



**South West
Somerset Branch**

Registered Charity No. 205655

RSPCA South West Somerset Branch

Charity number: 205655

Trustees report and accounts

for the year ended 31 December 2019



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Charity number: 205655
Accounts for the year ended 31 December 2019

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Trustees report for 2019

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's constitution, the Charities Act 2011 and the Charities Statement of Recommended Practice (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Reference and administrative information

Trustees

Chairman: Andrew Thomson
Treasurer: Karen Gigg
Secretary: Mariota Kittermaster
Trustees: Chrissie Branfield (resigned 14 November 2019)
Cherry Carmen (co-opted 28 March 2019)
Sarah Cochrane
Elizabeth Davenport (co-opted 14 November 2019)
Michelle Johnston
Sylvia Rose

Branch Welfare Voucher Administration

Sarah Cochrane, Sue Percival.

Branch Manager

Roger Dixon

Shop Managers

Emma Botarelli
Jenny Casey
Jayne Langley
Su Seward

Assistant Managers

Sue Searle
Joyce Erskine
Jos Baronowska
Laura Lissaman

Branch Support Specialist

Emily Bowen

Principal Address

RSPCA South West Somerset Branch
64 Bridge Street
Taunton
Somerset
TA1 1UD

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Auditors

As the annual turnover of the charity is below the audit threshold of £1,000,000 the Branch accounts do not require an audit but an independent examination. This is undertaken by Gill Freeman on behalf of Milsted Langdon LLP, Motivo House, Alvington, Yeovil, BA20 2FG.

Bankers

CAF Bank Limited	Lloyds Bank	Natwest Bank
25 Kings Hill Avenue	120 Lewisham High Street	10 East Street
Kings Hill	Lewisham	Ilminster
West Malling	London	Somerset
Kent	SE13 6JG	TA19 0AA
ME19 4JQ		

Membership

Members who join the society automatically become members of the Branch. At 31st December 2019 the Branch had 102 members (2018: 101). Each member is entitled to a vote at the Branch annual general meeting after completing three months membership, and at any extraordinary general meeting which might be held.

Organisational Structure, Governance and Management

Constitution

The South West Somerset Branch is a separate charity registered with the Charities Commission on the 24th April 1962. It is constituted as an unincorporated association. The charity operates as an autonomous branch of the National RSPCA subject to its rules for branches (as updated in 2012).

Organisational Structure

The Branch is governed by a committee of trustees who are elected at the AGM. All trustees are briefed on their responsibilities as trustees prior to their acceptance of the role.

The trustees hold regular meetings at which decisions are made. Day to day running of the Branch is delegated to the Branch Manager, and the day to day running of the shops is delegated to the Shop Managers.

Related party relationships

The Branch operates within a national network of organisations that pursue the same objectives and which are collectively known as the Royal Society for the Prevention of Cruelty to Animals.

The network comprises independent branches operating within a defined geographical area for the purposes of fundraising and the provision of animal care facilities and treatments. A regional structure also exists that is overseen on a national basis. This structure provides a team of specialist Inspectors and coordinates the policies and objectives of the branches. Representatives of the branches, regional and national organisations meet on an annual basis as a forum to consider all issues affecting animal welfare; and to develop policies for the future pursuit of their common aims.

The Branch also has links with other organisations committed to the same objectives.

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Risk Management

The trustees actively review the risks, which the Branch faces on a regular basis through regular meetings of the trustees that cover operational and financial reviews. The main risks to which the charity is exposed have been identified as:

- Inability to operate animal and fundraising facilities because of fire or other destruction.
- Loss of key personnel.
- Loss of reputation through error or fraud.
- Loss of income through error, fraud or outside forces.
- Insufficient funds to cover the costs of animal welfare activities.
- Insufficient trustees to continue.
- Insufficient volunteers to fundraise.
- Risk of claims against volunteers.
- Risk of claims by volunteers or the public.
- Adverse publicity.
- Risk of adverse performance of investment markets in respect of the share portfolio held.

The trustees were satisfied that adequate control systems were in place to manage the risks as far as practicable and as far as could reasonably be anticipated.

Trustee induction and training

Every prospective trustee is provided with information about the work of the Branch and invited to attend one or more trustee meetings as an observer. Training is offered as appropriate to trustees; however with many volunteers working full or part time, requests for take up tends to be low.

