

The
Mayhew
Home

**Annual Report and Financial
Statements**

31 December 2007

Company Limited by Guarantee
Registration Number
3837732 (England and Wales)

Charity Registration Number
1077588

BUZZACOTT

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The trustees present their statutory report together with the financial statements of The Mayhew Home for the year ended 31 December 2007.

The report has been prepared in accordance with Part VI of the Charities Act 1993, but serves as a report of the directors for the purposes of company legislation

The financial statements have been prepared in accordance with the accounting policies set out on pages 17 to 18 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2006.

Trustees	J Matthews (Chairman) A Halsey (Vice Chairman) S Allen (appointed 17.03.08) F Ash J Buchanan (appointed 19.11.07) J Dixon D Gullery J Hogan S Ignatieva (appointed 17.03.08) C London (resigned 12.04.07) P Mardell (appointed 17.03.08) T Pauk C Povey (appointed 17.03.08) J Purves J Spanner
Company secretary	M J Harbottle
General Manager	C Yates
Principal office	Trenmar Gardens Kensal Green London NW10 6BJ
Registered office	2 Kentish Buildings 125 Borough High Street London SE1 1NP
Website	http://www.mayhewanimalhome.org
E-mail	info@mayhewanimalhome.org

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS (continued)

Company registration number	3837732 (England and Wales)
Charity registration number	1077588
Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Bankers	Barclays Bank plc 36-38 Park Royal Road Park Royal London NW10 7JA
Solicitors	Harbottle Associates 2 Kentish Buildings 125 Borough High Street London SE1 1NP

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Mayhew Home was incorporated on 8 September 1999 as a company limited by guarantee and not having a share capital (Company Registration Number 3837732). It has also been registered as a charity (Charity Registration Number 1077588) and is permitted to exclude the word "limited" from its name under Section 30 of the Companies Act 1985.

The Mayhew Animal Home Trust (Charity Registration No. 1077588-1) (the "Trust") is registered by the Charity Commission as a subsidiary charity of The Mayhew Home. The Trust is governed by a Scheme of the Charity Commissioners for England and Wales dated 10 October 2004. Under this Scheme, the trustee holds on trust the land and buildings known as Mayhew House, Trenmar Gardens, Kensal Green, London NW10 for the Trust. These land and buildings are included within the attached financial statements and are represented by special trust funds as described in note 15 to the financial statements.

Trustees

At any point in time, there must be at least three trustees although there is no maximum number. New trustees may be appointed by the trustees for the time being of the Home and hold office for three years from the date of their appointment.

The names of trustees who served during the year and up to the date the accounts were signed are set out as part of the reference and administrative details on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

No trustee received any remuneration for services as a trustee during the year. No trustee had any beneficial interest in any contract with the charity during the year.

Trustee recruitment, selection and induction

During the year the trustees started a recruitment drive for new trustees as they acknowledged that not only is a sub committee structure necessary for effective decision making but also that the current size of the Board is insufficient to effectively operate a sub committee framework.

Much work has been undertaken resulting in a successful recruitment of 4 new trustees in early 2008. This success has enabled the charity to more formally re-ignite the strategic review process which had been shelved as the charity worked hard to restructure itself.

Although potential new trustees tend to approach the charity, generally as a result of learning of The Mayhew from fellow trustees or through the charity's good work, the recruitment process undertaken in late 2007 and early 2008 was more formal including advertising and a formal interview process. Once this process is complete, the potential trustees follow the process set out below.

The selection and induction programme is through the attendance of three meetings to enable potential trustees to participate in the discussions, learn about The Mayhew and engage with the trustees. During the year this also included the potential trustees being involved in the strategic away day and special Board meetings.

Following the third meeting, a vote is taken to determine if the potential trustee is selected. A pack of information is provided from the outset including general publicly available information and on selection, more detailed information is provided including minutes of meetings, strategic information, budgets and forecasts and the charity's statutory documents.

In March 2008 the new Board received formal training on trustees' responsibilities and current sector developments and were provided with a training pack which highlighted both specific matters relating to The Mayhew and Charity Commission pronouncements. The trustees are currently considering the best way of assessing the trustees, individually and as a Board, and this will be finalised in 2008.

