

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

Leonard Gold
Statutory Auditor
Chartered Accountants
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Portsmouth
Hampshire
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THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

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FOR THE YEAR ENDED 31 DECEMBER 2019

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THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2019**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of 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).

LEGAL CONSTITUTION

The charity is governed in accordance with the RSPCA branch rules dated 18 February 2009 (as updated in 2012).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The RSPCA Solent Branch is an unincorporated charitable association and a separately registered Branch of the Royal Society for the Prevention of Cruelty to Animals (The Society), carrying out its direct animal welfare work in Portsmouth, Southampton and areas of the Solent. The objectives of the Branch are to promote the work and objects of the Society - to promote kindness and to prevent or suppress cruelty to animals by all lawful means - with particular reference to that of the Branch, in accordance with the policies of the Society. The trustees have reviewed the outcomes and achievements of our activities and objectives for the year, to ensure they remain focused on our charitable aims and to continue to deliver benefits to the public. We have complied with the duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission.

Under the Charities Act 2011 the advancement of animal welfare is recognised as a distinct statutory charitable purpose. The legislation and the Animal Welfare Act indicate an acceptance by society that treating living creatures with compassion has a moral benefit for the public as a whole. While this public benefit is clear, it is sometimes difficult to quantify and must be balanced against any detriment.

The Branch's animal welfare work, although local in nature, benefits the society at large and also aims to help people in need with the care of their animals. The next section of this report highlights the Branch's main activities and demonstrates the benefit provided to the public. All our charitable activities, as described in more detail in the following pages of the report, focus on promoting kindness and preventing or suppressing cruelty to animals and are undertaken to further these purposes for public benefit.

Public benefit

We support our local Inspectors by taking in, free of charge, mistreated or abandoned animals, including pets whose owners suffer with ill health, financial difficulties or pass away. The Society's Inspectorate (as well as providing education, information and advice) rescues animals in distress and enforces the law against the cruel mistreatment of animals in England and Wales by bringing prosecutions. This work is key to the prevention or suppression of cruelty as part of the RSPCA's objectives which promotes humane sentiments towards animals which involves moral benefit to humankind as a whole.

Animals in our care receive veterinary treatment, vaccination, neutering, micro-chipping and assessing for rehoming. This work helps to control the incidence and spread of disease and suffering and also helps to control the populations of unwanted cats, dogs, rabbits and other small pets.

We rehome animals in need at low cost to people willing and able to have a companion animal. Whilst we recognise that companion animals provide measurable benefits to people's physical and mental health, we consider the provision of pets as subsidiary to the main charitable aim of this branch which is to reduce animal suffering. Our policy to charge a reasonable adoption fee for animals aims to highlight the ongoing personal and financial commitment of pet ownership. It would not be in the best interests of the animals and therefore would fall outside our objects to rehome to those who could not afford them.

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2019**

OBJECTIVES AND ACTIVITIES

Public benefit, continued

We take in free of charge lost animals and take reasonable steps to reunite them with owners. This work benefits our local community (including local authorities) by preventing animals straying and posing a risk to themselves and to people through road traffic accidents.

We respond to enquiries (both direct and via the Society's call centre) from the public about animals locally. The public benefits from knowing we can intervene to help animals in need.

We provide volunteering opportunities for those who wish to support our working including trusteeship, fostering, home visiting, animal care, dog walking, fundraising and working in our charity shops. This benefits local people and companies by providing the possibility of doing work which is compassionate and rewarding.

ACHIEVEMENT AND PERFORMANCE

In 2019 the Branch rehomed 141 dogs, 233 cats, 50 rabbits and 206 miscellaneous birds and animals which ranged from goats and pigs to ducks and ferrets

Adoptions for Cats is lower than previous years due to the cattery being deemed not fit for purpose by the RSPCA Licencing team in September 2019. All cats were moved to the adoption cattery building and adoption procedures for cats were amended.

In May the branch opened its newest shop. This is in Petersfield, on one of the main high streets. The shop was opened in collaboration with the Alton, Haslemere and Petersfield Branch. It has proved popular with the locals and sales are promising. As well as this the branches other 4 remaining shops continued to make a vital contribution to income and provided a "face" for the branch on the high street. They were generously supported by donations from our supporters and a team of volunteers work with each shop and shop manager to ensure the shops are kept open, well stocked and vibrant throughout the year. A Pop-Up shop in Fareham Shopping Centre provided at a peppercorn rent and staffed by volunteers boosted retail income.

