



**Contents**

	Page
<b>Reference and administrative details of the charity, its Trustees and advisers</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 - 9</b>
<b>Independent auditors' report on the financial statements</b>	<b>13</b>
<b>Statement of financial activities</b>	<b>14</b>
<b>Balance sheet</b>	<b>15</b>
<b>Statement of cash flows</b>	<b>16</b>
<b>Notes to the financial statements</b>	<b>17 - 33</b>

The following pages do not form part of the statutory financial statements:

**Charity Detailed income and expenditure account and summaries**

Trustees' report and financial statements

for the year ended 31 December 2018

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Reference and administrative details of the charity, its Trustees and advisers for the year ended 31 December 2019**

#### **Trustees**

Mr G Blatt, Chairman  
Ms L Berns, Trustee  
Mr J Gresa, Trustee (resigned 20 May 2019)  
Ms J Thompson, Secretary  
Mrs C Holton, Treasurer  
Mrs C Bach, Trustee (resigned 21 October 2019)  
Mr D Young, Trustee  
Ms I Ling, Trustee  
Ms M Biscoe, Trustee  
Ms J Gardner, Trustee  
Mr R Kent, Trustee (appointed 16 December 2019)  
Mrs S Benson, Trustee (appointed 16 December 2019)

#### **Charity registered number**

208331

#### **Principal office**

114 Field End Road  
Eastcote  
Pinner  
Middlesex  
HA5 1RL

#### **Chief Executive Officer**

Paul Bennett (resigned September 2019)  
Allan Harper (appointed September 2019)

#### **Branch Finance Officer**

Allan Harper

#### **Auditor**

Kreston Reeves LLP  
Chartered Accountants  
Springfield House  
Springfield Road  
Horsham  
West Sussex  
RH12 2RG

#### **Bankers**

Barclays Bank plc  
36-38 Park Royal Road  
Park Royal  
London  
NW10 7JA

**Trustees' report  
for the year ended 31 December 2019**

The Trustees present their annual report together with the audited financial statements of the charity for the year 1 January 2019 to 31 December 2019.

**Objectives and activities**

**a. Policies and objectives**

The RSPCA Middlesex North West and South Hertfordshire 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 the areas of North West Middlesex and South Hertfordshire. The objects 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 the area of the Branch, in accordance with the policies of the Society. The trustees have reviewed the outcomes and achievements of our objectives and activities for the year, to ensure they remain focused on our charitable aims, and continue to deliver benefits to the public. We have complied with the duty under the Charities Act 2011 to have due regard to 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. This 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. Whilst 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 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 (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.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**b. Volunteers**

The charity receives support from a large number of individuals who volunteer their time and services, assisting the charity in a number of ways. The trustees are extremely grateful for this help. Without the kindness and generosity of both donors of goods and those working within its shops, as well as the volunteers who assist with the animal welfare, fundraising activities and administration of the branch, the charity would be unable to continue. At the end of 2019 the Branch had in excess of 250 volunteers.

**Trustees' report (continued)  
for the year ended 31 December 2019**

**Objectives and activities (continued)**

**c. Main activities undertaken to further the charity's purposes for the public benefit**

We support our local Inspectors by taking in, free of charge, mistreated or abandoned animals, including pets whose owners suffer ill health or financial difficulties or pass away. The Society's Inspectorate (as well as providing education, information and advice) rescues animals in distress and enforces 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.

We provide subsidised veterinary treatment for animals which are sick or injured and belong to local people on low income within our defined branch area. We do this through a voucher scheme. This work benefits those on means tested benefits by giving them financial help to obtain care for companion animals in need of veterinary treatment.

We provide subsidised neutering and microchipping of companion animals for those in the Branch area on low incomes. We do this by both a voucher scheme and by holding events in the community where we offer subsidised microchipping and neutering. This work helps to control dog, cat, rabbit and guinea pig populations through neutering and benefits those on means tested benefits by giving them financial help to neuter and microchip companion animals, thereby promoting responsible pet ownership.

Animals in our care receive veterinary treatment, vaccination, neutering, micro chipping and are assessed for rehoming. This work helps to control the incidence and spread of disease and suffering through vaccination and neutering 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 service, 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 animals, and therefore would fall outside our objects, to rehome to those who could not afford them.

We take in, free of charge, lost animals and take 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 national call centre) from the public about animals locally. The public benefits from knowing that we can intervene to assist animals in need.