Trustees' responsibilities statement

Company law requires the trustees, who are also directors for the purposes of company law, to prepare financial statements for each financial year which give a true and fair view of the charity's incoming resources and application of resources, including its income and expenditure, for the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees also confirm that:-

- ◆ So far as each trustee is aware, there is no relevant information, defined as "information needed by the charity's auditors in connection with preparing their report", of which the charity's auditors are unaware; and
- ◆ Each trustee has taken all steps that he or she ought to have taken to make himself or herself aware of any relevant matters and to ensure that the charity's auditors are aware of such information. Such steps include making inquiries of other trustees and auditors and other steps required by the trustee's duty to exercise due care and skill.

Employees

The Mayhew Home strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Mayhew Animal Home is committed to a programme of action to make this policy effective, and brings it to the attention of all employees.

Volunteers

The charity receives support from a number of individuals who volunteer their time and services, assisting the charity in a number of ways. Without the kindness and generosity of these individuals, the charity's work would be severely curtailed.

As always, the trustees acknowledge the professionalism and dedication of the staff and the huge contribution of the army of Mayhew volunteers over 2007.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

OBJECTIVES AND ACTIVITIES

Principal aims

The principal aims of the charity are to **relieve the suffering of, and cruelty to, animals** by:

- ◆ the provision of shelter or a home for lost, stray, unwanted or abandoned animals;
- ◆ where possible, finding good homes for such animals; and
- ◆ to advance further the education of the public concerning the care and treatment of animals.

Wherever possible, the trustees must give preference to cats and dogs.

Activities and mission

The Mayhew Home was established in 1886 “for the benefit of the lost and starving dogs and cats of London so that they should have sanctuary from the cold inhumanity they are being dealt outside”. Today, we are one of the busiest animal sanctuaries in London, rescuing thousands of animals from cruelty and neglect. We believe that animals, as living creatures, are entitled to legal protection, moral and ethical consideration, and have a value beyond economic measurement.

The expansion of our operations both locally and around the world, has led to greater demands being made on all those who work at The Mayhew. Crucially, however, our core values remain unchanged from those in 1886 when The Mayhew was established.

The mission of The Mayhew Animal Home is to:

- ◆ take in and care for unwanted or abused animals and re-home them with responsible, caring owners;
- ◆ ensure that no healthy animal in our care is ever put to sleep;
- ◆ prevent unwanted animals through our neutering and outreach programmes;
- ◆ promote respect and compassion for animals through our activities, campaigns and education programmes.

ACHIEVEMENTS AND PERFORMANCE

The core activity of the charity is “the relief of suffering of, and cruelty to, animals”. This is achieved in a number of ways although the trustees believe that the principal way this is achieved at The Mayhew is through the work at the Home in Trenmar Gardens. Other ways, which complement the work at the Home include community animal care, information, education and international work.

The Home at Trenmar Gardens

This year was one of consolidation where the principal objectives were:

- ◆ to utilise, in the most effective way, the refurbishments which had been undertaken at the Home within 2006;
- ◆ to reach out to help more animals through the Community Veterinary Clinic and work of the Animal Welfare Officers; and
- ◆ to maintain the high level of care upholding the core principals upon which The Mayhew was founded.

Modernisation and Development

With the completion of the building of The Mayhew Community Veterinary Clinic in the last quarter of 2006 and its subsequent kitting out with state-of-the-art veterinary equipment, the veterinary team of The Mayhew were able to move into their new facilities at the end of January 2007. The Community Veterinary Clinic started functioning from its new premises in February 2007 and was officially opened by Anthony Head, one of The Mayhew's patrons, in May 2007.

Following the employment of a new chief veterinary surgeon at the beginning of the year and a targeted marketing campaign to promote the low-cost, charitable veterinary services provided by the new Community Veterinary Clinic, such was the demand from the local community that it was possible to take on another veterinary surgeon from the last quarter of 2006 and a second animal nursing assistant on a voluntary basis. By the end of the year, The Mayhew was offering twice weekly low-cost vaccination clinics and twice weekly nurses' clinics to the general public as well as low-cost neutering appointments five days a week.