The branch's Southsea shop ceased trading in October. A major decline in sales meant that upon the renewal of the property lease, the difficult decision to close was made.

The branch held its annual Summer Fete in June. Despite the awful weather on the day, the day was a success and made over £2,100.

The branch held a 1980's themed charity night in September. This proved a massive success and raised £1,800.

The Business and Income Generation Manager featured on a local Radio station to promote the work of the branch in the Solent area and to talk about new fundraising ideas.

The Branch continued working with local corporate volunteering groups including SSE and M&S who came along to the shelter in the summer and helped erect and paint sheds in the small animals area of the site. This helped to cut down on site repairs as we had lots of groups who could come and help out free of charge. The Animal Centre Manager and Cattery and Small Animals Supervisor attended the yearly Animal Welfare Conference in Staffordshire. They both attended informative and helpful lectures and continued to grow their network of partnerships with neighbouring branches.

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REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2019**

The Branch continued to network animals to other local and sometimes further away RSPCA branches. They also took in case animals and worked with the Inspectorate to accommodate animals from other areas.

The Branch continues to review its finances and services to ensure its sustainability for the future and maximise its animal welfare delivery working to a strategic plan, budgets and actively trying to increase income generation.

The Branch Trustees decided to transfer £100,000 of unrestricted funds to a designated fund for maintenance. This was to help with major maintenance projects at the shelter.

The Branch relies on its dedicated group of volunteers and supporters who work tirelessly in the branch animal centre, shops and fundraising activities.

The Branch remained active in the community with our supporter groups in Hayling Island and Winchester continuing their valuable contributions to our funds.

Fundraising activities have continued in the local community including attending fete's, doing talks at local schools and supermarket collections, including food tin donations which has helped to reduce our food bill.

Throughout the year our staff and volunteers worked tirelessly to find rescue rehabilitate and rehome animals that came into the branch care. This meant providing proper veterinary treatment and care to get them ready for rehoming and working to find suitable homes to meet the needs of the animals in our care.

FINANCIAL REVIEW

Principal funding sources

Our funding comes mostly from donations from the general public, legacies and our business activities eg adoption fees, clinic fees and shop income. We do not receive any general funding from any other source.

Investment policy and objectives

We only hold investments in secure low risk funds and always seek the advice of our financial advisers.

Reserves policy

The reserves policy of this branch is to have sufficient funds in reserve that should all income cease there would be sufficient funds in hand to run the branch facilities for one year at current levels. Reserves are those funds which are freely available for general purposes and are uncommitted.

Our expenditure is in line with our key priorities in that payment for veterinary treatment is one of the main items, we also ensure that there are sufficient funds to maintain a well-trained and motivated workforce.

However, the Trustees are aware that the reserves policy is not currently being achieved without the receipt of legacies. The ongoing cost cutting programme that has continued into 2020 along with an increased emphasis on income generation aims to redress the balance going forward and create a substantial model for the future, including sufficient reserves to meet the policy.

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REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2019**

FUTURE PLANS

The outbreak of Covid-19 has caused much disruption and with the charity shops being closed, no fundraising can take place face to face and no adoptions of animals this has significantly reduced our income. At this stage it is unknown at this stage what the effects the coronavirus will have on our ability to carry out our plans during 2020.

The Branch had sought to open its doors again in June 2020 in the form of a summer fete, however this will now be in the form of a virtual fete. We also have a charity night scheduled for September.

The Branch had booked a programme of events including: Gosportarians Fete, Gosport Dog Show, 22 collections in supermarkets and shopping centres but again all have been halted until we can fundraise safely once more.

During the Covid-19 pandemic the Branch undertook a few fundraising campaigns to try and claw back some of the lost income over the period.

Other fundraising ventures planned are to launch a 1000 Animal Lovers, where the branch will ask the public to raise £100 in any way they can. Once completed their photo will be put on the designated board in reception.

The Trustees are actively working on a new strategy to create a more sustainable long term future for the branch including greater animal welfare delivery to the area's neediest animals and a robust income generation plan.

The Branch is actively working to expand its retail programme to increase sustainable income with a target of four new shops within two years. Active searches of the Solent area to find suitable premises is underway.

Depending on planning permission timescales, the branch will undertake the building of a new cattery in the spring and summer months (this could be longer due to the outbreak of Covid-19). This new venture will give the branch a state of the art facility for the cats in the branches care and give a new revenue stream through boarding the public's cats.

