

**Royal Society For The Prevention Of Cruelty To Animals, York,
Harrogate And District Branch**

(Operating as RSPCA York, Harrogate and District Branch)

Annual Report And Unaudited Financial Statements

For The Year Ended 31 December 2020

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
YORK, HARROGATE AND DISTRICT BRANCH
(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

J Snelling
F Preston (resigned 26 January 2021)
A Metcalfe (resigned 26 May 2020)
A Hirst (resigned 27 October 2020)
L Longman (resigned 24 November 2020)
D Blueman (appointed 17 March 2020)
D Hardwick (appointed 17 March 2020)
S Wass (appointed 21 February 2020)
G Carsey (appointed 22 September 2020)
B Smith van Carroll (appointed 22 September 2020)
S Scholey (appointed 22 September 2020)

Charity number

232222

Independent examiner

Laura Masheder FCA DChA
Garbutt & Elliott LLP
Triune Court
Monks Cross Drive
York
YO32 9GZ

Bankers

The Co-operative Bank
15 Feasgate
York
YO1 2SH

Solicitors

Burn & Company
Lendal House
11 Lendal
York
YO1 8AQ

Mitchells Solicitors
2 Peckitt Street
Clifford Street
York
YO1 9SF

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
YORK, HARROGATE AND DISTRICT BRANCH
(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
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ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, YORK, HARROGATE AND DISTRICT BRANCH (OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH) TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Charities Act 2011 and "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 2019) as detailed in the accounting policies.

Objectives and activities

The objects of the RSPCA York, Harrogate & District Branch are to promote the work and objects of the Society, which are to promote kindness and to prevent or suppress cruelty to animals by all lawful means, within the York, Harrogate and District area, in accordance with the policies of the Society.

As a branch we support the RSPCA Inspectorate and their work wholeheartedly and have started and will continue to offer animal spaces at the York Animal Home to the Inspectors as a priority and only taking animals from the public, when no inspector animal needs a rescue place.

This work is key to avoiding the repetition or suppression of cruelty as a part of the York, Harrogate & District objectives and promotes humane sentiments towards animals which involve moral benefit to humankind.

Public benefit statement

We have complied with the duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Significant activities

We support local inspectors by taking in, free of charge, mistreated or abandoned animals, including pets whose owners suffer ill health, financial difficulties or who have passed away.

As a branch we support the RSPCA Inspectorate and their work wholeheartedly and have started and will continue to offer animal spaces at the York Animal Home to the Inspectors as a priority and only taking animals from the public, when no inspector animal needs a rescue place. Over 70% of all animals taken into the York Animals Home came from the national RSPCA Inspectors.

We provide a subsidised clinic to provide veterinary treatment for sick or injured animals for local people on low incomes. This clinic uses means tested benefits as a guide as to whom to give financial help to obtain care.

Alongside the Inspectorate we provide education, information and advice, to aid the prevention of cruelty and mistreatment of animals. This work is key to avoiding the repetition or suppression of cruelty as a part of the York, Harrogate & District objectives and promotes humane sentiments towards animals which involve moral benefit to humankind.

Achievements and performance

Due to the Coronavirus and subsequent lockdowns, 2020 was a challenging year for the York, Harrogate and District Branch, as it was for many charities. Thankfully the work we had done last year to reduce our expenditure put us in a better financial position to weather the pandemic than we would have been. The government furlough scheme and a freeze of recruitment allowed us to retain the majority of staff throughout the year, although one member of reception staff decided to take a voluntary exit from the organisation.

We were very fortunate to be approached by the team at Independent Pet Nutrition early on in the pandemic, who offered to donate enough dry food to the centre for all our animals. This lifeline has allowed us to continue to feed our animals a stable healthy diet without having to rely solely on the donations of our supporters or fundraising to cover the costs.

Despite a challenging year, our staff and volunteer team pulled together to ensure that the home could keep running and we could continue to rescue animals and help them find their forever home.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustee Recruitment and Training

We saw many changes within our board of trustees this year. Sarah Wass took over as the chair of trustees and David Hardwick as secretary. We also bid farewell to a number of long serving trustees. We were able to continue our regular schedule of trustee meetings via video conferencing and supplemented these with a number of additional meetings at the start of the pandemic.