Monday morning surgeries have been dedicated to our Free Bull Breed Neutering Programme and the clinic has also hosted newly qualified vets from the veterinary chain Medivet, wanting to gain practical experience in neutering techniques.

With the new veterinary facilities up and running, during 2007, five vets were accepted on The Mayhew's International Vet Training Programme: two from Romania, one from Bulgaria, one from Kyrgyzstan and one from the Czech Republic.

ACHIEVEMENTS AND PERFORMANCE (continued)

Modernisation and Development (continued)

Completing the planned refurbishment of the Home, new washing and drying machines were commissioned for the Dog Laundry, the Cat Kitchen area was renovated with the removal of two old washing machines and a dryer which did not comply with relevant standards, the purchase and commission of a new washing machine and new storage areas for food, feeding bowls and bedding.

The Mayhew garden was given a face-lift following the removal of a row of pine trees which had died, thereby opening up the garden area. New footpaths and seating areas have been designed and put in the garden area, making a more attractive area for animals, volunteers and visitors alike.

Reaching out to help more animals

With three Animal Welfare Officers (AWOs) on board, The Mayhew continues to expand on its Community Animal Care Programmes which in 2007 included:

- ◆ visits to travellers' sites, council estates and local parks, with a view to building relations with local communities and providing animal care and advice;
- ◆ visits to pet shops and smaller rescue centres to advise on facilities, animal care and to encourage neutering and responsible re-homing;
- ◆ visits to homeless shelters with offers of free food/leads/worming treatment/ID chips and other advice;
- ◆ a trap, neutering and release project for feral and stray cats;
- ◆ providing emergency boarding for animals whose owners are temporarily unable to look after them due to eviction, hospitalisation, and victims of domestic violence, fire and flood etc;
- ◆ assisting on a practical level with animals from animal hoarding households and providing on-going aftercare and support to their owners;
- ◆ promoting neutering of companion animals in order to reduce the number of unwanted and abandoned animals;
- ◆ the increased number of educational visits by AWOs for children and adults of all ages both on and off-site; and
- ◆ researching the connection and links between animal abuse and human violence.

ACHIEVEMENTS AND PERFORMANCE (continued)

Reaching out to help more animals (continued)

With the increased media attention surrounding certain dog breed types, The Mayhew, together with Brent Council, the local RSPCA Inspectorate and Brent Metropolitan Police launched BARK (Brent Action for Responsible K9s). BARK is a forum to tackle the issues surrounding the irresponsible use and mistreatment of dogs. BARK was developed from The Mayhew's SOS Save Our Staffies Campaign, launched in 2006, and the need for cohesion between various governmental and welfare bodies involved in dealing with such issues in the public arena. The aims of the forum are:

- ◆ to educate the community of dog welfare and the implications of irresponsible ownership;
- ◆ to reduce the levels of anti-social behaviour linked with the misuse of dogs;
- ◆ to reduce the number of incidents where dogs are mistreated; and
- ◆ to protect and reassure the community by reducing the irresponsible activities involving dogs with the appropriate use of legislation.

By the end of 2006, the membership of BARK was increased to include Brent Housing Partnership and such was its success that other local London Boroughs were looking to implement similar models, to be known as Borough Action for Responsible K9s.

The Mayhew continued its Free Bull Breed Neutering Programme and neutered 206 Bull Breeds free of charge in 2007.

Developing the research into the links between animal abuse and human violence, The Mayhew joined up with local initiatives involving the safety of children and domestic violence: the Local Safeguarding Childrens Board and LINKS.

International work

International work in 2007 focussed on the expansion of the International Vet Training Programme in conjunction with the new Community Veterinary Clinic and analysing the best way to move forward in the difficult arena of animal welfare in Moscow.

Our work in Afghanistan came to the fore again with the assistance given to Sgt Penny Farthing of the UK Marines who had contacted The Mayhew about the plight of abandoned dogs in Helmand Province where he was serving. Mayhew International helped Nowzad Dogs with the rescue of 14 dogs from Helmand Province to the shelter we support in Kabul and the transportation of two of the dogs to the UK and their subsequent quarantine.