We offer free animal care advice by telephone, by email and in person with this advice provided by three Branch employed Animal Welfare Officers (AWO's), an employed Animal Support Officer and volunteers. The public benefits through the promotion of responsible pet ownership.

Within the terms of our governing document, we support the National Society and other RSPCA branches through collaborating on animal welfare campaigns and by providing resources (driver and vehicle) for transporting animals on behalf of the National Society from time to time.

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

**Trustees' report (continued)  
for the year ended 31 December 2019**

**Achievements and performance**

**a. Review of activities**

2019 saw two trustees leave the Branch with Jose Gresa standing down at the Branch AGM in June due to his work commitments seeing him spend a lot of time abroad and then in October Caroline Bach resigned as a trustee, again this being due to work commitments. However, the Branch was fortunate to have two new trustees join the committee in December when Suzy Benson and Richard Kent were appointed as trustees. Between them Suzy and Richard bring a wealth of commercial and public sector experience to the trustee committee.

A further significant change in people at the Branch was that Paul Bennett, who had been with the Branch since April 2016 as the CEO, left his role with the Branch at the end of September 2019. As an interim measure Allan Harper agreed to return to full time work from semi-retirement and to take on the role of Branch Manager while the trustees reviewed options for replacing Paul on a permanent basis. Recruitment for a Branch General Manager is currently under way and the trustees are expecting to be able to make an appointment for this role by mid-2020.

In July 2019 the Branch was advised by the owner of the boarding cattery used by the Branch since 2005 to accommodate cats and kittens awaiting adoption, that the cattery was being closed in early January 2020. This meant that new accommodation had to be sought in what were very challenging circumstances with many boarding catteries having closed down over the past year or so. In October the Branch was able to find a temporary solution offering 15 pens through to early July 2020, which provided some time to try to find a more permanent arrangement for accommodating cats and kittens coming into its care. This however, led to a significant reduction in capacity with spaces falling from 36 pens to 15 in the short term. In 2020 this will result in a reduction of the number of cats and kittens the Branch is able to rehabilitate and rehome. Since then a new boarding cattery has been found and approved by the RSPCA for the Branch to use from June 2020 which can provide 16 pens on an ongoing basis.

On a more positive note in early 2020 the Branch viewed a potential site for a Branch adoption centre and subsequently the Branch has been able to agree terms for leasing this property subject to receiving approval for the project from the RSPCA and also subject to being able to get a change of planning use for the site. At the time of writing due to the current Covid-19 pandemic the Branch is not able to advance its plans for the site so it is unlikely that this project would now be completed until late 2020 or early 2021.

During 2019 the Branch found homes for 523 pets compared to 574 rehomed in 2018. In addition to this the Branch continued the initiative, which has been running for nearly ten years, to relocate feral cats that were in high risk locations. These feral cats are relocated to country smallholdings whose owners agree to feed and provide veterinary care for these cats when necessary and this program saw 34 feral cats relocated to permanent new homes during 2019. Rehoming proved challenging in the later part of 2019 as the Branch had to gradually reduce cat intake from October onward due to the closure in January 2020 of the boarding cattery that the Branch had been using. This reduced the number of cats and kittens rehomed over the last few months of 2019 resulting in the rehoming total for 2019 being down about 9% on that achieved in 2018.

In 2019 the Branch continued providing veterinary treatment, neutering and micro chipping for pets owned by members of the public. During the year total of 740 pets whose owners were not able to afford the full cost of treatment needed for their pets received assistance from the Branch to ensure these pets received the treatment they needed. This shows a decline on 2018 but this is mostly due a continued decrease in the number of animals from the Branch area going through the Hillingdon clinic year on year.

The breakdown of the assistance given to members of the public in past two years is:

	2019	2018
Treatment (voucher)	142	117
Treatment (via Hillingdon clinic)	461	543
Neutering	63	107
Microchipping	74	57
TOTAL	740	824

**Trustees' report (continued)  
for the year ended 31 December 2019**

**Achievements and performance (continued)**

The Branch only provides welfare assistance to individuals, who are on low incomes, rely on benefits or the State pension and it provides this assistance to ensure that their pets receive veterinary care when needed. The Branch provides this welfare assistance through a voucher scheme enabling people receiving help to attend a vet that is local to them. In addition to this voucher scheme the Branch works with the Hillingdon, Slough, Windsor, Kingston and District Branch of the RSPCA who operate a clinic located in Hillingdon.