The board itself has continued to develop with a coordinated recruitment effort bringing a number of new trustees on board to help fill the skills gaps identified. We hope to continue recruiting more trustees once the pandemic is over to help strengthen the board and provide more skills in areas related to building projects and finance.

Despite the effects of the pandemic the board have also been pushing ahead with the shaping of a new organisational strategy, which we hope to link in with the new national RSPCA strategy and launch in 2021.

Fundraising

Fundraising at the animal home has always been predominantly carried out by volunteers and heavily reliant on in-person community fundraising. Due to the pandemic all of our events and collections for the year were cancelled, putting the home at a significant financial risk.

At the start of lockdown we launched an emergency fundraising appeal, which was well supported by our fantastic supporters. This was also bolstered by a number of digital fundraising initiatives, including Badly Drawn Pets, Digital Raffles, Digital Summer Fairs and online challenges. This new online fundraising went some way to filling the void left by our in-person activity.

Our online appeals garnered a lot of support from our regular supporters, however as the pandemic continued we saw the levels of support decrease as many of the supporters had already given multiple times. Fundraising became much more difficult towards the end of the year as people wished for a return to normality. We did however see positive growth in our monthly lottery and regular giving schemes.

We were also extremely fortunate to receive legacy donations from a number of our supporters who sadly passed away. Thanks to generous donations like these the animal home is able to continue to operate while also setting some funds aside for the much needed building work at the home.

We were also extremely grateful to our neighbouring branches who provided funding to the RSPCA National Coronavirus Emergency fund, which we successfully applied for. Unfortunately most of the other funding made available during the coronavirus was focussed on front line charities providing support to individuals so we were ineligible for most funds.

Despite these many challenges 2020 was a successful year for fundraising at the branch and we hope to use the lessons learned this year to grow our fundraising in the future. The pandemic highlighted our need to modernise our fundraising techniques and invest in growing and developing our fundraising efforts, which we hope to do in 2021.

Retail

Our network of three charity shops were heavily impacted by the pandemic and subsequent lockdowns. For most of the year our shops remained closed and our staff were all placed on furlough. When it was possible to open the shops did so, but the need to social distance in small shops and quarantine donated goods made this particularly challenging, especially when coupled with our elderly volunteering team.

Thankfully the shops were eligible for the government's retail support grants, which along with the limited trading allowed the retail network to end the year making a positive financial contribution to the organisation as a whole.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Outreach

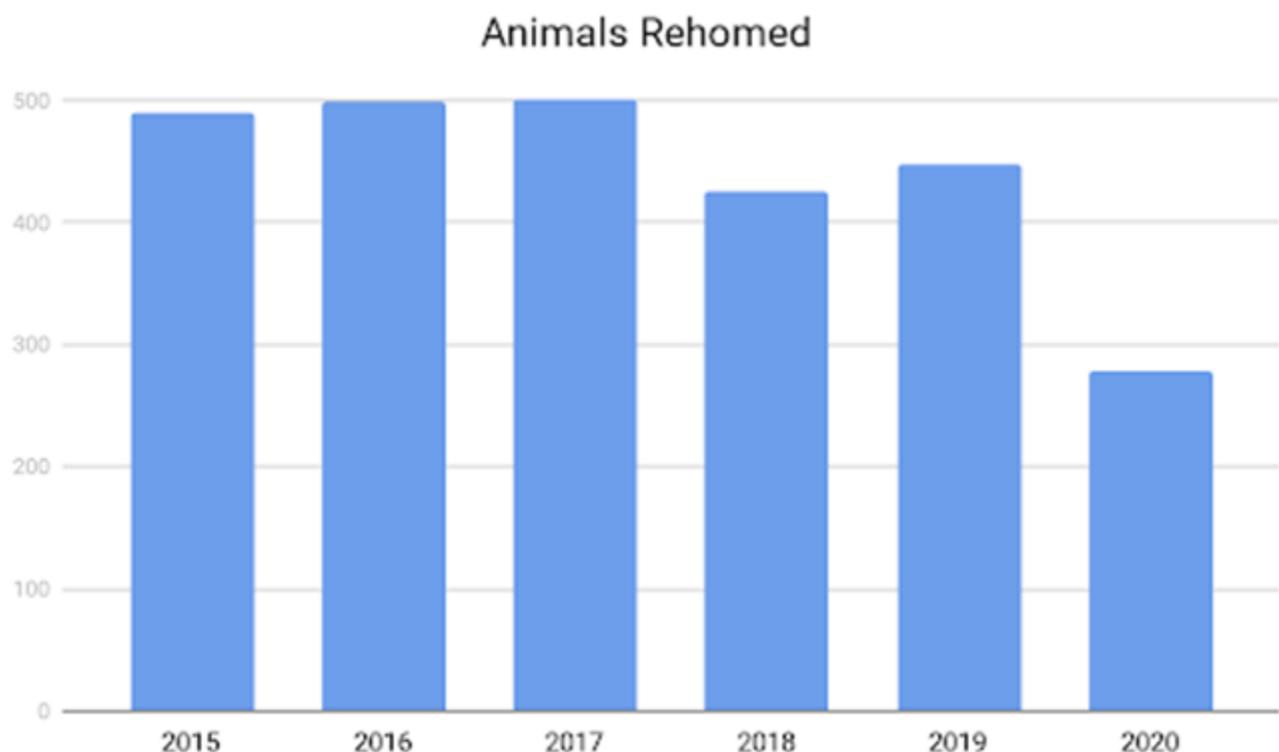
Due to the pandemic our outreach work was greatly diminished, with school visits and educational stalls no longer a possibility. Much of our outreach and education work moved online, with the branches website and social media channels being used to disseminate information around how to care for pets during the pandemic, focussing on exercising within the government guidelines and keeping your pets safe from theft. Senior branch staff also carried out an increased number of interviews with the local press to provide information on how to care for pets.