In Moscow, the long-term vision remains to help the city with its huge street population of stray animals through a mass neutering programme. However Mayhew International has developed a deeper cooperation with Moscow Animals, the network of private apartment shelters its supports in Moscow, ensuring that all the animals coming through these channels are neutered and vaccinated as a minimum requirement.

ACHIEVEMENTS AND PERFORMANCE (continued)

International work (continued)

This complements the UK work of The Mayhew in assisting people to look after animals in their own homes and appreciating the social and emotional support that the carers of these animals get from looking after them. Mayhew International is presently sponsoring a Russian vet to sterilise animals in these apartment shelters and assisting cries for help from hoarders and carers in crisis. In cooperation with IFAW Moscow and the TESS mobile clinic, Mayhew International will use the gas anaesthesia facilities which were earlier donated to IFAW Moscow by The Mayhew.

White & Case, an American law firm with offices in Moscow have agreed to act as Mayhew International's advisors on how to set up an entity in Moscow on a pro bono basis.

The Mayhew Ambulance was seconded to Romania for three months in the summer of 2007 to act as a mobile post-operative recovery unit for a mass neutering campaign of street animals.

We received international delegates from all over the world including Sierra Leone and South Africa and continued to build strong working relationships with other international animal welfare organizations.

Other activities

Time was spent developing the branding of The Mayhew Animal Home and ensuring that all publicity materials and in-house documentation was branded in a consequent manner.

A comprehensive disability audit of the Home's facilities was carried out in preparation for an application for funding to install disabled toilet facilities and make public access within the Home DDA compliant.

FINANCIAL REVIEW

Financial position

A summary of the results for the year can be found on page 15 of this annual report and financial statements.

Total incoming resources for the year amounted to £1,416,533 (2006 - £1,390,172). The trustees are extremely pleased that the charity's incoming resources include legacies and donations each totalling almost £600,000. It is only through the generosity of the Home's supporters that the charity's essential work can continue and develop.

Expenditure during the year totalled £1,296,673 (2006 - £1,475,110).

The final net movement in funds for the year, therefore, was an increase of £119,860 (2006: decrease of £84,938).

FINANCIAL REVIEW (continued)

Reserves policy

The charity's work of rescuing and re-homing animals, together with its outreach work and the need to continue to refurbish the older facilities within the Home requires significant ongoing financial commitment and investment. The trustees have examined the requirement for free reserves i.e those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work, the level of free reserves should be equivalent to between two and six month's expenditure on unrestricted funds. The trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

At 31 December 2007 total funds and reserves amounted to £1,826,769 (2006:£ 1,706,909).

Special trust funds at 31 March 2007, representing the net book value of the land and buildings comprising Mayhew House in Trenmar Gardens amounted to £640,500 (2006: £654,500). As described above under "Constitution", the charity holds these assets in a trustee capacity. Special trust funds are not applicable for the general purposes of the Home and should properly be regarded as a fixed, unliquidated asset, without which the Mayhew's activities would no longer be tenable.

Restricted funds, being monies held for use towards specific projects at the request of the donor, amounted to £9,970 at 31 December 2007 (2006: £5,328).

Free funds, or general funds, excluding the net book value of the charity's tangible fixed assets which are essential to its smooth operation, equate to £577,585. This remains relatively low when compared to the annual expenditure of the charity and highlights the dependency of the charity on continuing voluntary income, particularly legacies. However, the trustees remain confident that fundraising activities will enable us to replenish reserves over the next five years replacing many of the designated funds balances invested in 2006 and 2007 in improved facilities.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

FUTURE PLANS

In 2008, The Mayhew plans to focus expanding its Community Animal Care programmes in conjunction with the services provided by the Community Veterinary Clinic. The number of low-cost vaccination clinics for the general public will be increased and we will be looking into providing other low-cost veterinary procedures.

FUTURE PLANS (continued)

Particular emphasis will be taken to develop the range of educational opportunities we offer both on and off-site, including work experience, NVQ qualifications and our International Vet Training Programme. With the Community Veterinary Clinic we can now register as a training establishment for veterinary nurses.

