

The Freedom of Spirit Trust for Border Collies
(A company limited by guarantee)

Report and Financial Statements
For the Period Ended 30th June 2008

Charity Number **1121598**

Company **6294336**
Number



The Freedom of Spirit Trust for Border Collies
(A company limited by guarantee)

Financial Statements
For the Period Ended 30th June 2008

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The Freedom of Spirit Trust for Border Collies

Report of the Board of Management for the period ended 30th June 2008

The Board of Management presents its report and Financial Statements for the period ended 30th June 2008

Reference and Administrative Information

Charity Name	The Freedom of Spirit Trust for Border Collies
Charity registration number	1121598
Company registration number	6294336
Registered Office and operational address	Golcar Farm, Spring Lane, Eldwick, Bingley, West Yorkshire. BD16 3AU

Patron

Dame Ellen Mac Arthur DBE

Board of Management

Mrs Diana Lowe	Chairman
Mrs Barbara Sykes	Chief Executive
Mr David Maitland BSc FCA	Secretary

Principal Volunteers

Miss Vicky Sykes	Deputy Manager
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Accountants ADS Accountancy Limited, Friary House, 47 Uttoxeter Road,
Derby, DE22 3NL

Bankers Nat West, 143 Main Street, Bingley, West Yorkshire, BD16 1YB

Solicitors Last Cawthra Feather LLP, Airedale House, 128 Sunbridge Road,
Bradford, West Yorkshire, BD1 2AT

Our Aims and Objectives

Purpose and Aims

Our charity's purpose as set out in the objects contained in the company's memorandum of association are to promote humane behaviour towards Border Collie dogs by providing appropriate care, protection, treatment and security of Border Collies which are in need of care and attention by reasons of sickness, maltreatment, poor circumstances or ill usage and to educate the public in matters pertaining to Border Collie welfare in general and the prevention of cruelty and suffering among Border Collie dogs.

The aims of the charity are to ensure the future and survival of the Border Collie as a breed known for its intelligence, working ability and loyalty by providing a better understanding of the Border Collie, its needs and training in both working and companion homes by encouraging limited and responsible breeding programmes and by promoting effective education about the specific needs of Border Collies, and to provide sanctuary, both physical and mental for dogs, of a Border Collie type who are in difficulties, especially where they are unsuitable for rescue organisations and re-homing programmes.

Ensuring our work delivers our aims

The Charity was established with the benefit of a legacy from the estate of the late Bernard Mahon to support the work which was being undertaken by Barbara Sykes to promote the Border Collie and to provide a safe haven for dogs who were suffering from mistreatment or abuse, as publicised in the Freedom of Spirit magazine.

As the proceeds of the legacy were not realised until shortly after the end of the financial period, only limited activities were possible in this initial period, which were mainly concentrated on planning, the securing of a very effective Patron to assist the work of the charity and providing assistance in a limited number of individual cases.

The focus of our work

With a more secure financial position now established, the charity has already embarked on the building of a replacement kennel block to allow more accommodation to be provided, has organised the first of the training events which will form the main thrust of our work in promoting the breed and is planning an official launch in spring 2009.

How our activities deliver public benefit

Our main activities and how we try to help the Border Collie breed are described below. All our charitable activities are focused on the promotion of the Border Collie breed, and providing sanctuary and training for dogs who will either be re-homed into

a supportive working or companion home, with appropriate financial assistance for those older dogs who require additional veterinary care, or who will remain housed by the Trust for the remainder of the lives.

Rescue Dogs

Over the first the charity has assisted a total of twenty dogs ranging in age from puppies to sixteen years of age by providing safe haven, training, care and support for periods ranging from a few weeks to many months, with some dogs never expected to leave the charities accommodation. However, to 30th June we had been able to re-home a total of sixteen dogs.

All dogs are fully assessed by a veterinary professional, chipped to the trust and most are neutered while in the care of the trust, and potential fosters and adopters are checked, including home checks conducted by a team of volunteers, and are required to spend time with the dogs at the charities base before they are allowed to take a dog away on either a short term foster basis or longer term adoption.