Key management personnel remuneration

The trustees consider that the board of trustees comprise the key management personnel of the charity in charge of the directing and controlling of the charity. The operation of the charity on a day to day basis is delegated to the Branch Manager. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 10 to the accounts.

Trustees are required to disclose all relevant interests and register them and in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises.

Objectives and activities for the public benefit

The objects of the Branch are to promote the work and objects of the National Society of the RSPCA, whose vision is a world where all animals are respected and treated with compassion and whose mission is to prevent cruelty, promote kindness and alleviate suffering of all animals.

The trustees have reviewed the outcomes and achievements of the Branch objectives and activities for the year to ensure they remain focussed on the charity's aims and continue to deliver benefits to the public. The trustees have complied with the duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. This can be illustrated as follows:

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Advancement of animal welfare

Under the Charities Act 2011, the advancement of animal welfare is recognised as a distinct statutory charitable purpose. This legislation and the Animal Welfare Act 2006 indicate an acceptance by society that treating living creatures with compassion has a moral benefit for the public as a whole. Whilst this public benefit is clear, it is sometimes difficult to quantify and must be balanced against any detriment.

The Branch animal welfare work, although local in nature, benefits 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 main Branch activities and demonstrates the benefit provided to the public (in italics). All our charitable activities, as described in more detail in the following pages of this report, focus on promoting kindness and preventing or suppressing cruelty to animals and are undertaken to further these purposes for the public benefit.

Charitable activities pursued for the public benefit

1. We support our local Inspectors by taking in free of charge, mistreated or abandoned animals and by providing funds for the treatment of animals which they consider will suffer as a result of inaction by the owners, or where the owners cannot be identified, or the animal has strayed or been abandoned. This includes pets whose owners suffer ill health or financial difficulties or pass away. *The society's inspectorate (as well as providing education, information and advice) rescue animals in distress and enforce laws against the cruel mistreatment of animals in England and Wales by bringing prosecutions. This work is key to 'the prevention or suppression of cruelty' part of the RSPCA objects and promotes humane sentiments towards animals which involves moral benefit to humankind as a whole.*

2. We provide subsidised veterinary treatment for animals which are sick or injured and belong to local people on low incomes. We do this through a voucher scheme in association with veterinary practices within the Branch area. This service is currently administered by two dedicated volunteers. **In 2019 we issued 541 veterinary welfare vouchers and 665 animals were helped.** *This work benefits those on means tested benefits by giving them financial help to obtain care for companion animals in need of veterinary treatment.*

3. We provide subsidised neutering and micro-chipping of companion animals for those in the Branch area on low incomes. We do this through a voucher scheme in association with veterinary practices within the Branch area and through specific neutering campaigns. **In 2019 we neutered 187 animals and micro-chipped 35.** *This work helps to control cat/dog populations through neutering and benefits those on means tested benefits by giving them financial help to neuter and micro-chip companion animals, thereby promoting responsible pet ownership.*

4. We support through funds the neutering, vaccination, micro-chipping and initial veterinary costs of stray dogs collected by local authority dog wardens within the Branch area; which if unclaimed by their owners are subsequently re-homed through the local animal welfare charity, St Giles Animal Rescue. **In 2019 we helped with support for 106 stray dogs.** *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.*

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5. We have the use of facilities to take dogs and cats into RSPCA Brent Knoll Animal Centre courtesy of our neighbouring Branch in North Somerset and we are also able to take advantage of spare capacity at RSPCA West Hatch Animal Centre. This helped 31 cats and 7 dogs. *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 service, which is to reduce animal suffering.*

6. We support West Hatch Animal Centre by offering equipment or funds by request. **This year we provided £25,000 to help meet the food requirements of the wildlife hospital and £14,000 for construction of a new pig enclosure.** *The public benefits from knowing that we are assisting wildlife and companion animals in desperate need of care and compassion within the Branch area.*

7. We respond to enquiries (both direct and via the society's national control centre) from the public about animals locally. *The public benefits from knowing that we can intervene to assist animals in need.*

8. Within the terms of our governing document, we support the national society, other RSPCA Branches and other local animal welfare charities by providing funds or loans for use in major building projects, such as kennels. *The public benefits from increased local resources for dealing with mistreated or abandoned animals including pets of owners who suffer ill health or financial difficulties or pass away.*