As a Humane Education Centre, The Mayhew will play an integral part in developing the Animal Care Skills Sector together with Lantra and the London Development Agency. Of particular interest is offering training to local authority personnel involved with local animal welfare issues.

The educational element of our AWOs' work will continue with talks and presentations on and off site to school groups and other youth organisations and road shows on inner city estates. Work will be carried out on developing educational programmes to be marketed as part of curriculum based work.

The Mayhew will continue to advise on the subject of companion animal welfare. We expect the rescue, re-homing and rehabilitation work to be done in closer collaboration with our local councils now that these bodies are responsible for stray animals in the area, and also with local social services departments who need assistance with companion animals when owners are unable to care for them. With the success of the BARK project in Brent, it is expected that there will be work with other neighbouring councils – Hammersmith & Fulham and Camden - to advise and take part in similar projects.

The Mayhew will continue to demonstrate that animal welfare is closely linked with social welfare issues and intends to work to combat the ignorance, neglect and abuse which leads to crisis conditions for humans and animals alike, including animal hoarding, poor conditions on travellers' sites, and inappropriate care of companion animals. The Mayhew will also continue to promote the positive side of human – animal interaction with our therapeutic visits with animals to hospitals, day-care and residential centres for the elderly, disabled and deprived, as well as continuing our collaboration with the homeless charities St Mungo's and CRISIS.

On the international front, it is planned that the neutering programme is expanded in Moscow and that veterinary personnel from The Mayhew will be able to participate in sterilisation drives in other parts of the world where problems exist with stray animal populations.

AUDITORS

On 30 September 2007, Buzzacott, the charitable company's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The trustees have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP. In accordance with section 385 of the Companies Act 1985, Buzzacott LLP will be proposed for re-appointment as auditors of the charitable company.

Approved by the Board and signed on their behalf

John Matthews
Chairman of the Board of Trustees

Date:

Report of the independent auditors to the members of The Mayhew Home

We have audited the financial statements on pages 15 to 25 which have been prepared under the historical cost convention and the accounting policies set out on pages 17 to 18.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on pages 3 and 4, the trustees (who are also the directors of The Mayhew Home for the purposes of company law) are responsible for the preparation of the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the trustees' report is consistent with the financial statements. In addition, we report to you if, in our opinion the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the trustees' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charitable company's state of affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- ◆ the information given in the trustees' report is consistent with the financial statements.

Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

Statement of financial activities Year to 31 December 2007

	Notes	Restricted funds			2007 Total funds £	2006 Total funds £
		Unrestricted funds £	Restricted income funds £	Special trust funds £		
Income and expenditure						
Incoming resources						
Incoming resources from generated funds						
. Voluntary income	1	1,121,922	74,500	-	1,196,422	1,183,432
. Activities for generating funds	2	94,477	-	-	94,477	82,056
. Interest receivable		14,376	-	-	14,376	19,478
Incoming resources from charitable activities:						
. Animal Welfare	3	96,398	-	-	96,398	96,830
Other incoming resources		14,860	-	-	14,860	8,376
Total incoming resources		1,342,033	74,500	-	1,416,533	1,390,172
Resources expended						
Cost of generating funds	4	327,958	28,357	-	356,315	404,069
Charitable activities						
Animal Welfare						
. Direct costs	5	668,326	28,442	14,000	710,768	813,715
. Donations		-	-	-	-	9,199
. Support costs	6	218,014	-	-	218,014	232,999
Governance	7	11,576	-	-	11,576	15,128
Total resources expended		1,225,874	56,799	14,000	1,296,673	1,475,110
Net incoming/(outgoing) resources i.e. net income/(expenditure)		116,159	17,701	(14,000)	119,860	(84,938)
Transfers between funds	14	13,059	(13,059)	-	-	-
Net movement in funds	8	129,218	4,642	(14,000)	119,860	(84,938)
Fund balances brought forward at 1 January 2007		1,047,081	5,328	654,500	1,706,909	1,791,847
Fund balances carried forward at 31 December 2007	17	1,176,299	9,970	640,500	1,826,769	1,706,909