Where dogs are older, with greater age related veterinary care requirements, the charity will provide appropriated financial assistance with costs in cases of hardship.

Training and Promotion

Only limited opportunities have been available in this first period to develop the training and promotion aspects of the charity's work, but as resources have become available the charity has developed a website to both advise on the work of the charity and to provide free support and guidance on the most appropriate ways to care for and develop Border Collies, including the importance of a proper dietary and exercise regime.

The charity also regularly promotes its work and views through features in the Freedom of Spirit magazine, which is aimed specifically at owners or those with an interest in the Border Collie.

The charity has also started a programme of training events, initially aimed at other rescue organisations, to ensure that they are able to accommodate and provide as safe a haven as possible for any Border Collies that they are caring for.

Principal Funding Sources

By far the largest source of funds has been the legacy from the late Bernard Mahone, which was eventually received just after the end of the financial period, however, the charity has been able to undertake a limited amount of activity during the period with the benefit of loans from Trustees and others who are involved with the Trust, the support from a growing group of followers who provide assistance through donations of both money, many with the benefit of gift aid, and the provision of goods or services, especially Last Cawthra Feather LLP who deferred payment of their fees for the establishment of the charity until the legacy was received.

With no other large receipt expected in future periods, the charity is encouraging the receipt of donations, to cover both operating costs and the establishment of the new kennel accommodation, through website, the Freedom of Spirit magazine and promotion at events where the Patron, Directors or other volunteers attend.

Investment Policy

To date the charity has had only limited funds in excess of amounts required to cover routine operating costs, and has in fact relied on interest free loans from Directors and other supporters.

Following the receipt of the Mahon legacy, amounts are currently invested in a deposit with a major UK bank, and the Board have agreed a prudent investment policy of continued use of bank deposits, where not covered by governmental guarantees spread over a range of banks, and in National Savings and gilt edged securities.

Reserves Policy

The Board of Management has examined the charity's requirement for reserves in light of the main risks to the organisation. It has established a policy whereby unrestricted funds not committed or invested in tangible fixed assets held by the charity should cover at least a period's expenditure. As it is still too soon in the life of the charity to allow formal budgets to be established for operating costs each financial period, this figure has been provisionally assessed as £50,000.

Reserves above this level will be committed towards the objects of the charity, mainly in the re-development of kennel accommodation the charity has been able to secure for a period of seven periods, with an option to renew, at a peppercorn rent, at Golcar Farm.

Plans for Future Periods

The charity plans to expand its activities in future periods now that it has achieved a more sustainable financial position, developing future accommodation for the care of rescue dogs as noted above, the further development of the information provided through the website and the development of a programme of talks and seminars, supported by full documentation to both promote the Border Collie breed and assist owners in providing a caring and responsive environment for dogs.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on the 27th June 2007 and registered as a charity on the 14th November 2007. The company was established under a Memorandum of Association which established the objects and the powers of the charitable company, which were updated on the 8th November

2008 at the request of the Charity Commission, and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of the Board of Directors

The Directors of the Company are also the charity trustees for the purposes of charity law and under the Company's Articles are known as members of the Board of Management. Under the requirements of the Memorandum and Articles of Association the members of the Board of Management can continue to serve indefinitely

The Chief Executive is remunerated under a Contract of Employment, at the rate of the national minimum wages for the time she commits to the work of the charity, the other members of the Board of Management give their time voluntarily and receive no benefit from the charity. Any expenses reclaimed from the charity are set out in note x to the Financial Statements.

The Board of Management include individuals skilled in the care of Border Collies, the provision of training and information and the management and administration of charities as well as a broad mix of general business skills. The requirements of the charity are regularly reviewed and additional members will be sought if and when any additional skills or experience are required.

Trustee Induction and Training

The current trustees are already familiar with the practical work of the charity, having been involved in its development and incorporation, but are encouraged to identify any additional training requirements which would be beneficial to the work of the charity, and if appropriate courses can be identified, they will be funded from the funds of the charity.

