includes £5,142,000 (2019: £5,668,000) spent from unrestricted funds and £212,000 (2019: £45,000) spent from restricted funds. All expenditure on Support costs and Raising Funds is from unrestricted funds in 2020 and 2019. Support costs cannot be attributed to a single activity and have therefore been apportioned between the activities supported on the basis of full-time equivalent staff numbers.

Other expenditure of £11,000 in 2019, not included above consisted entirely of the net loss on disposal of tangible fixed assets during the year.

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8. Net income

This is stated after charging:

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Depreciation of tangible fixed assets	669	<i>1,072</i>	665	<i>1,066</i>
Auditors remuneration for:				
audit services	19	<i>11</i>	16	<i>7</i>
other services	3	<i>1</i>	2	<i>-</i>
Operating lease payments	<u>380</u>	<u><i>254</i></u>	<u>380</u>	<u><i>253</i></u>

9. Staff costs and key management personnel

Staff costs were as follows:

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Wages and salaries	6,711	<i>5,940</i>
Social security costs	567	<i>484</i>
Other pension costs	311	<i>249</i>
Redundancy and termination costs	18	<i>34</i>
Apprenticeship levy	10	<i>15</i>
Other benefits	-	<i>34</i>
Total staff costs	<u>7,617</u>	<u><i>6,756</i></u>

The average number of employees (full-time equivalent) during the year was as follows:

	2020	<i>2019</i>
	No.	<i>No.</i>
Direct charitable activities	143	<i>147</i>
Raising funds	66	<i>51</i>
Support and administration	<u>48</u>	<u><i>41</i></u>
Total staff	<u>257</u>	<u><i>239</i></u>

The average number of employees (headcount) during the year was as follows:

	2020	<i>2019</i>
	No.	<i>No.</i>
Direct charitable activities	177	<i>181</i>
Raising funds	75	<i>60</i>
Support and administration	<u>53</u>	<u><i>44</i></u>
Total staff	<u>305</u>	<u><i>285</i></u>

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The number of higher paid employees was:

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 to £70,000	2	1
In the band £70,001 to £80,000	2	3
In the band £80,001 to £90,000	1	-
In the band £90,001 to £100,000	1	-

During the year, no Trustees received any remuneration (2019: £Nil). No reimbursement of travel expenses were made or are due to be made to any trustee (2019: one) in respect of the year (2019: £70).

The Charity considers its key management personnel to be the Chief Executive and the Senior Leadership Team. During the year, the total employment benefits of key management personnel was £543,000 (2019: £471,000). The increase reflects the inclusion of the Director of Income and Innovation.

During the year the Charity paid a total of £20,810 (2019: £34,000) in redundancy and termination payments in respect of 12 employees (2019: 10 employees). The termination payments were all in cash and are a combination of compulsory and voluntary redundancy payments plus payments under settlement agreements.

Employer pension costs for higher paid employees totalled £31,000 (2019: £18,000).

During the year, insurance was purchased to indemnify the Council of Management against default on their part. The cost of insurance amounted to £3,560 (2019: £3,455).

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10. Tangible fixed assets

GROUP	Land & Buildings £'000	Fixtures, Fittings & Equipment £'000	Motor Vehicles £'000	Work in progress £'000	Total £'000
Cost					
At 1 April 2019	11,153	4,254	190	2	15,599
Additions	-	213	12	28	253
Disposals	-	(317)	(11)	-	(328)
At 31 March 2020	11,153	4,150	191	30	15,524
Depreciation					
At 1 April 2019	6,654	2,672	121	-	9,447
Disposals	-	(314)	(10)	-	(324)
Depreciation	371	274	24	-	669
At 31 March 2020	7,025	2,632	135	-	9,792
Net book value					
At 1 April 2019	4,499	1,582	69	2	6,152
AT 31 MARCH 2020	4,128	1,518	56	30	5,732

Charity	Land & Buildings £'000	Fixtures, Fittings & Equipment £'000	Motor Vehicles £'000	Work in progress £'000	Total £'000
Cost					
At 1 April 2019	11,153	4,128	190	2	15,473
Additions	-	213	12	28	253
Disposals	-	(317)	(11)	-	(328)
At 31 March 2020	11,153	4,024	191	30	15,398
Depreciation					
At 1 April 2019	6,654	2,554	121	-	9,329
Disposals	-	(314)	(10)	-	(324)
Depreciation	371	270	24	-	665
At 31 March 2020	7,025	2,510	135	-	9,670
Net book value					
At 1 April 2019	4,499	1,574	69	2	6,144
AT 31 MARCH 2020	4,128	1,514	56	30	5,728

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11. Investment Property

GROUP & CHARITY	Freehold investment property £'000	Long-term leasehold investment property £'000	Total £'000
Valuation			
At 1 April 2019	250	210	460
At 31 March 2020	250	210	460
<u>Comprising</u>			
Historic cost	62	158	220
Revaluation	188	52	240
At 31 March 2020	250	210	460

The properties were last revalued, at open market value, by the Council as at 31st March 2018. Council believes that the 2020 open market valuation is not materially different from the value included in the financial statements.