Rescue, Rehabilitation and Rehoming

The pandemic has a significant impact on the rehoming activity of the animal centre. Rehoming activity had always relied upon people coming to the centre to express interest in adopting and to visit the animals. The lockdown made this impossible and so we needed to find a new way of doing things.

We were fortunate in that the work we carried out at the end of last year to improve our website allowed us to transition all of our adoption processes online, including conducting home home visits virtually via video chat. While the year was challenging and we needed to adapt in order to overcome the challenges, a lot of the lessons learned will be brought into a post-pandemic world and will allow us to continue operating in a more efficient way after lockdowns have ended.

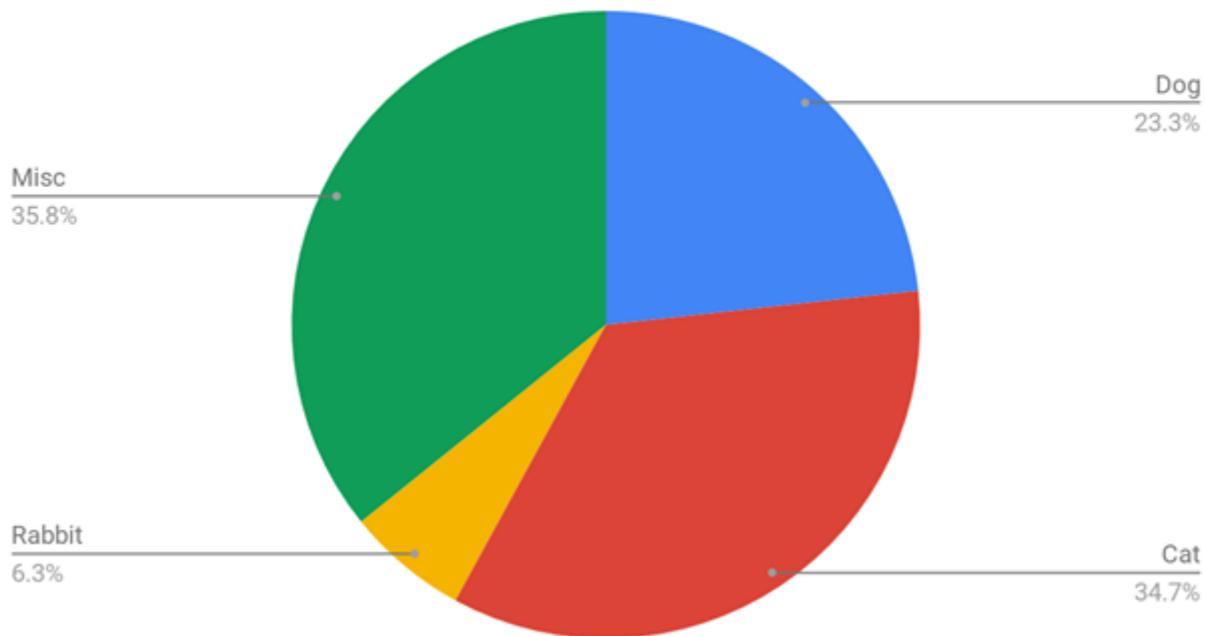
We continued to take in animals and operate throughout the entire pandemic. The branch rehomed 279 animals in 2020 (75 Dogs, 129 Cats, 15 Rabbits and 49 other animals). This was significantly reduced from last year, mainly due to the restrictions placed on rehoming and the reduced number of animals being brought in by the inspectors. Dogs were significantly impacted because many of the dogs at the centre have challenging behaviours and require an in-person meet and greet with potential adopters prior to rehoming.