Risk Management

The Board of Management has conducted a review of the major risks to which the charity is exposed. A risk register has been established and will be updated at least annually. Where appropriate, systems and procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for the authorisation of all transaction and projects.

Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the charities premises and those attending training events.

Full registration is maintained for the various databases held by the charity with the Information Commissioner's Office and a policy of insurance is held with the NFU Mutual Insurance Company for the major risks facing the charity.

Organisation Structure

The Board of Directors meet formally as and when required, at least annually, with other decisions made through the use of virtual meetings using appropriate electronic means of communication and evidenced as necessary by written resolution signed by a quorum of Directors.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Chief Executive. The Chief Executive is responsible for ensuring the charity delivers the services specified and key performance targets are met.

Related Parties

The charity has in place with the Chief Executive a Contract of Employment for the provision of the services provided by the charity, a seven period lease for land at Golcar Farm on which kennel accommodation is being developed which have been prepared with the benefit of appropriate legal advice.

The charity also makes a contribution to the costs of running the office of the Mainline Border Collie Centre operated by the Chief Executive and towards the cost of features included in the Freedom of Spirit magazine, as the other Directors consider this to be more cost effective than establishing separate arrangements.

The Directors, and others, have made interest free loans available to the charity during the course of the financial period to allow the charity to provide a limited service, prior to the receipt of the legacy from the estate of the late Bernard Mahon.

Responsibilities of the Board of Management

Company law requires the Board of Management to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period. In preparing these Financial Statements, the Board of Management should follow best practice and:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the Financial Statements on the going concern basis, unless it is not appropriate to assume that the company will continue on that basis.

The Board of Management is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. The Board of Management is also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board of Management

Members of the Board of Management, who are Directors for the purposes of company law and trustees for the purposes of charity law, who served during the period and up to the date of this report are set out on page 1.

In accordance with company law, as company Directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Accountants

ADS Accountancy Limited were appointed as the charitable company's accountants during the period and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Management on 28th February 2009 and signed on its behalf by:



Diana Lowe
Chairman

Independent accountants' report to the trustees of The Spirit of Freedom Trust for Border Collies

We report on the accounts of the company for the period ended 30 June 2008, which are set out on pages 8 to 14.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied ourselves that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

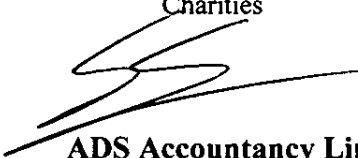
Basis of independent accountants' report

Our examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent accountants' statement

In connection with my examination, no matter has come to our attention which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities



ADS Accountancy Limited
Chartered Certified Accountants
Friary House
47 Uttoxeter New Road
Derby
DE22 3NL

The Freedom of Spirit Trust for Border Collies
Statement of Financial Activities (including Income & Expenditure
Account) for the period ended 30th June 2008

	Notes	Total Funds 2008 £
Incoming resources		
Donations & Legacies	2	171,456
Total income resources		<u>171,456</u>
Resources expended		
Costs of generating funds	3	2,880
Charitable Activities	3	10,292
Governance Costs	3	3,853
Total resources expended		<u>17,025</u>
Net movement in funds	4	<u>154,431</u>
Reconciliation of funds		
Total funds brought forward		-
Total funds carried forward		<u>154,431</u>

The statement of financial activities includes all gains and losses in the period.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985

All incoming resources and resources expended derive from continuing activities.

The Freedom of Spirit Trust for Border Collies
Balance Sheet as at 30th June 2008

	Notes	2008 £	£
Current Assets			
Debtors	8	166,902	
Cash at bank and in hand		1,674	
		<u>168,576</u>	
Creditors : amounts falling due within one period	9	(14,145)	
Net Current Assets		<u>154,431</u>	
Net Assets			<u>154,431</u>
Unrestricted Funds			
General funds			154,431
Total funds			<u>154,431</u>

For the period ended 30th June 2008 the company is entitled to the exemption from the audit requirements contained in section 249A(2) of the Companies Act 1985.