There is no difference between the net movement in funds stated above, and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet As at 31 December 2007

	Notes	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	11		1,239,214		1,353,851
Current assets					
Debtors	12	32,974		198,626	
Short term deposits		452,471		141,368	
Cash at bank and in hand		166,022		105,920	
		<u>651,467</u>		<u>445,914</u>	
Creditors: amounts falling due within one year	13	(63,912)		(92,856)	
Net current assets			587,555		353,058
Total net assets			<u>1,826,769</u>		<u>1,706,909</u>
Represented by:					
Funds and reserves					
<i>Income funds</i>					
Restricted funds					
. Restricted income funds	14		9,970		5,328
. Special trust funds	15		640,500		654,500
Unrestricted funds					
. General fund			577,585		347,730
. Designated funds	16		598,714		699,351
			<u>1,826,769</u>		<u>1,706,909</u>

Approved by the trustees
and signed on their behalf by:

John Matthews
Chairman of the Board of Trustees

Adam Halsey
Trustee

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of freehold land and buildings at a valuation, and in accordance with the requirements of the Companies Act 1985. Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Legacies are included in the statement of financial activities when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. The cost of generating funds includes the salaries, direct costs and overheads associated with generating donations, legacies and similar income.
- b. Charitable expenditure comprises expenditure on the charity's primary charitable purposes as described in the trustees' report. It includes the direct cost of providing shelter or a home for lost or stray, unwanted or abandoned animals and, where possible, finding good homes for such animals. It also includes support costs which represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of financial procedures, provision of office services and equipment and a suitable working environment.
- c. Governance costs comprise the costs which are directly attributable to the necessary legal and auditing procedures for compliance with statutory requirements together with costs incurred in strategic planning exercises undertaken by the charity.

The majority of costs are directly attributable to specific activities. Shared staff related costs are apportioned to the activities on the basis of staff time.

PRINCIPAL ACCOUNTING POLICIES (continued)

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Tangible fixed assets

All assets costing in excess of £1,000 and with an estimated useful life exceeding one year are capitalised.

Freehold land and buildings are included in the financial statements at a valuation determined by the trustees as at 10 October 2004 using market value at that date as a guide for the basis of valuation.

The trustees have taken advantage of the transitional provisions of Financial Reporting Standard 15 'Tangible fixed assets' and have decided not to revalue fixed assets held for the charity's use.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- ◆ Freehold land and building 2% on cost
- ◆ Improvements to animal accommodation 10% on cost
- ◆ Veterinary and animal welfare equipment 20% on cost
- ◆ Office equipment 20% on cost
- ◆ Motor vehicles 25% on cost

Fund accounting

The restricted income funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Special trust funds represent the net book value of the land and buildings comprising Mayhew House in Trenmar Gardens for which the charity has responsibility in a trustee capacity.

The designated funds are monies or assets set aside out of the general fund and designated for specific purposes by the trustees.

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and can be applied at the discretion of the trustees.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Notes to the Financial Statements For the year ended 31 December 2007

1 Voluntary income

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Donations	523,173	74,500	597,673	637,637
Legacies	598,749	-	598,749	545,795
	<u>1,121,922</u>	<u>74,500</u>	<u>1,196,422</u>	<u>1,183,432</u>

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Sale of food and other animal welfare products	55,524	-	55,524	50,865
Fundraising events	33,898	-	33,898	22,276
Advertising	5,055	-	5,055	8,915
	<u>94,477</u>	<u>-</u>	<u>94,477</u>	<u>82,056</u>

3 Animal Welfare

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Rehoming fees	47,348	-	47,348	58,977
Vaccination fees	19,435	-	19,435	20,588
Neutering fees	19,660	-	19,660	12,520
Animal boarding fees	9,955	-	9,955	4,745
	<u>96,398</u>	<u>-</u>	<u>96,398</u>	<u>96,830</u>