This arrangement with the Hillingdon Clinic allows residents in the Middlesex North West & South Hertfordshire Branch area who meet the normal welfare criteria to have clinic access rather than having to travel to one of the RSPCA hospitals at either Putney or Holloway. The costs of these treatments are partly funded by the owner of the pet and partly by our Branch. In addition to the welfare assistance provided to animals owned by the public, the Branch ensures that all the animals in our care receive any veterinary care needed and that they are neutered and micro chipped before rehoming (except where this would be inadvisable on veterinary advice).

In 2019 the Branch took a total of 523 pets into our care and had an additional 55 born in our care during the year making a total of 572 animals coming in during the year. Of these and the 107 that were in our care on the 1st January 2019, we successfully reunited 13 pets with their owners, found new homes for 523, transferred 5 to other rehoming facilities better suited to rehoming certain species of pets, and relocated 34 feral cats to new homes on country smallholdings and stables yards. Sadly, as in previous years, many of the animals coming into the care of the Branch during 2019 were in poor health. Following appropriate veterinary care and dietary programmes most of these animals regained their health but 17 died while in our care and a further 27 had to be put to sleep, on the advice of our vets, to prevent further suffering. This, while a sad statistic, is below the average level of animals that died in our care or had to be put to sleep in each year since 2012. At the year end the Branch had a total of 66 animals in our care, which was well down on those in our care at the start of 2019, mainly due to the need to reduce the number of cats and kittens in our care towards the end of 2019 because of the closure of the cattery.

In 2020 the trustees have budgeted for animal welfare spending of £308,505 during the year which represents a decrease of £41,308 on 2019 animal welfare spending. This decrease is based on the expected reduction in costs as a result of the reduced number of cats and kittens coming into our care during the year as a result of the reduction in boarding space available. An allowance has again been made in the budget for anticipated inflationary pressure on costs across the activities of the Branch.

The project to renew the Branch website which was commenced in August 2018 was completed in early 2019 with the new website up and running fully in March 2019. The new website enables updates to be made more easily to the content and also allows for the Branch to receive donations directly rather than having to use a third party payment system. The new website was made possible due to a grant of £10,000 from the Ostacchini Family Charitable Trust that was received in late 2018. In September 2019 the Branch received a further grant from the Ostacchini Family Charitable Trust toward the replacement of the oldest of the Branch animal welfare vehicles. The grant of £5,000 will be used in 2020 to assist in the purchase of low emission van. The trustees would like to acknowledge the kind support of the Ostacchini Family Charitable Trust towards both of these projects.

**Trustees' report (continued)  
for the year ended 31 December 2019**

(continued from page 5)  
for the year ended 31 December 2019

**Achievements and performance (continued)**

(continued from page 5)

**b. Fundraising activities and income generation**

The Branch receives donations through our shops (both goods and cash), our website, from existing supporters through our twice yearly newsletter, corporate supporters such as Pets at Home and charitable trusts.

The Branch is a member of the Institute of Fundraising and Charity Retail Association and complies with the Code of Fundraising Practice. The charity does not consider that any of its fundraising activities constitute unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give.

The Branch does not work with any commercial participators or professional fundraisers and we do not fundraise by phone.

During the year we had several requests to remove donors from the Fundraising Preference Service. A search of all of our data showed that some individuals were not known to the Branch and this was reported to the Regulator. Those individuals where the Branch held data were removed from our contact lists and from our data base in line with legislation on data management and the Code of Fundraising Practice.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

In March 2020 the UK government introduced social distancing measures in a response to the Coronavirus pandemic which has required the charity's retail shops to close and has necessarily restricted some of its animal welfare activities. Where possible the charity has utilised the support packages available from the Government including the Coronavirus Job Retention Scheme and retail grants. The retail shops reopened during July and August 2020 and are trading positively since this date. The Trustees have pro-actively managed the charity's expenditure and reduced the level of animal welfare activities to more closely align this to the revised income expectations for 2020/2021. Unfortunately, some staff redundancies have had to be made, including closure of two unprofitable shops. The new General Manager, Karen Cruickshanks is very focused on maximising the charity's income streams and growing the volunteer base. The Trustees have re-forecast its financial position and, on the assumption that the charity is able to keep its retail shops open, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in Accounting Policies.



**Trustees' report (continued)  
for the year ended 31 December 2019**

**Financial review (continued)**

**b. Reserves policy**

The RSPCA Middlesex North West and South Hertfordshire Branch reserves as at 31 December 2019 were £577,442. This was represented by general funds of £148,487, adoption centre funds of £325,000, tangible fixed asset funds of £80,759 and restricted funds of £23,196. This is a decrease of £163,399 on the Branch reserves at the start of 2019. Retail trading conditions in 2019 remained difficult and while most of the Branch charity shops performed well, several performed poorly and this resulted in the Branch shops performance overall being below expectation for the year. Other income sources were also generally below budget for the year.