9. We provide volunteering opportunities for those who wish to support our work, including trusteeship, retailing, fostering and fundraising. *This benefits local people and companies by providing the possibility of doing work which is compassionate and rewarding.*

10. We offer free animal care advice by the provision of leaflets and booklets from information points within our Branch charity shops. *The public benefits through the promotion of responsible pet ownership.*

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Review of activities and achievements

Significant activities

This year the Branch has supported:

- Locally owned animals through our Veterinary Voucher Scheme
- Animals through the Inspectorate neutering and welfare voucher scheme
- Animals via our local Branch Inspectorate voucher fund
- RSPCA West Hatch Animal centre
- Stray dogs from our area at St Giles Animal Rescue Centre
- A summer family event at Priorswood in Taunton

The Branch has also continued fundraising through:

- Our RSPCA charity shops
- Collection boxes situated in local businesses

Financial review

Retail

Our fundraising shops at Bridgwater, Chard, Taunton and Wellington continue to provide the main source of operational income for the Branch. This year the decision was taken to close the Williton shop at the end of June when the lease was due for renewal. Net income from the retail operation was £81,187 (2018: £74,083). We would be unable to achieve these results without the dedication of our shop managers, their assistants and with extra special thanks to the very many amazing volunteers who assist us in running our fundraising shops on a daily basis.

Non-retail

Other income received by the Branch amounted to £36,246 (2018: £38,836) which represented an decrease in income of £2,590. The branch spent £92,296 (2018: £67,087) on providing animal welfare in the year. In overall terms net income of £12,859 was generated in the year compared to £34,758 in 2018.

Fundraising

The Branch benefits from the funds raised through collection boxes situated at various premises in South West Somerset. Our thanks are extended to all the organisations, businesses, individuals and volunteers who have supported our fundraising efforts this year. We also receive a small amount of donations via 'Give as you earn' and monthly supporter donations.

Reserves Policy

The Branch aims to hold sufficient reserves to be able to continue the charity's work for the foreseeable future by holding at least two years running costs. The trustees consider it prudent that, given the uncertainty of the income stream from year to year which is dependent on shop sales, unrestricted reserves should be sufficient to cover ongoing operational and support costs. Any additional funds held are to be applied to run animal welfare programmes.

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Investment Policy

The Branch holds several longer term savings bonds and deposits, the income from which is used to support the work of the Branch. At 31 December 2019 these investments had a market value of £62,000.

The Branch also holds an investment portfolio managed by Rowan Dartington. At 31 December 2019 these investments had a market value of £183,354.

Future Developments

The Branch will continue with the following:

- Offer a subsidised veterinary welfare voucher scheme for local animals.
- Where our resources permit we will take in unwanted animals from our local area at the request of RSPCA Inspectors and members of the public.
- Provide a local Inspectorate fund for animal neutering and welfare vouchers.
- Offer support to the RSPCA West Hatch Animal centre.
- Support the neutering, vaccination and initial veterinary costs of stray dogs from our Branch area which come into the care of St Giles Animal Rescue at St Giles Kennels, Wrantage.
- Work with our neighbours at RSPCA North Somerset branch to rehome animals from our Branch area via Brent Knoll Animal Centre.

In 2020 the Branch has been impacted by the effects of the Coronavirus and this will adversely impact income for the year as the retail shops are temporarily closed. The Branch has made use of the government's Job Retention Scheme and obtained £40,000 in business grants as well as reviewing costs and making reductions where appropriate. The trustees monitor the position on a periodic basis and due to these actions and the level of reserves are satisfied that the charity remains a going concern.

The decision has been taken to make a contribution of £45,173 to a central RSPCA fund to support RSPCA branches with animal rescue centres in financial distress. This has been calculated by reference to the house to house appeals income due to the Branch from the National RSPCA. The contribution has been agreed as the Branch benefits from the ability to take animals into local RSPCA centres which may then be networked to other centres.

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Statement of trustee's responsibilities

The charity trustees are responsible for preparing a trustees' annual report and 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 requires the charity trustees to prepare financial statements for each 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 of the charity for the 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 applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

The trustees are also responsible for safeguarding the assets of the charity and 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 and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Independent examiners

A resolution to reappoint Gill Freeman of Milsted Landon LLP as independent examiner was proposed and agreed at the Annual General Meeting (AGM) held on 26 June 2019.