To continue building strong relationships and networking with the wider national society, both the Animal Centre Manager and Business and Income Generation Manager will attend the national conference in Staffordshire.

The Management team including Supervisors are continuing to build relationships with local media and boost its social media presence to ensure it raises awareness of both the Ark and its activities and animal welfare messages.

The Branch will receive support and donations from local corporate organisations who have nominated them as their chosen charity of the year. The Business and Income Generation Manager will work with them to create events and raise funds alongside delivering talks to the organisations about the work of the branch.

Our aim for the forthcoming year is to continue to provide a high level of care for our animals and ensure the sustainability of the Branch whilst increasing income generation and maintaining a tight control over Branch finances. Our dedicated staff receive continued training as required as well as continuing to work with our invaluable team of volunteers.

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is constituted as an unincorporated association. The charity operates as an autonomous branch of the National RSPCA subject to its rules for branches.

Working Names

Within the wider community the RSPCA Solent Branch is also known as The Stubbington Ark.

Recruitment and appointment of new trustees

A committee of Trustees is elected at the Annual General Meeting. Trustees are recruited from existing volunteers and supporters and by recommendation. The Branch also uses the local volunteer centre and volunteer recruitment websites.

Organisational structure

The trustees hold monthly meetings at which decisions are made. Day to day running of the animal centre is delegated to the Animal Centre Manager, the day to day of fundraising and shops to the Business and Income Generations Manager.

The Branch works with Headquarters staff and other RSPCA Branches in its day to day work and also regularly liaises with other animal charities and Local Authorities.

Induction and training of new trustees

On becoming a Trustee HQ send out an information pack, and there is also an HQ prepared training course available. Mentoring by an established Trustee is also used for inducting and training new Trustees.

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, its investments and its finances. The trustees believe that by monitoring reserve levels, by ensuring that 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. These systems include:

Risk

- 1) Financial Fraud
- 2) Health and Safety
- 3) Loss of Trustees
- 4) Funds Deficit

Action

- a) Annual independent accounts audit
- b) 2 signatures required for cheques
- c) Monthly reviews of financial records
- d) Dual authorisation on-line banking
- a) Documented policies at each site
- b) Annual insurance maintained
- a) Ongoing volunteer programme
- b) Branch development plan
- a) Annual budgets set, reviewed monthly
- b) Diversified sources of income
- c) Ongoing fundraising activities

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

205096

Principal address

174 - 176 Ranvilles Lane
Stubbington
Fareham
Hampshire
PO14 3EZ

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

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FOR THE YEAR ENDED 31 DECEMBER 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Long term we will be looking to return the branch to local control once it is in a financially sound position. Due to the size of the branch, the challenge of recruiting a full board of trustees with the appropriate skills and experience to govern a large charity with a commercial/fundraising arm, is one which we feel requires a targeted, skill-based recruitment drive and a period of training and mentoring to ensure future management of the Branch and robust delivery of animal welfare services in the area

Trustees

Mr M Tomlinson

Mr P Baxter

Mr D Lott – appointed 8 April 2020

Mr R Booker – Resigned November 2019

Patrons

Claire Anderson

Mr. & Mrs. F Dineage

Councillor Sandra Gidley

The News (Portsmouth)

Mike Hancock

Alan Whitehead MP

Southern Daily Echo

Matthew Taylor

Auditors

Leonard Gold

Statutory Auditor

Chartered Accountants

24 Landport Terrace

Portsmouth

Hampshire

PO1 2RG

Solicitors

Warner, Goodman LLP

8/9 College Place

London Road

Southampton

Hampshire

SO15 2FF

Sabrina Cader

Winckworth Sherwood

Minerva House

5 Montague Close

Hampshire

SE1 9BB

Blake Morgan

New Kings Court

Tollgate

Chandler's Ford

Eastleigh

Hampshire

SO53 3LG

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TSB Plc
272 London Road
Waterlooville
Hampshire
PO7 7HN

Barclays Bank Plc
67-69 West Street
Fareham
Hampshire
PO16 0AT

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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 ensuring that they have complied with the duty in section 4 of the 2006 Charities Act with regards to the public benefit statement.