12. Fixed asset investments

	GROUP		CHARITY	
	Listed securities £'000	Total £'000	Shares in group undertaking £'000	Total £'000
Market Value				
At 1 April 2019	17,983	17,983	5	17,988
Additions	2,370	2,370	-	2,370
Disposals	(5,116)	(5,116)	-	(5,116)
Net (loss)	(381)	(381)	-	(381)
Net (loss) on foreign currency	(2)	(2)	-	(2)
At 31 March 2020	14,854	14,854	5	14,859
Investment cash		1,533		1,533
Total investments		16,387		16,392

The charity holds a portfolio of listed investments, re-valued to the market value at the balance sheet date. The gain or loss on this revaluation is realised once the investment is sold. The historical cost of listed investments held by the Group is £14,149,000.

The charity owns 100% of the £1 ordinary share capital of Wood Green Enterprises Limited, incorporated in England and Wales. The results of the company have been consolidated into these financial statements. See Note 21 for a summary of the results of Wood Green Enterprises Limited.

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Listed securities held at 31 March 2020 comprised the following asset classes:

	Value 2020 £'000	Percentage 2020 %	<i>Value 2019 £'000</i>	<i>Percentage 2019 %</i>
UK Fixed Income	6,736	45	7,388	41
UK Equity	2,288	15	4,878	27
Non-UK Fixed Income	755	5	949	5
Non-UK Equity	4,697	32	4,175	23
Other investments	378	3	593	4
Total investments	14,854	100	17,983	100

13. Stock

	Group 2020 £'000	<i>Group 2019 £'000</i>	Charity 2020 £'000	<i>Charity 2019 £'000</i>
Goods for resale	24	9	24	-
Donated animal feed	2	2	2	2
	26	11	26	2

14. Debtors: falling due within one year

	Group 2020 £'000	<i>Group 2019 £'000</i>	Charity 2020 £'000	<i>Charity 2019 £'000</i>
Trade debtors	30	70	15	50
Amounts owed by group undertakings	-	-	291	505
Other debtors	2	1	2	1
Prepayments and accrued income	673	566	490	407
VAT repayable	277	299	275	223
Legacies receivable	226	111	226	111
	1,208	1,047	1,299	1,297

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15. Creditors

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	£'000	<i>£'000</i>	£'000	<i>£'000</i>
Falling due within one year				
Trade creditors	418	885	415	876
Other creditors	12	74	12	74
Accruals and deferred income	195	156	189	147
	<u>625</u>	<u>1,115</u>	<u>616</u>	<u>1,097</u>
Falling due after more than one year				
Other creditors	<u>147</u>	<u>93</u>	<u>147</u>	<u>93</u>
Deferred income reconciliation	Group	Group	Charity	Charity
	< One	> One	< One	> One
	Year	Year	Year	Year
	£'000	£'000	£'000	£'000
As at 1 st April 2018	8	-	-	-
Additions	2	-	-	-
Released to income	(8)	-	-	-
As at 1st April 2019	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additions	-	-	-	-
Released to income	(2)	-	-	-
As at 31st March 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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16. Statement of funds