In early 2011 the trustees of the Branch reviewed the reserves policy and decided that as the Branch derives most of its surplus funds from ongoing charity retailing activity the reserves should be sufficient to cover six months ongoing animal welfare activity. In 2019 these costs are budgeted at £308,505 for the full year. The reserves available at the end of 2019 as general funds of £148,487 would represent 5.7 months of animal welfare expenditure and while this is below the six months target the trustees consider the current level of reserves to be satisfactory.

Following discussions with Trustees it was agreed that our policy of keeping most of our cash in a single deposit account exposed the Branch to higher level of risk than was comfortable and also suppressed potential earnings from interest. This resulted in new deposit accounts being opened with United Trust Bank, Redwood Bank, Charity Bank, Hampshire Trust Bank and Cambridge & Counties Bank during 2018.

The Branch has a development plan which incorporates its reserves policy and is agreed by all the trustees. The development plan is reviewed on an annual basis by the trustees. The Branch income and expenditure budgets are set annually, are agreed by the trustees, and performance against both income and expenditure budgets is reviewed monthly by the trustees.

**Structure, governance and management**

**a. Constitution**

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

**b. Methods of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the RSPCA branch rules. The trustees are elected at each AGM of the charity from the members of the charity. At any one time there must not be less than seven or more than seventeen trustees. The branch aims to maintain a committee with between 9 and 11 trustees. The existing trustees have a broad range of experience in business and animal welfare. A maximum of fourteen trustees can be elected at the AGM and an additional three trustees may be co opted to the committee during the year. The trustees have decided that the role of Chair should be for a maximum term of 3 years before stepping down or seeking re election. The honorary officers (Chair, Branch Secretary and Treasurer) are elected by the trustees.

**c. Organisational structure and decision-making policies**

The Branch trustees meet on a monthly basis to review animal welfare activity, financial performance against annual budgets, fundraising activity, and to discuss non routine matters arising. The day to day responsibility for Branch activities is delegated to the Interim Branch Manager, Allan Harper, who keeps the trustees informed of any significant issues that arise between the scheduled monthly trustee meetings.

**Trustees' report (continued)  
for the year ended 31 December 2019**

**Structure, governance and management (continued)**

**d. Policies adopted for the induction and training of Trustees**

When joining the committee new trustees are able to access the RSPCA intranet "The Link" which holds information outlining the role of a trustee with the Branch as well as the responsibilities and obligations that the role of a trustee entails in addition to Charity Commission Guidance on the role of a trustee. New trustees should receive an introduction to the Branch, its history, the current activities and planned activities for the future from the Branch Chairman and Secretary. They also may access copies of Branch reports and minutes from the preceding 3 months, the annual accounts and reports for the previous year, and the current Branch Development Plan.

Currently there is no additional formal training plan for Branch trustees. As further support and training courses are offered by the RSPCA, trustees are invited to attend courses which interest them or which they feel will benefit them in their role as a Branch trustee.

**e. Financial 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	Action
1 Financial Fraud	a) Annual independent accounts audit b) 2 signatures required for cheques c) Monthly reviews of financial records
2 Health and Safety	a) Documented policies at each site b) Annual insurance maintained c) Oversight by our advisers Acton Jennings
3 Loss of Trustees	a) Ongoing volunteer programme b) Branch Development Plan
4 Funds Deficit	a) Annual budgets set, reviewed monthly b) Diversified sources of income c) Ongoing fundraising activities

**Plans for future periods**

The Trustees intend to focus on achieving the best animal welfare outcomes possible whilst working within the limited resources of the charity. Plans to locate a suitable site for an animal welfare centre continue.

**Trustees' report (continued)  
for the year ended 31 December 2019**

**Statement of Trustees' responsibilities**

The Trustees are responsible for preparing the Trustees' report 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 & Wales 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and 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.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

  
.....  
**Mr G Blatt, Chairman**

Date: 20/10/2020

**Independent auditors' report to the Members of RSPCA Middlesex North West and South Hertfordshire Branch**

**Opinion**

We have audited the financial statements of RSPCA Middlesex North West and South Hertfordshire Branch (the 'charity') for the year ended 31 December 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion 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 incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council'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.

**Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements, which indicates that the Trustees have adopted the going concern basis in preparing the financial statements. This is based on the assumption that the charity is able to keep its retail shops open. As introduction of further lockdown measures to tackle rising Covid-19 cases is currently unknown this may cast doubt on the assumptions used. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Independent auditors' report to the Members of RSPCA Middlesex North West and South Hertfordshire Branch (continued)**

**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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 have no realistic alternative but to do so.

**Independent auditors' report to the Members of RSPCA Middlesex North West and South Hertfordshire Branch (continued)**

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the Members of RSPCA Middlesex North West and South Hertfordshire Branch (continued)**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kreston Reeves LLP*

**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
Horsham

Date: *22 October 2020*

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

# Statement of financial activities for the year ended 31 December 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note				
<b>Income from:</b>					
Donations and legacies	3	122,816	5,000	127,816	190,127
Charitable activities	4	32,720	-	32,720	33,855
Other trading activities	5	907,204	-	907,204	832,925
Investments	6	5,974	-	5,974	3,615
Other income	7	10,131	-	10,131	10,948
<b>Total income</b>		<b>1,078,845</b>	<b>5,000</b>	<b>1,083,845</b>	<b>1,071,470</b>
<b>Expenditure on:</b>					
Raising funds	8	897,431	-	897,431	829,132
Charitable activities	9	349,073	740	349,813	353,987
<b>Total expenditure</b>		<b>1,246,504</b>	<b>740</b>	<b>1,247,244</b>	<b>1,183,119</b>
<b>Net (expenditure)/income</b>		<b>(167,659)</b>	<b>4,260</b>	<b>(163,399)</b>	<b>(111,649)</b>
Transfers between funds	19	325	(325)	-	-
<b>Net movement in funds</b>		<b>(167,334)</b>	<b>3,935</b>	<b>(163,399)</b>	<b>(111,649)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		721,580	19,261	740,841	852,490
Net movement in funds		(167,334)	3,935	(163,399)	(111,649)
<b>Total funds carried forward</b>		<b>554,246</b>	<b>23,196</b>	<b>577,442</b>	<b>740,841</b>

The Statement of financial activities includes all gains and losses recognised in the year.


The notes on pages 17 to 33 form part of these financial statements.



**Balance sheet  
as at 31 December 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	80,759	86,061
Investments	15	565	565
		<b>81,324</b>	<b>86,626</b>
<b>Current assets</b>			
Stocks	16	4,422	5,088
Debtors	17	70,000	110,474
Cash at bank and in hand		491,193	611,700
		<b>565,615</b>	<b>727,262</b>
Creditors: amounts falling due within one year	18	(69,497)	(73,047)
<b>Net current assets</b>		<b>496,118</b>	<b>654,215</b>
<b>Total assets less current liabilities</b>		<b>577,442</b>	<b>740,841</b>
<b>Total net assets</b>		<b>577,442</b>	<b>740,841</b>
<b>Charity funds</b>			
Restricted funds	19	23,196	19,261
Unrestricted funds	19	554,246	721,580
<b>Total funds</b>		<b>577,442</b>	<b>740,841</b>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
.....  
Mrs C Holton, Treasurer

Date: 20/10/20


The notes on pages 17 to 33 form part of these financial statements.

**Statement of cash flows  
for the year ended 31 December 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	(104,368)	(154,745)
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		5,974	3,615
Proceeds from the sale of tangible fixed assets		(557)	1,475
Purchase of tangible fixed assets		(21,556)	(49,697)
<b>Net cash used in investing activities</b>		<b>(16,139)</b>	<b>(44,607)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash provided by financing activities</b>			
<b>Change in cash and cash equivalents in the year</b>		<b>(120,507)</b>	<b>(199,352)</b>
Cash and cash equivalents at the beginning of the year		611,700	811,052
<b>Cash and cash equivalents at the end of the year</b>	22	<b>491,193</b>	<b>611,700</b>

The notes on pages 17 to 33 form part of these financial statements


The financial statements were approved and authorized for issue by the trustees and signed on their behalf by

  
Mrs C Johnson, Treasurer  
20/01/20

The notes on pages 17 to 33 form part of these financial statements

**Notes to the financial statements  
for the year ended 31 December 2019**

**1. General information**

The RSPCA Middlesex North West and South Hertfordshire Branch is an unincorporated charitable association and a separately registered Branch of the Royal Society for the Prevention of Cruelty to Animals (the Society). The charity is governed in accordance with the RSPCA branch rules dated 18 February 2009 (as updated in 2012).