No member of the company has deposited a notice, pursuant to section 249B (2) of the Companies Act 1985, requiring an audit of these accounts.

The Directors acknowledge their responsibility for:

- (a) Ensuring that the company keeps accounting records which comply with section 221 of the Act; and
- (b) Preparing accounts which give a true and fair view of the state of affairs of the company as at 30th June 2008 and of its income and expenditure for the period then ended in accordance with section 226(2) , and otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Management on 28th February 2009 and signed on its behalf by



Diana Lowe
Chairman

The Freedom of Spirit Trust for Border Collies

Notes to the Financial Statements for the period ended 30th June 2008

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

a. Basis of accounting

The Financial Statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice : Accounting and Reporting by Charities issued in March 2005.

b. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

c. Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- Legacies are included when the charity has been notified of the gift and the amount is reasonably certain.
- Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Gift aid is recognised as a debtor in respect of all appropriate gifts recognised in the accounts.

d. Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Freedom of Spirit Trust for Border Collies

Notes to the Financial Statements for the period ended 30th June 2008 (cont)

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis as set out in Note 3.

2. Donations and Legacies

	2008 £
Legacies	166,019
Other Donations	4,554
Gift Aid receivable	883
Total	171,456

3. Total Resources expended

	Basis of Allocation	Cost of Generating Funds	Charitable Activities	Governance	2008 Total
	£	£	£	£	£
Costs directly allocated to activities					
Dog food	Direct		611		611
Veterinary services	Direct		1,535		1,535
Kennels & bedding	Direct		2,002		2,002
Flyers	Direct	265			265
Transport	Direct		410		410
Donation boxes	Direct	105			105
Equipment	Direct		56		56
Accountants Fees	Direct			575	575
Support costs allocated to activities					
Legal Fees	Usage	354	853	2,199	3,406
FOS Magazine	Usage	135	135	68	338
Salaries	Staff time	961	3,360	480	4,801
Telephone	Staff time	47	164	23	234
Insurance	Usage	53	186	27	266
Website	Usage	952	952	477	2,381
Secretarial Expenses	Staff time	8	28	4	40
Total resources expended		2,880	10,292	3,853	17,025

The Freedom of Spirit Trust for Border Collies
Notes to the Financial Statements for the period ended 30th June 2008 (cont)

4. Net incoming resources for the period

This is after charging:	2008
	£
Accountants' remuneration	575

5. Staff Costs and Numbers

	2008
	£
Salaries & wages	4,554
Social security costs	247
Total	<u>4,801</u>

The only employee during the period from 14th November 2007 to the end of the financial period was the Chief Executive who was contracted to work 25 hours per week.

The charity does not operate any pension scheme for its employees.

6. Trustee Remuneration & Related Party Transactions

The only employee of the charity is the Chief Executive, details of her salary is set out in Note 5 above. Transport costs include £100 expended on the Chief Executive.

No other Director received any remuneration or expenses during the period.

The Chief Executive has a reversionary freehold interest in the land on which the charity is developing kennel accommodation and is the proprietor of the Freedom of Spirit magazine.

The Directors along with others made available to the charity interest free loans to meet operating expenditure, as detailed in Note 9, which were repaid following the receipt of the legacy from the estate of the late Bernard Mahone.

7. Taxation

As a charity, the Freedom of Spirit Trust for Border Collies is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent these are applied to its charitable objects. No tax charge has arisen in the charity.

The Freedom of Spirit Trust for Border Collies

Notes to the Financial Statements for the period ended 30th June 2008 (cont)

8. Debtors

	2008
	£
Legacies	166,019
Gift Aid	883
Total	<u>166,902</u>

9. Creditors : Amounts Falling Due with One Period

	2008
	£
Directors Loans	
Mrs Diana Lowe	1,136
Mrs Barbara Sykes	2,103
Mr David Maitland	40
Total Director Loans	<u>3,279</u>
Other Loans	940
Legal Fees	3,405
Salaries & National Insurance	4,801
Accountants Fee	575
Other Creditors & Accruals	<u>1,145</u>
Total	<u>14,145</u>