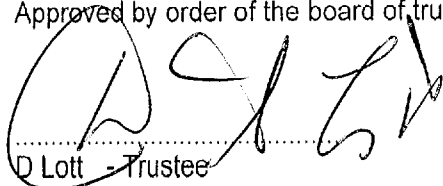
Statement as to disclosure of information to auditors

So far as the trustees are aware there is no relevant audit information of which the charity's auditors are unaware and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Leonard Gold Chartered Accountants will be proposed for reappointment.

Approved by order of the board of trustees on 22 July 2020 and signed on its behalf by:


D Lott - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH**

Opinion

We have audited the financial statements of RSPCA Solent Branch for the year ending 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 qualified opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its income and expenditure for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for qualified opinion

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

We have not been able to satisfy ourselves as to the completeness of the legacy income within the total income figure. This is because sufficient appropriate audit evidence was not available. In all other aspects we have been able to satisfy ourselves as to the income being recorded correctly.

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 Charity'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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of governors' remuneration specified by law are not made; or
- We have not obtained all the information and explanations necessary for the purposes of the audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free for material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or to 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 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 final 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 Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Leonard Gold
Statutory Auditor
Chartered Accountants
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG**

Dated: 4 August 2020

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted fund	Restricted funds	2019 Total funds	2018 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	371,627	20,000	391,627	1,125,204
Charitable activities					
Animal welfare	5	180,132	-	180,132	168,515
Other trading activities	3	454,029	798	454,827	354,298
Investment income	4	<u>37,668</u>	<u>-</u>	<u>37,668</u>	<u>36,300</u>
Total		1,043,456	20,798	1,064,254	1,684,317
 EXPENDITURE ON					
Raising funds	6	3,616	-	3,616	3,985
Charitable activities	7				
Animal welfare		<u>994,754</u>	<u>24,317</u>	<u>1,019,071</u>	<u>977,575</u>
Total		998,370	24,317	1,022,687	981,560
 NET INCOME/(EXPENDITURE)		45,086	(3,519)	41,567	702,757
 Surplus from sale of property		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net movement in funds		45,086	(3,519)	41,567	702,757
 RECONCILIATION OF FUNDS					
Total funds brought forward		3,205,833	53,036	3,258,869	2,556,112
 TOTAL FUNDS CARRIED FORWARD		<u>3,250,919</u>	<u>49,517</u>	<u>3,300,436</u>	<u>3,258,869</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

BALANCE SHEET
AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	1,814,482	1,810,073
Investments	15	<u>30,567</u>	<u>30,567</u>
		1,845,049	1,840,640
 CURRENT ASSETS			
Stocks	16	11,403	14,271
Debtors	17	528,596	1,011,990
Cash at bank and in hand		<u>969,928</u>	<u>461,869</u>
		1,509,927	1,488,130
 CREDITORS			
Amounts falling due within one year	18	(54,540)	(69,901)
		<u> </u>	<u> </u>
 NET CURRENT ASSETS		<u>1,455,387</u>	<u>1,418,229</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,300,436</u>	<u>3,258,869</u>
 NET ASSETS		<u><u>3,300,436</u></u>	<u><u>3,258,869</u></u>
 FUNDS	21		
Unrestricted funds:			
General fund		3,150,919	3,205,833
Maintenance fund		100,000	-
Restricted funds:			
Accumulated shelter fund		11,820	11,820
Pond fund		13,274	14,287
Paws4Help		10,651	10,651
Case dog fund		3,778	3,778
Kennel Block Fund		9,196	12,500
Cattery Fund		<u>798</u>	<u>-</u>
		<u>49,517</u>	<u>53,036</u>
 TOTAL FUNDS		<u><u>3,300,436</u></u>	<u><u>3,258,869</u></u>

The financial statements were approved by the Board of Trustees on 22 July 2020 and were signed on its behalf by:


D Lott - Trustee

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>541,992</u>	<u>117,062</u>
Net cash provided by (used in) operating activities		<u>541,992</u>	<u>117,062</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(33,491)	(16,801)
Sale of tangible fixed assets		500	-
Interest received		225	171
Dividends received		<u>2,811</u>	<u>2,697</u>
Net cash provided by (used in) investing activities		<u>(29,955)</u>	<u>(13,933)</u>
Change in cash and cash equivalents in the reporting period		512,037	103,129
Cash and cash equivalents at the beginning of the reporting period	2	<u>446,757</u>	<u>343,628</u>
Cash and cash equivalents at the end of the reporting period	2	<u>958,794</u>	<u>446,757</u>