CURRENT YEAR	Brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ losses £'000	Carried Forward £'000
Restricted funds						
Ms Snowden	872	10	(28)	-	-	854
P Larratt	198	-	(56)	-	-	142
Heydon	-	31	(30)	-	-	1
Peterborough Foster Care	-	85	(85)	-	-	-
Surgical Equipment	-	71	-	-	-	71
Other	4	16	(13)	(6)	-	1
Total restricted funds	1,074	213	(212)	(6)	-	1,069
Designated funds						
Strategic Projects	1,000	-	(449)	-	-	551
Infrastructure Reserve	5,000	-	-	(4,000)	-	1,000
Tangible fixed asset fund	6,152	-	(669)	249	-	5,732
Total designated funds	12,152	-	(1,118)	(3,751)	-	7,283
General funds						
Revaluation reserve	1,848	-	-	-	(383)	1,465
Free reserves	10,264	14,810	(14,443)	3,757	-	14,388
Total general funds	12,112	14,810	(14,443)	3,757	(383)	15,853
TOTAL FUNDS	25,338	15,023	(15,773)	-	(383)	24,205
PRIOR YEAR						
	Brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ losses £'000	Carried Forward £'000
Restricted funds	51	1,133	(45)	(65)	-	1,074
Designated funds						
Visitor Centre	4,000	-	-	(4,000)	-	-
Cattery	1,000	-	-	(1,000)	-	-
Strategic Projects	500	-	(500)	1,000	-	1,000
Infrastructure Reserve	-	-	-	5,000	-	5,000
Tangible fixed asset fund	7,232	-	(1,072)	(8)	-	6,152
Total designated funds	12,732	-	(1,572)	992	-	12,152
General funds						
Revaluation reserve	2,639	-	-	-	(791)	1,848
Free reserves	10,990	11,848	(13,487)	(927)	1,840	10,264
Total general funds	13,629	11,848	(13,487)	(927)	1,049	12,112
TOTAL FUNDS	26,412	12,981	(15,104)	-	1,049	25,338

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Included within General funds carried forward is £12,884 (2019: £16,325) which relates to Wood Green Enterprises Limited, a subsidiary of the Charity.

16.1 Restricted funds

The Ms Snowden fund is a restricted legacy providing funding for the new cattery.

The P Larratt fund is a restricted in memory donation primarily providing funding for a cats training and behaviour manager and a community outreach advisor.

The Peterborough Foster Care project received funding in the year of £85,000 from the discretionary will trust of Miss J Truelove. The funds were spent in the year.

The Surgical Equipment restricted income was generated from the Spring 2020 appeal and will be spent in the next financial year.

The Other restricted funds are restricted funds that individually are immaterial. £6,000 has been transferred from these funds to the Tangible Fixed Assets fund representing contributions towards the costs of a cat van.

16.2 Designated funds

Tangible Fixed Asset Fund

This represents the net book value of the land, buildings, motor vehicles and equipment owned and used by the Charity to run its Centres and administer the organisation.

Other designated funds are subject to an annual review to reflect changes in the Charity's plans. The Trustees have approved the creation of two designated funds as described below.

Strategic Projects

The Charity is part way through a strategic change programme and will incur further one-off development costs in the next financial year. Having established this fund in the year ended 31st March 2018 the Trustees designated a further £1m in 2019 of which £449,000 has been spent this year. The balance of £551,000 will be spent in the next financial year.

Infrastructure Reserve

The Trustees have decided to release £4m of the infrastructure reserve until there are clear plans on the utilisation of the reserve. The remaining £1m will be used to fund part of the costs of the new cattery along with the legacy from Ms Snowden and a fundraising campaign. The cattery is due for completion in 2021. The infrastructure reserve will be reviewed annually.

16.3 Revaluation reserve

The revaluation reserve represents the revaluation of the investment properties and investments held by the charity. Included within the revaluation reserve carried forward is £240,000 (2019 - £240,000) which relates to the revaluation of investment properties and £1,225,000 (2019 - £1,608,000) which relates to the unrealised gain on listed investments.

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16.4 Prior Year Adjustment

Prior year Free Reserves (and Total Reserves) of the Group have increased by £87,000 due to under-reported Other Trading Income earned during the year in Wood Green Enterprises Limited. The income had not been received in the prior year, therefore Debtors have increased by the corresponding amount.

17. Analysis of net assets between funds

	Unrestricted	Restricted	Total funds	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total funds</i>
	2020	2020	2020	<i>2019</i>	<i>2019</i>	<i>2019</i>
	£'000	£'000	£'000	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Tangible assets	5,732	-	5,732	6,152	-	6,152
Investments	15,993	854	16,847	17,839	872	18,711
Net current assets	1,558	215	1,773	366	202	568
Creditors due in more than one year	(147)	-	(147)	(93)	-	(93)
	23,136	1,069	24,205	<i>24,264</i>	<i>1,074</i>	<i>25,338</i>

18. Net cash flow from operating activities

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,133)	<i>(1,074)</i>
<u>Adjustments for</u>		
Depreciation charges	669	<i>1,072</i>
Loss/(profit) on investments	381	<i>(1,049)</i>
Loss on foreign exchange	2	<i>-</i>
Dividends, interest and rents from investments	(629)	<i>(608)</i>
(Profit)/loss on sale of fixed assets	(1)	<i>14</i>
(Increase) / decrease in stocks	(15)	<i>22</i>
(Increase) / decrease in debtors	(161)	<i>325</i>
(Decrease) / Increase in creditors	(436)	<i>59</i>
Net cash used in operating activities	<u>(1,323)</u>	<i><u>(1,239)</u></i>

19. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an administered fund. The pension charge represents contributions payable by the charity to the fund.