Approved and signed on behalf of the trustees by

Karen Gigg
Treasurer

Andrew Thomson
Chairman

Date: 20/08/2020

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Independent examiner's report to the trustees of RSPCA South West Somerset Branch

I report to the trustees on my examination of the accounts of RSPCA South West Somerset Branch for the year ended 31 December 2019.

Responsibilities and basis of report

As the charity trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Section 144(2) of the Charities Act 2011 and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 and in carrying out my examination i have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because by being a qualified member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Charities Act 2011; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Gill Freeman ACA

Date

04/09/2020

Milsted Langdon LLP
Chartered Accountants
Motivo House
Alvington
Yeovil
Somerset, BA20 2FG

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Statement of financial activities

	Notes	2019 Total £	2018 Total £
Income and Endowments from:			
Donations and legacies	2	1,129	1,957
Shop income	3	261,847	254,420
Fundraising events and other income	4	27,009	27,834
Investment income	5	8,108	9,045
Total income		<u>298,093</u>	<u>293,256</u>
Expenditure on:			
Raising funds	6	185,762	184,720
Charitable activities	7	99,472	73,778
Total expenditure		<u>285,234</u>	<u>258,498</u>
Net income before gains and losses on investments		12,859	34,758
Net (losses)/gains on investments		<u>21,945</u>	<u>(15,622)</u>
Net income and movement in funds		34,804	19,136
Total funds brought forward		592,534	573,398
Total funds carried forward	19	<u>627,338</u>	<u>592,534</u>

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Statement of financial position as at 31 December 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		7,604		10,404
Investments	14		<u>245,354</u>		<u>215,081</u>
Total fixed assets			252,958		225,485
Current assets					
Stocks	15	1,623		2,300	
Debtors	16	9,709		8,021	
Cash at bank and in hand		<u>370,130</u>		<u>363,601</u>	
Total current assets		381,462		373,922	
Creditors: amounts falling due within one year	17		<u>(7,082)</u>		<u>(6,873)</u>
Net current assets			374,380		367,049
Net assets			<u>627,338</u>		<u>592,534</u>
Funds of the charity:					
Unrestricted income funds			<u>627,338</u>		<u>592,534</u>
Total charity funds	19		<u>627,338</u>		<u>592,534</u>

The financial statements were approved by the trustees, and authorised for issue on 28 August 2020 and signed on their behalf by:

Karen Gigg
Treasurer

Andrew Thomson
Chairman

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Statement of Cash Flows

	Note	Total Funds 2019 £	Prior Year 2018 £
Net cash generated/(used) in operating activities	21	6,749	25,519
Cash flows from investing activities:			
Purchase of furniture and equipment		-	(3,522)
Purchase of investments		(57,772)	(38,525)
Proceeds from sale of investments		49,444	35,594
Interest and dividends		8,108	9,045
Net cash generated/(used) in investing activities		(220)	2,592
Change in cash and cash equivalents in the year		6,529	28,111
Cash and cash equivalents brought forward		363,601	335,490
Cash and cash equivalents carried forward		<u>370,130</u>	<u>363,601</u>

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Notes to the financial statements

1 Accounting policies

Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102) effective from 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

RSPCA South West Somerset Branch meets the definition of a public benefit entity under FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Funds structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in note 19.

Income recognition

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

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Income from the sale of donated goods in the shops operated by the charity is recognised once sold due to there not being a practical method of valuing the goods being donated by the general public.

Legacy gifts are recognised on a case by case basis following the grant 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 measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

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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.

Expenditure recognition

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

All expenditure is recognised on an accruals basis. All costs, including support costs and governance costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Cost of raising funds

The costs of generating funds consist of costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination, strategic management and Trustee's meetings and reimbursed expenses.

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Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £150 or more are capitalised and valued at historical cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Fixtures, fittings and equipment	25% reducing balance
Motor vehicles	25% reducing balance

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

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

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Goods donated by the general public to be sold in the shops operated by the charity are not included in the value of stock due to there being no practical method of determining the value prior to sale.

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Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows;

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Pensions

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Any annual contributions are charged to the Statement of Financial Activities.