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity has elected to apply all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), prior to mandatory adoption for accounting periods beginning on or after 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

RSPCA Middlesex North West and South Hertfordshire Branch meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

**2.2 Going concern**

The Trustees assess whether the going concern basis is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. Having reviewed the revised future projected cash flows, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. The Trustees have considered the level of reserves held and the expected level of income and expenditure for a period of twelve months from finalisation of these financial statements. These considerations take into account the impact of Covid-19. The full impact that Covid-19 will have on the charity and the wider economy in the longer term is not yet known and will ultimately be determined by the length of the pandemic and associated response support measures provided by the government. In their forecasting the Trustees have assumed that the charity will be able to keep its retail shops open throughout the remainder of the pandemic, although at a reduced level of revenue compared with pre-pandemic trading, and on this assumption they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' responsibilities.

**Notes to the financial statements  
for the year ended 31 December 2019**

**2. Accounting policies (continued)**

**2.3 Income**

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 income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes income earned from adoption fees. Adoption fee income is recognised upon collection of the animal by the new owner.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Income from other trading activities arises mainly from the sale of donated goods. It is impracticable to fair value the stock items due to the volume of low value items, therefore the sale of donated goods is not recognised in the financial statements until they are sold in line with SORP (FRS 102).

Other income includes income received from the National Society (RSPCA) relating to monthly neutering claims submitted. It also includes other miscellaneous income including commission relating to pet insurance and coin income.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

## Notes to the financial statements for the year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.4 Expenditure (continued)

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

#### 2.5 Interest receivable

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 institution with whom the funds are deposited.

#### 2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	- Over remaining lease period
Motor vehicles	- 25% per annum
Office equipment	- 20% per annum

#### 2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

#### 2.8 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out formula. Donated stocks are not recognised in the financial statements until they are sold as described in the income recognition policy above.

#### 2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### 2.10 Cash at bank and in hand

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

**Notes to the financial statements  
for the year ended 31 December 2019**

**2. Accounting policies (continued)**

**2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.12 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.13 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**2.14 Pensions**

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

**2.15 Fund accounting**

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

The tangible fixed assets fund, a designated fund, comprises the net book value of the charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as immediately realisable.

The adoption centre fund, a designated fund, comprises the profit on the sale of the charity's freehold premises and a large legacy received which has been ringfenced for the purpose of the planned adoption centre.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

# Notes to the financial statements for the year ended 31 December 2019

## 3. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations	19,826	-	19,826
Legacies	6,302	-	6,302
Grants	66,848	5,000	71,848
Similar incoming resources	29,840	-	29,840
	<u>122,816</u>	<u>5,000</u>	<u>127,816</u>

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Donations	18,137	32,020	50,157
Legacies	41,000	-	41,000
Grants	67,585	10,000	77,585
Similar incoming resources	21,385	-	21,385
	<u>148,107</u>	<u>42,020</u>	<u>190,127</u>

## 4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Animal welfare	32,720	32,720	33,855

In the prior year Income from charitable activities was £33,855 of which £nil was attributable to restricted and £33,855 was attributable to unrestricted funds.





## Notes to the financial statements for the year ended 31 December 2019

### 8. Expenditure on raising funds

#### Costs of raising voluntary income

	Unrestricted funds 2019	Total funds 2019	Total funds 2018
	£	£	£
Direct costs of retail activities	391,064	391,064	349,715
Other	2,130	2,130	8,461
Costs of retail activities - wages and salaries	405,547	405,547	372,057
Costs of retail activities - national insurance	41,570	41,570	37,186
Costs of retail activities - pension costs	13,578	13,578	8,463
Governance and support	43,542	43,542	53,250
	<b>897,431</b>	<b>897,431</b>	<b>829,132</b>

In the prior year costs of raising voluntary income £829,132 of which £nil was attributable to restricted and £829,132 was attributable to unrestricted funds.

### 9. Analysis of expenditure on charitable activities

#### Summary by fund type

	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
	£	£	£
Animal welfare	349,073	740	349,813
	<b>349,073</b>	<b>740</b>	<b>349,813</b>
	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018
	£	£	£
Animal welfare	311,971	42,016	353,987
	<b>311,971</b>	<b>42,016</b>	<b>353,987</b>

Total  
funds  
2018  
£



## Notes to the financial statements for the year ended 31 December 2019

### 12. Staff costs

	2019 £	2018 £
Wages and salaries	564,164	530,095
Social security costs	41,570	37,186
Contribution to defined contribution pension schemes	13,578	8,463
	<b>619,312</b>	<b>575,744</b>

During the year the Chief Executive Officer received an ex-gratia payment of £2,363 upon their resignation from the charity.