The notes form part of the financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	41,567	702,757
Adjustments for:		
Depreciation charges	24,450	22,520
Loss on disposal of fixed assets	4,132	-
Interest received	(225)	(171)
Dividends received	(2,811)	(2,697)
Decrease in stocks	2,868	(140)
Decrease in debtors	483,394	(620,711)
Decrease in creditors	<u>(12,384)</u>	<u>15,504</u>
Net cash provided by (used in) operating activities	<u>541,992</u>	<u>117,062</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	931	1,777
Notice deposits (less than 3 months)	968,996	460,091
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(11,133)</u>	<u>(15,111)</u>
Total cash and cash equivalents	<u>958,794</u>	<u>446,757</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

Donation and collection income is included in the accounts when they are received or when it becomes reasonably certain that it will be received and the value of the incoming resource can be measured with sufficient reliability.

Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

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 once the dividend has been declared and notification has been received of the dividend due.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable, unless the asset has been fully purchased then the income is deferred.

Income received as a result of generating funds is recognised when received.

Incoming resources from charitable activities are recognised on the accruals basis and are included net of any VAT that has been charged.

Rents received are measured on an accrual basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

No costs were apportioned during the year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES – continued

Tangible fixed assets

Fixed assets are recorded at cost, assets costing less than £100 are not capitalised. When the asset is received by way of donation it is recorded at its market value on the date of donation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over their expected useful lives on the following basis:

Freehold land	-	not depreciated
Buildings	-	straight line over 100 years
Plant and machinery	-	15% on reducing balance
Motor vehicles	-	25% on reducing balance

Freehold land and property was deemed to be held at cost on date of transition to FRS 102. Half is in relation to Land therefore has an infinite life and not depreciated the remaining amount was deemed to have a useful life of 100 years therefore depreciation was charged to the SOFA on a straight line basis.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Donated stock is valued at the expected proceeds less the expected cost of sales in accordance with SORP (FRS 102).

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Investments are included at cost less impairment.

Irrecoverable VAT

Due to the nature of the Charity's activities not all VAT is recoverable as input tax cannot be attributed directly to taxable or exempt supplies. A quarterly partial exemption calculation is completed for the irrecoverable VAT.

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Other income	2,058	3,514
Donations and collections (including Gift Aid)	134,878	99,646
Legacies	248,426	1,020,694
Grants	<u>6,265</u>	<u>1,350</u>
	<u>391,627</u>	<u>1,125,204</u>

Grants received, included in the above, are as follows:

	2019	2018
	£	£
Other grants	<u>6,265</u>	<u>1,350</u>

There are no conditions attached to the grants received in the year and proceeding year.

3. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Fundraising	83,255	92,747
Animal centre shop sales	5,480	6,172
Charity shop sales	<u>366,092</u>	<u>255,379</u>
	<u>454,827</u>	<u>354,298</u>

4. INVESTMENT INCOME

	2019	2018
	£	£
Rents received	34,632	33,432
Dividends on investments	2,811	2,697
Deposit account interest	<u>225</u>	<u>171</u>
	<u>37,668</u>	<u>36,300</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		2019	2018
	Activity	£	£
Animal adoptions	Animal welfare	36,918	46,167
Boarding fees and police fees	Animal welfare	115,945	88,768
Vets fees (neutering)	Animal welfare	<u>27,269</u>	<u>33,580</u>
		<u>180,132</u>	<u>168,515</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

6. RAISING FUNDS

Other trading activities

	2019	2018
	£	£
Purchases	<u>3,616</u>	<u>3,985</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Animal welfare	<u>994,054</u>	<u>25,017</u>	<u>1,019,071</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019	2018
	£	£
Staff costs	533,857	526,118
Veterinary fees and drugs	134,816	144,354
Food	9,463	8,129
Rent, rates, water and power	147,124	120,827
Insurance	2,812	4,868
Stationery, postage and telephone	8,061	9,062
Motor expenses and travel	6,177	5,604
Maintenance and repairs	54,619	51,586
Refuse collection	27,035	23,720
Cleaning	8,776	9,277
Clothing	357	1,671
Miscellaneous	3,985	4,982
Partial exemption adjustment	26,330	20,406
Staff fundraising costs	1,535	2,126
Bad debts written off	525	-
Depreciation	24,450	22,520
Loss on disposal of assets	<u>4,132</u>	<u>-</u>
	<u>994,054</u>	<u>955,250</u>

9. SUPPORT COSTS

	Finance	Professional	Governance costs	Totals
	£	£	£	£
Animal welfare	<u>4,350</u>	<u>10,055</u>	<u>10,612</u>	<u>25,017</u>

10. AUDITORS' REMUNERATION

	2019	2018
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>10,612</u>	<u>6,542</u>

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

There were no trustees' expenses paid for year ended 31 December 2019 nor for the year ended 31 December 2018.