2 Income from donations and legacies

	Total 2019 £	Total 2018 £
Donations	806	1,813
Collection boxes	323	144
	<u>1,129</u>	<u>1,957</u>

3 Shop income

	Total 2019 £	Total 2018 £
RSPCA branch shops		
Bridgwater	75,052	67,669
Chard	55,714	56,885
Taunton	64,183	57,430
Wellington	61,602	59,652
Williton	5,296	12,784
	<u>261,847</u>	<u>254,420</u>

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4 Fundraising events and other income	Total 2019 £	Total 2018 £
Flag days, house to house appeals	26,739	27,034
Pet insurance commission	-	240
Rehoming fees	-	290
Give as you earn	270	270
	<u>27,009</u>	<u>27,834</u>
5 Investment income	Total 2019 £	Total 2018 £
Interest receivable and similar income	713	637
Bank interest	3,351	4,137
Dividend income	4,044	4,271
	<u>8,108</u>	<u>9,045</u>
6 Expenditure on raising funds	Total 2019 £	Total 2018 £
Goods purchased for resale	677	873
Expenses common to all shops	2,698	2,494
Van expenses	3,344	2,328
Investment management costs	1,383	1,355
PAYE employment allowance	(3,000)	(2,667)
	<u>5,102</u>	<u>4,383</u>
Individual shop costs	6(b) 180,660	180,337
	<u>185,762</u>	<u>184,720</u>

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6(b) Individual shop costs

	Bridgwater	Chard	Taunton	Wellington	Williton	Total
2019	£	£	£	£	£	£
Rent and insurance	12,960	8,129	13,309	5,208	1,408	41,014
Rates and water	721	733	812	520	27	2,813
Electricity	1,369	842	1,360	1,054	182	4,807
Telephone	314	314	422	314	81	1,445
Staff costs	31,406	31,989	31,803	29,414	-	124,612
Repairs	-	15	397	258	30	700
Other	1,351	999	1,099	1,245	575	5,269
	48,121	43,021	49,202	38,013	2,303	180,660

	Bridgwater	Chard	Taunton	Wellington	Williton	Total
2018	£	£	£	£	£	£
Rent and insurance	11,382	7,980	14,835	6,478	2,816	43,491
Rates and water	1,002	894	1,173	713	154	3,936
Electricity	1,321	299	1,263	1,048	349	4,280
Telephone	199	191	359	201	169	1,119
Staff costs	28,199	28,631	29,553	27,904	7,662	121,949
Repairs	396	42	322	2	12	774
Other	891	1,082	958	801	1,056	4,788
	43,390	39,119	48,463	37,147	12,218	180,337

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7 Costs of charitable activities	Total 2019 £	Total 2018 £
Branch contributions to region	378	425
Neutering	14,602	16,608
Veterinary fees	37,878	22,306
Welfare assistance	39,000	25,087
Boarding costs	438	2,661
	<u>92,296</u>	<u>67,087</u>
Governance and support costs	<u>7,176</u>	<u>6,691</u>
	<u>99,472</u>	<u>73,778</u>
8 Governance and support costs	Total 2019 £	Total 2018 £
General insurance	714	707
Telephone and postage	330	464
Printing and stationery	670	161
Legal and professional	400	105
Accountancy	1,567	1,591
Payroll administration	540	630
Repairs	153	93
Bank charges	2	646
Depreciation	2,534	2,294
(Profit)/loss on disposal of fixed assets	266	-
	<u>7,176</u>	<u>6,691</u>
9 Net income/(expenditure)		
Net income/(expenditure) for the year includes:	2019 £	2018 £
Independent examiner's fees	1,567	1,591
Loss on disposal of fixed assets	266	-
Depreciation of fixed assets	2,534	2,294
Operating leases	<u>40,960</u>	<u>41,316</u>

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10 Trustees remuneration and expenses

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2018: £nil)

During the year, the charity made the following transactions with trustees:

Vanessa Linnell

£nil (2018: £13,195) of costs were paid to St Giles Kennels & Veterinary at Wrantage for both kennelling and veterinary costs, which is owned by Vanessa Linnell.

No fees or expenses were paid to her in respect of her role as a trustee, and no discussion in that role has been linked to her business to prevent any conflict of interest.

Vanessa Linnell resigned as a trustee on 7 June 2018.