Contributions outstanding at 31 March 2020 were £3,300 (2019: £41,000), none of which were overdue. Total employer contributions paid in the year were £311,000 (2019: £249,000).

20. Operating lease commitments

As at 31 March 2020 the group had total commitments under non-cancellable operating leases as follows:

	Land & Buildings 2020 £'000	Other 2020 £'000	<i>Land & Buildings 2019 £'000</i>	<i>Other 2019 £'000</i>
GROUP				
Not later than one year	343	37	247	38
Later than one year and not later than five years	865	43	536	79
Later than five years	-	-	24	-
CHARITY				
Not later than one year	343	37	247	38
Later than one year and not later than five years	865	43	536	79
Later than five years	-	-	24	-

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21. Principal subsidiaries

Company name	Percentage shareholding
Wood Green Enterprises Limited (Company no. 03161812)	<u>100</u>

The Charity owns 5,000 £1 ordinary shares in Wood Green Enterprises Limited, King's Bush Farm, London Road, Godmanchester, Huntingdon, PE29 2NH, which is incorporated in England and Wales. The subsidiary operates a coffee shop, conference facility and restaurant at King's Bush Farm, Godmanchester. It also receives commission on pet insurance and trades in surplus electricity produced at the Godmanchester site. This is the Charity's only subsidiary.

Wood Green Enterprises Limited gifts its taxable profits to Wood Green Animal Shelters at the discretion of the Directors. A summary of the company's trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	2020 £'000	2019 £'000
Profit and loss account		
Turnover	803	996
Cost of Sales	(89)	(144)
<u>Gross Profit</u>	<u>714</u>	<u>852</u>
Trading and administrative expenses	(437)	(623)
Other interest receivable and similar income	1	1
Profit for the year	<u>278</u>	<u>230</u>
Balance sheet		
Fixed assets	4	8
Current assets	314	536
Liabilities	(300)	(523)
Net assets	<u>18</u>	<u>21</u>
Share capital	5	5
Profit and loss account	16	21
Profit for the year	278	230
Distributions (Gift Aid donation)	(281)	(235)
Net assets	<u>18</u>	<u>21</u>

Included within the group unrestricted reserves carried forward are £17,884 (2019: £21,326) which relate to Wood Green Enterprises Limited.

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The transactions between the Charity and the trading subsidiary are summarised below:

Nature of supply	Amount for financial year £'000
<u>The Charity as supplier</u>	
Payroll	173
Rent for premises	109
Management recharge	92
Printing services	1
<u>The Subsidiary as supplier</u>	
Intercompany sales	34

The Charity also submits a group VAT return on behalf of both entities, which included £111,000 in net output tax on behalf of the Subsidiary. The Subsidiary made payments in the year totalling £685,000 to reduce the intercompany balances.

No loans are advanced by the charity to its subsidiary.

22. Related party transactions

Details of Trustee expenses can be seen in Note 9. Details of transactions with the Trading Subsidiary can be seen in Note 21.

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23. Statement of Financial Activities – prior year comparatives

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Income			
Donations and legacies	8,684	1,133	9,817
Charitable activities	263	-	263
Other trading activities	2,293	-	2,293
Investment income	608	-	608
Total income	11,848	1,133	12,981
Expenditure			
<u>Raising funds:</u>			
Donations and legacies	(4,782)	-	(4,782)
Other trading activities	(2,227)	-	(2,227)
Investment management fees	(97)	-	(97)
<u>Charitable activities:</u>			
Education and awareness	(5,857)	(30)	(5,887)
Animal rehoming and care services	(2,085)	(15)	(2,100)
Other costs	(11)	-	(11)
Total expenditure	(15,059)	(45)	(15,104)
Net gain on investments	1,049	-	1,049
Net Income / (Expenditure)	(2,162)	1,088	(1,074)
Transfers	65	(65)	-
NET MOVEMENT IN FUNDS	(2,097)	1,023	(1,074)
Reconciliation of funds			
Total funds at 1 April 2018	26,361	51	26,412
TOTAL FUNDS AT 31 MARCH 2019	24,264	1,074	25,338