12. STAFF COSTS

Total Staff costs comprised:

	2019
	£
Wages and Salaries	504,782
Social Security Costs	20,983
Pension Costs	8,092
	<u>533,857</u>

No employee earned £60,000 pa or more.

The average number of employees during the year was 36 (2018: 37).

Defined contribution pension

Amount charged to the SOFA as an expense in the year £8,092 (2018 £4,998).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	371,627	20,000	391,627
Charitable activities			
Animal welfare	180,132	-	180,132
Other trading activities	454,029	798	454,827
Investment income	<u>37,668</u>	<u>-</u>	<u>37,668</u>
Total	1,043,456	20,798	1,064,254
EXPENDITURE ON			
Raising funds	3,616	-	3,616
Charitable activities			
Animal welfare	<u>994,754</u>	<u>24,317</u>	<u>1,019,071</u>
Total	998,370	24,317	1,022,687
NET INCOME/(EXPENDITURE)	45,086	(3,519)	41,567
Transfer between funds	<u>-</u>	<u>-</u>	<u>-</u>
	45,086	(3,519)	41,567
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>3,205,833</u>	<u>53,036</u>	<u>3,258,869</u>
TOTAL FUNDS CARRIED FORWARD	<u>3,250,919</u>	<u>49,517</u>	<u>3,300,436</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2019	1,748,050	344,044	14,060	2,106,154
Additions	-	33,491	-	33,491
Disposals	-	(10,500)	-	(10,500)
At 31 December 2019	<u>1,748,050</u>	<u>367,035</u>	<u>14,060</u>	<u>2,129,145</u>
DEPRECIATION				
At 1 January 2019	26,187	256,937	12,957	296,081
Charge for year	8,706	15,468	276	24,450
Eliminated on disposal	-	(5,868)	-	(5,868)
At 31 December 2019	<u>34,893</u>	<u>266,537</u>	<u>13,233</u>	<u>314,663</u>
NET BOOK VALUE				
At 31 December 2019	<u>1,713,157</u>	<u>100,498</u>	<u>827</u>	<u>1,814,482</u>
At 31 December 2018	<u>1,721,863</u>	<u>87,107</u>	<u>1,103</u>	<u>1,810,073</u>

Under the rules of the society, the title to freehold land owned by the branch is vested in the headquarters of the society.

All fixed assets are used in the direct furtherance of the charity's objectives.

15. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2018	30,567
Disposals	-
At 31 December 2019	<u>30,567</u>
NET BOOK VALUE	
At 31 December 2019	<u>30,567</u>
At 31 December 2018	<u>30,567</u>

There were no investment assets outside the UK.

Investments (neither listed nor unlisted) were as follows:

	2019 £	2018 £
Shares	30,567	30,567
	<u>30,567</u>	<u>30,567</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

16. STOCKS

	2019	2018
	£	£
Finished goods	<u>11,403</u>	<u>14,271</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	6,667	6,583
Other debtors	495,636	970,353
VAT	7,539	11,337
Prepayments	<u>18,754</u>	<u>23,717</u>
	<u>528,596</u>	<u>1,011,990</u>

There were no debtors due after more than one year.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 19)	11,133	15,111
Trade creditors	18,768	22,164
Social security and other taxes	6,778	6,782
Accruals and deferred income	<u>17,861</u>	<u>25,844</u>
	<u>54,540</u>	<u>69,901</u>

There were no creditors due after more than one year.

19. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	<u>11,133</u>	<u>15,111</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
Fixed assets	1,814,482	-	1,814,482	1,810,073
Investments	30,567	-	30,567	30,567
Current assets	1,460,410	49,517	1,509,927	1,488,130
Current liabilities	(54,540)	-	(54,540)	(69,901)
	<u>3,250,919</u>	<u>49,517</u>	<u>3,300,436</u>	<u>3,258,869</u>

21. MOVEMENT IN FUNDS

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	3,205,833	45,086	(100,000)	3,150,919
Maintenance fund	-	-	100,000	100,000
Restricted funds				
Southampton Clinic	11,820	-	-	11,820
Pond fund	14,287	(1,013)	-	13,274
Paws4Help	10,651	-	-	10,651
Case dog fund	3,778	-	-	3,778
Kennel block fund	12,500	(3,304)	-	9,196
Cattery fund		798		798
	<u>53,036</u>	<u>(3,519)</u>	<u>-</u>	<u>49,517</u>
TOTAL FUNDS	<u>3,258,869</u>	<u>41,567</u>	<u>-</u>	<u>3,300,436</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,043,456	(998,370)	45,086
Restricted funds			
Petersfield shop	20,000	(20,000)	-
Pond Fund	-	(1,013)	(1,013)
Kennel block fund	-	(3,304)	(3,304)
Cattery fund	798	-	798
	<u>20,798</u>	<u>(24,317)</u>	<u>(3,519)</u>
TOTAL FUNDS	<u>1,064,254</u>	<u>(1,022,687)</u>	<u>41,567</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

21. MOVEMENT IN FUNDS - continued

Pond Fund

A restricted fund was created as a result of a donation to be used for the creation and landscaping of a new pond at the animal shelter. This work commenced in the year ended 31 December 2012.

Southampton Clinic

A donation in previous years was received that is required to be used for the Southampton Clinic.

Paws4Help

The fund has been created for a campaign to raise funds to redevelop the cattery.

Case Dog, A Block, Dog and B Block funds

These funds were created by companies or individuals sponsoring a redevelopment of an area of The Ark.

Maintenance fund

The fund has been created for general maintenance needed at the Stubbington Ark.

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2019.

23. POST BALANCE SHEET EVENTS

The financial statements take into consideration events occurring between 31 December 2019 and their approval by the trustees.

24. OPERATING LEASE COMMITMENTS

At 31 December 2019 the total of the Charity's future following payments are committed to be paid:

	<u>2019</u>	<u>2018</u>
Less than one year	8,500	23,431
One to five years	156,250	204,666
More than five years	<u>-</u>	<u>-</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Other income	2,058	3,514
Donations and collections (including Gift Aid)	134,878	99,646
Legacies	248,426	1,020,694
Grants	6,265	1,350
	<hr/>	<hr/>
	391,627	1,125,204
Other trading activities		
Fundraising	83,255	92,747
Animal centre shop sales	5,480	6,172
Charity shop sales	366,092	255,379
	<hr/>	<hr/>
	454,827	354,298
Investment income		
Rents received	34,632	33,432
Dividends on investments	2,811	2,697
Deposit account interest	225	171
	<hr/>	<hr/>
	37,668	36,300
Charitable activities		
Animal adoptions	36,918	46,167
Boarding fees and police fees	115,945	88,768
Vets fees (neutering)	27,269	33,580
	<hr/>	<hr/>
	180,132	168,515
Total incoming resources	1,064,254	1,684,317
EXPENDITURE		
Other trading activities		
Animal centre goods for resale	3,616	3,985
Charitable activities		
Wages	504,782	497,771
Social security	20,983	23,349
Pensions	8,092	4,998
Veterinary fees and drugs	134,816	144,354
Food	9,463	8,129
Rent, rates, water and power	147,124	120,828
Insurance	2,812	4,868
Stationery, postage and telephone	8,061	9,062
Motor expenses and travel	6,177	5,603
Maintenance and repairs	54,619	51,586
Carried forward	896,929	870,548

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Charitable activities		
Brought forward	896,929	870,548
Refuse collection	27,035	23,720
Cleaning	8,776	9,277
Clothing	357	1,671
Miscellaneous	3,985	4,982
Partial exemption adjustment	26,330	20,406
Staff fundraising costs	1,535	2,126
Bad debts written off	525	-
Freehold property	8,706	8,707
Plant and machinery	15,468	13,445
Motor vehicles	276	368
Loss on sale of assets	<u>4,132</u>	<u> </u>
	994,054	955,250
Support costs		
Finance		
Bank charges	4,350	3,164
Professional fees	<u>10,055</u>	<u>12,619</u>
	14,405	15,783
Governance costs		
Auditors' remuneration	<u>10,612</u>	<u>6,542</u>
Total resources expended	1,022,687	981,560
	<u> </u>	<u> </u>
Net expenditure	<u><u>41,567</u></u>	<u><u>702,757</u></u>

This page does not form part of the statutory financial statements