The average number of persons employed by the charity during the year was as follows:

	2019 No.	2018 No.
	31	31

No employee received remuneration amounting to more than £60,000 in either year.

£460,695 (2018 - £417,706) included within the table above in respect of Retail activities.

£108,185 (2018 - £104,814) included within the table above in respect of Animal welfare.

£50,432 (2018 - £53,224) included within the table above in respect of Governance and support.

The charity considers its key management personnel to comprise of its trustees, the Chief Executive Officer, the Finance Officer and the Branch Retail Manager. The total employment benefits including employer pension contributions of the key management personnel were £108,558 (2018: £101,239).

The charity has purchased insurance to protect the charity from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The premium paid by the charity during the year totalled £890 (2018: £888) and provides cover up to a maximum of £3 million (2018: £3 million).

### 13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, no Trustee expenses have been incurred (2018 - £NIL).

# Notes to the financial statements for the year ended 31 December 2019

## 14. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2019	148,389	86,431	104,269	339,089
Additions	-	-	21,556	21,556
Disposals	-	(9,174)	(6,323)	(15,497)
At 31 December 2019	148,389	77,257	119,502	345,148
<b>Depreciation</b>				
At 1 January 2019	123,742	67,659	61,627	253,028
Charge for the year	5,824	4,870	15,980	26,674
On disposals	-	(8,990)	(6,323)	(15,313)
At 31 December 2019	129,566	63,539	71,284	264,389
<b>Net book value</b>				
At 31 December 2019	18,823	13,718	48,218	80,759
At 31 December 2018	24,647	18,772	42,642	86,061

## 15. Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2019	565
At 31 December 2019	565
<b>Net book value</b>	
At 31 December 2019	565
At 31 December 2018	565

Notes to the financial statements  
for the year ended 31 December 2019

Notes to the financial statements  
for the year ended 31 December 2019

16. Stocks

Notes to the financial statements  
for the year ended 31 December 2019

				2019 £	2018 £
	Goods for resale			4,422	5,088

17. Debtors

Notes to the financial statements  
for the year ended 31 December 2019

				2019 £	2018 £
	Due within one year				
	Trade debtors			1,085	762
	Other debtors			36,128	78,561
	Prepayments and accrued income			32,787	31,151
				70,000	110,474

18. Creditors: Amounts falling due within one year

Notes to the financial statements  
for the year ended 31 December 2019

				2019 £	2018 £
	Trade creditors			36,305	32,507
	Other creditors			11,993	15,030
	Accruals and deferred income			21,199	25,510
				69,497	73,047

Notes to the financial statements  
for the year ended 31 December 2019

Notes to the financial statements  
for the year ended 31 December 2019

Notes to the financial statements  
for the year ended 31 December 2019

Notes to the financial statements  
for the year ended 31 December 2019

Notes to the financial statements  
for the year ended 31 December 2019

Notes to the financial statements  
for the year ended 31 December 2019

Notes to the financial statements  
for the year ended 31 December 2019

# Notes to the financial statements for the year ended 31 December 2019

## 19. Statement of funds

### Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>					
Tangible fixed assets fund	86,061	-	-	(5,302)	80,759
Adoption centre fund	465,000	-	-	(140,000)	325,000
General fund	170,519	1,078,845	(1,246,504)	145,627	148,487
	<u>721,580</u>	<u>1,078,845</u>	<u>(1,246,504)</u>	<u>325</u>	<u>554,246</u>
<b>Restricted funds</b>					
Animal ambulance fund	7,366	5,000	-	-	12,366
Dog boarding fund	6,570	-	(740)	-	5,830
Branch adoption centre project	5,000	-	-	-	5,000
Website development	325	-	-	(325)	-
	<u>19,261</u>	<u>5,000</u>	<u>(740)</u>	<u>(325)</u>	<u>23,196</u>
<b>Total of funds</b>	<u>740,841</u>	<u>1,083,845</u>	<u>(1,247,244)</u>	<u>-</u>	<u>577,442</u>

The trustees have reviewed the reserves and have decided that £325,000 will be sufficient for the Adoption centre fund as this should be an adequate amount to fit out a leasehold property therefore £140,000 has been transferred to the General fund.