11 Staff costs

The aggregate payroll costs were as follows;

	2019	2018
	£	£
Wages and salaries	115,154	115,692
Social security costs	2,978	2,761
Pension contributions	3,480	829
	<u>121,612</u>	<u>119,282</u>

The number of persons (including senior management team) employed by the charity during the year expressed as a head count were as follows:

	2019	2018
	No	No
Full time and part time	10	10
	<u>10</u>	<u>10</u>

No employee received emoluments of more than £60,000 during the year.

12 Taxation

No tax was charged in the year (2018 - £nil).

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13 Tangible fixed assets

	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2019	10,822	39,157	49,979
Additions	-	-	-
Disposals	-	(2,685)	(2,685)
At 31 December 2019	<u>10,822</u>	<u>36,472</u>	<u>47,294</u>
Depreciation			
At 1 January 2019	9,739	29,836	39,575
Charge for the year	271	2,263	2,534
Eliminated on disposals	-	(2,419)	(2,419)
At 31 December 2019	<u>10,010</u>	<u>29,680</u>	<u>39,690</u>
Net book value			
At 31 December 2019	<u>812</u>	<u>6,792</u>	<u>7,604</u>
At 31 December 2018	<u>1,083</u>	<u>9,321</u>	<u>10,404</u>

14 Fixed asset investments

	Total £
Market value brought forward at 1 January 2019	215,081
Add: additions to investments at cost	57,772
Disposals at carrying value	(47,087)
Net gain on revaluation	19,588
Market value as at 31 December 2019	<u>245,354</u>
Investments at fair value comprised:	
Equities	183,354
National Savings Bonds	62,000
Market value as at 31 December 2019	<u>245,354</u>

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of the trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy sections of the Trustees' Annual Report.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment in markets subject to exchange controls or trading restrictions.

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15 Stock	2019	2018
	£	£
Stock held	1,623	2,300
	<u>1,623</u>	<u>2,300</u>

16 Debtors	2019	2018
	£	£
Trade debtors	-	46
Prepayments/accrued income	9,178	6,443
VAT recoverable	531	1,532
	<u>9,709</u>	<u>8,021</u>

17 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	2,260	1,618
Other creditors	1,373	1,158
Accruals	3,449	4,097
	<u>7,082</u>	<u>6,873</u>

18 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Land and buildings		
Within one year	-	5,566
Between two and five years	96,705	123,415
Over five years	108,417	38,000
	<u>205,122</u>	<u>166,981</u>

Two shops have a break clause as part of the agreement with the landlord. If the charity chose to utilise the break clause currently in place the total future minimum lease payments at 31 December 2019 would be £117,893 (2018: £135,752).

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19 Funds	Balance at 1 January 2019			Other recognised gains/(losses)	Balance at 31 December 2019
	Income	Expenditure			
	£	£	£	£	£
Unrestricted funds	592,534	298,093	(285,234)	21,945	627,338
Total funds	592,534	298,093	(285,234)	21,945	627,338

	Balance at 1 January 2018			Other recognised gains/(losses)	Balance at 31 December 2018
	Income	Expenditure			
	£	£	£	£	£
Unrestricted funds	573,398	293,256	(258,498)	(15,622)	592,534
Total funds	573,398	293,256	(258,498)	(15,622)	592,534

The unrestricted funds are available to be used at the trustees discretion to further the objects of the charity

20 Analysis of net assets between funds

	Unrestricted funds	Total funds
	£	£
Tangible fixed assets	7,604	7,604
Fixed asset investments	245,354	245,354
Current assets	381,462	381,462
Current liabilities	(7,082)	(7,082)
Total net assets	627,338	627,338

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

	2019	2018
	£	£
Net movement in funds	34,804	19,136
Removal of bank interest and dividends	(8,108)	(9,045)
Add back depreciation charge	2,534	2,294
Add back losses/(gains) in investments	(21,945)	15,622
Add back loss on disposal of fixed assets	266	-
Decrease/(increase) in stock	677	(447)
Decrease/(increase) in debtors	(1,688)	2,059
(Decrease)/increase in creditors	209	(4,100)
Net cash generated/(used) in operating activities	6,749	25,519

22 Related parties

During the year, the Branch gifted £25,000 to RSPCA West Hatch Animal Centre to help meet the food requirement of the Wildlife Hospital and also gifted £14,000 for a new pig enclosure.

In 2020 due to the effects of the Coronavirus the Branch agreed to make a contribution of £45,173 to a central RSPCA fund to support RSPCA branches with animal rescue centres in financial distress.



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