4 Cost of generating funds

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Fundraising and publicity costs				
. Staff costs (including recruitment)	108,748	28,357	137,105	144,697
. Fundraising and publicity information	64,764	-	64,764	88,539
. Postage and stationery	65,105	-	65,105	72,101
. Legal and professional fees	16,849	-	16,849	28,726
. Cost of events	18,688	-	18,688	16,974
. Goods for sale	24,183	-	24,183	21,017
. Office costs (rent, services and maintenance)	24,572	-	24,572	28,321
. Irrecoverable value added tax	5,049	-	5,049	3,694
	<u>327,958</u>	<u>28,357</u>	<u>356,315</u>	<u>404,069</u>

Notes to the Financial Statements For the year ended 31 December 2007

5 Animal welfare – direct costs

	Unrestricted funds £	Restricted funds		2007 Total funds £	2006 Total funds £
		Restricted income funds £	Special trust funds £		
Staff costs	437,604	-	-	437,604	466,801
Veterinary fees and drugs	87,999	-	-	87,999	132,330
Animal feed	12,253	3,500	-	15,753	19,555
Animal accommodation - repairs and refurbishment	2,791	5,328	-	8,119	17,716
Animal ambulance running costs	8,689	-	-	8,689	20,947
Depreciation	104,490	-	14,000	118,490	118,367
Irrecoverable value added tax	-	-	-	-	568
Waste disposal	6,899	-	-	6,899	6,906
Legal and professional	-	-	-	-	1,250
Other costs	7,601	19,614	-	27,215	29,275
	668,326	28,442	14,000	710,768	813,715

6 Animal welfare – directly attributable support costs

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Staff costs	72,904	-	72,904	54,136
Repairs and maintenance	27,254	-	27,254	39,491
Rent, rates and insurance	7,522	-	7,522	6,805
Public services	47,298	-	47,298	49,207
Recruitment, training and general staff	16,280	-	16,280	26,339
Irrecoverable value added tax	8,059	-	8,059	9,944
Legal and professional	22,281	-	22,281	24,166
Other office costs	1,624	-	1,624	2,892
Depreciation	14,792	-	14,792	20,019
	218,014	-	218,014	232,999

7 Governance costs

	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Staff costs (see note below)	4,426	-	4,426	4,086
Legal and professional	7,150	-	7,150	10,575
Other office costs	-	-	-	467
	11,576	-	11,576	15,128

The staffing costs represent the percentage of time spent by the general manager on supporting the board of trustees and on charity statutory compliance matters.

Notes to the Financial Statements For the year ended 31 December 2007

8 Net movement in funds

This is stated after charging:

	2007 £	2006 £
Staff costs (note 9)	652,039	669,720
Auditors' remuneration		
· Statutory audit services	7,150	7,000
Operating leases - equipment	5,066	3,883
Depreciation	133,282	138,386

9 Staff costs and trustees' remuneration

	2007 £	2006 £
Staff costs during the year were as follows:		
Wages and salaries	597,040	610,900
Social security costs	54,999	58,820
	<u>652,039</u>	<u>669,720</u>
Staff costs per function were as follows:		
Generation of funds	137,105	144,697
Animal welfare (including support)	510,508	520,937
Governance	4,426	4,086
	<u>652,039</u>	<u>669,720</u>

No employee earned £60,000 per annum or more (including benefits) during the year (2006 – none).

The average number of employees during the year analysed by function was:

	2007	2006
Animal welfare (including support)	28	31
Generating funds	3	4
	<u>31</u>	<u>35</u>

None of the trustees received any remuneration in respect of their services during the year (2006 - £nil).

No expenses were reimbursed to trustees (2006 – one trustee) during the year (2006 - £467).

Notes to the Financial Statements For the year ended 31 December 2007

10 Taxation

The Mayhew Home is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

11 Tangible fixed assets

	Freehold land and buildings £	Improve- ments to animal accommo- dation £	Veterinary and animal welfare equipment £	Office equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2007	700,000	813,203	41,827	100,096	61,163	1,716,289
Additions	-	17,545	1,100	-	-	18,645
At 31 December 2007	700,000	830,748	42,927	100,096	61,163	1,734,934
At cost	-	830,748	42,927	100,096	61,163	1,034,934
At valuation	700,000	-	-	-	-	700,000
At 31 December 2007	700,000	830,748	42,927	100,096	61,163	1,734,934
Depreciation						
At 1 January 2007	45,500	161,954	21,347	85,304	48,333	362,438
Charge for year	14,000	83,075	8,585	14,792	12,830	133,282
At 31 December 2007	59,500	245,029	29,932	100,096	61,163	495,720
Net book values						
At 31 December 2007	640,500	585,719	12,995	-	-	1,239,214
At 31 December 2006	654,500	651,249	20,480	14,792	12,830	1,353,851