Notes to the financial statements  
for the year ended 31 December 2019

19. Statement of funds (continued)

Statement of funds - prior year

		Balance at 1 January 2018	Income	Expenditure	Transfers in/out	Balance at 31 December 2018
		£	£	£	£	£
<b>Unrestricted funds</b>						
	Tangible fixed assets fund	62,825	-	-	23,236	86,061
	Adoption centre fund	690,000	-	-	(225,000)	465,000
	General fund	80,729	1,029,450	(1,141,103)	201,443	170,519
		<u>833,554</u>	<u>1,029,450</u>	<u>(1,141,103)</u>	<u>(321)</u>	<u>721,580</u>
<b>Restricted funds</b>						
	Animal ambulance fund	7,366	-	-	-	7,366
	Dog boarding fund	6,570	-	-	-	6,570
	Branch adoption centre project	5,000	-	-	-	5,000
	Website development	-	10,000	-	(9,675)	325
	Potters Bar	-	32,020	(42,016)	9,996	-
		<u>18,936</u>	<u>42,020</u>	<u>(42,016)</u>	<u>321</u>	<u>19,261</u>
	<b>Total of funds</b>	<b>852,490</b>	<b>1,071,470</b>	<b>(1,183,119)</b>		<b>740,841</b>



# Notes to the financial statements for the year ended 31 December 2019

## 20. Analysis of net assets between funds

### Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	80,759	-	80,759
Fixed asset investments	565	-	565
Current assets	542,419	23,196	565,615
Creditors due within one year	(69,497)	-	(69,497)
<b>Total</b>	<b>554,246</b>	<b>23,196</b>	<b>577,442</b>

### Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	86,061	-	86,061
Fixed asset investments	565	-	565
Current assets	708,001	19,261	727,262
Creditors due within one year	(73,047)	-	(73,047)
<b>Total</b>	<b>721,580</b>	<b>19,261</b>	<b>740,841</b>

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

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	(163,399)	(111,649)
<b>Adjustments for:</b>		
Depreciation charges	26,674	24,486
Dividends, interests and rents from investments	(5,974)	(3,615)
Profit on the sale of fixed assets	741	500
Decrease/(increase) in stocks	666	(1,286)
Decrease/(increase) in debtors	40,474	(61,073)
Decrease in creditors	(3,550)	(2,108)
<b>Net cash used in operating activities</b>	<b>(104,368)</b>	<b>(154,745)</b>

# Notes to the financial statements for the year ended 31 December 2019

## 22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	491,193	611,700
<b>Total cash and cash equivalents</b>	<b>491,193</b>	<b>611,700</b>

## 23. Analysis of Net Debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	611,700	(120,507)	491,193
	<b>611,700</b>	<b>(120,507)</b>	<b>491,193</b>

## 24. Pension commitments

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £13,578 (2017: £8,463).

## 25. Operating lease commitments

At 31 December 2019 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	204,664	171,900
Later than 1 year and not later than 5 years	456,833	551,797
Later than 5 years	138,148	211,648
	<b>799,645</b>	<b>935,345</b>

# Notes to the financial statements for the year ended 31 December 2019

## 26. Related party transactions

The charity is an affiliated branch of the Royal Society for the Prevention of Cruelty to Animals (RSPCA) (Charity Registration Number: 219099) and is governed by the RSPCA Branch Model Rules. During the year the charity received donations of £66,848 (2018: £76,293) from the RSPCA door to door fundraising and neutering grants, and paid grants and donations of £110 (2018: £105). At 31 December 2019 £545 (2018: £190) was due to the RSPCA.

G Blatt, a trustee of RSPCA Middlesex North West and South Hertfordshire Branch is an employee of David Charles Property Consultants. During the year payments for rent review services were incurred which were handled by a colleague of G Blatt totalled £2,400 (2018: £2,698). At the end of the year £nil (2018: £nil) was due to David Charles Property Consultants.

## 27. Contingent assets

At the end of the prior year, 31 December 2018, £39,000 in relation to a legacy was received by RSPCA HQ and was accrued in legacy income for the year. The total legacy bequest was for £60,000 therefore there is an amount in the region of £20,000 still receivable. The charity had not been informed of the final amount receivable by the year end and as it was not possible to reliably measure the amount expected to be distributed this amount has not been included within legacy income for the year ended 31 December 2019.

## 28. Post balance sheet events

In March 2020 the UK government introduced social distancing measures in a response to the Coronavirus pandemic which required the charity's retail shops to close until July and August 2020. This is a non-adjusting post balance sheet event. See note 2.2. for further details.