12 Debtors

	2007 £	2006 £
VAT recoverable	-	5,786
Other debtors	32,737	180,965
Prepayments	237	11,875
	32,974	198,626

13 Creditors: amounts falling due within one year

	2007 £	2006 £
Expense creditors	31,361	47,535
Accruals	17,428	26,886
Social security and other taxes	15,123	18,435
	63,912	92,856

14 Restricted income funds

The income funds of the charity include the following restricted funds comprising unexpended balances of donations and grants held on trust to be applied for a specific purpose:

	At 1 January 2007 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2007 £
International projects fund	-	39,532	(47,971)	8,439	-
H Anyon Memorial fund	3,328	-	(3,328)	-	-
Indoor cattery fund	2,000		(2,000)		
“Buy-a-brick” appeal	-	21,498	-	(21,498)	-
Tesco	-	3,500	(3,500)	-	-
Kennel Club Charitable Trust	-	9,970	-	-	9,970
	5,328	74,500	(56,799)	(13,059)	9,970

The purpose for which each of the funds is held is as follows:

- a. International projects fund
Monies raised and applied towards animal welfare projects overseas.
- b. H Anyon Memorial fund
Funds left in memory of Mrs Hilary Anyon, to be specifically used for maintaining the Mayhew pond. This was all spent in 2007.
- c. Indoor cattery fund
Monies to be used to create an indoor cattery area and all spent in 2007
- d. “Buy-a-brick” appeal
Monies received towards the building of the new operating theatre. All monies raised have been used on the new operating theatre. The amounts transferred represent the amounts capitalised which have been credited to the fixed asset designated fund.
- e. Tesco
Animal food donation to the charity in the year.
- f. Kennel Club Charitable Trust
Monies received to renew air-conditioning units in the kennels.

15 Special Trust funds

The special trust funds represent the net book value of the land and buildings comprising Mayhew House in Trenmar Gardens. The charity holds these assets in a trustee capacity in accordance with a Scheme of the Charity Commissioners for England and Wales dated 10 October 2004.

	At 31 December 2007 £	At 31 December 2006 £
At 1 January 2007	654,500	668,500
Movements in the year	(14,000)	(14,000)
At 31 December 2007	<u>640,500</u>	<u>654,500</u>

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 January 2007 £	New designations £	Utilised/ released £	At 31 December 2007 £
Tangible fixed assets	699,351	21,498	(122,135)	<u>598,714</u>

The purpose for which funds have been set aside are as follows:

◆ Tangible fixed assets fund

This represents the net book value of the charity's tangible fixed assets other than those comprising part of restricted or special trust funds. Such assets are essential to the ongoing work of the charity and their net book value should not, therefore, be considered as funds available to meet everyday costs or contingencies. Included within the new designations is £21,498 transferred from restricted funds representing capital amounts spent from restricted funds on fixed assets.

17 Analysis of net assets between funds

	General fund £	Designated funds £	Special trust funds £	Other restricted funds £	Total 2007 £
Fund balances at 31 December 2007 are represented by:					
Tangible fixed assets	-	598,714	640,500	-	1,239,214
Current assets	641,497	-		9,970	651,467
Creditors: amounts falling due within one year	(63,912)	-	-	-	(63,912)
Total net assets	<u>577,585</u>	<u>598,714</u>	<u>640,500</u>	<u>9,970</u>	<u>1,826,769</u>

18 Leasing commitments

Operating leases

At 31 December 2007, the charity had annual commitments under non-cancellable operating leases in respect of office equipment as follows:

	2007 £	2006 £
Operating leases which expire:		
Within 1-2 years	5,800	5,066