The branch took in 447 animals during the year, the majority of which came to the centre from the national RSPCA inspectors. Unfortunately due to the pandemic, RSPCA inspectors were unable to enter properties to carry out animal welfare investigations, this meant that fewer animals were rescued and brought to the centre, this has a significant impact on the number of dogs.

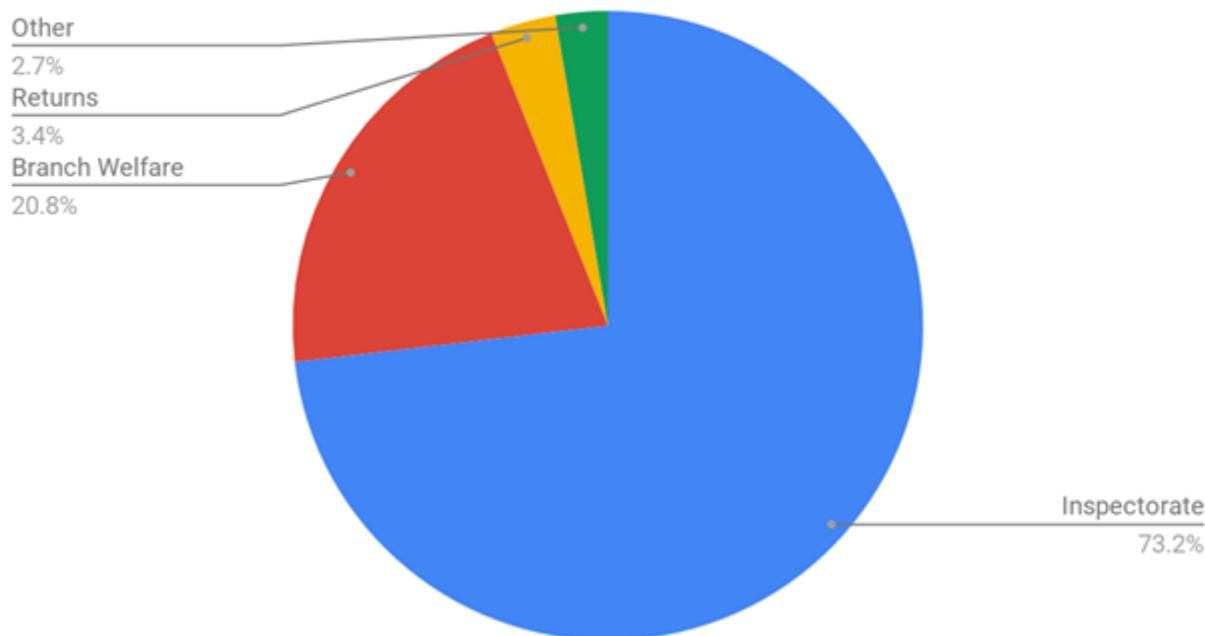
**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
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(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Animals Brought in



While the number of “traditional” animals did reduce during the pandemic, we used the available space to house different types of animals including chickens and a significant number of degus.

Reason for Animal Admission



**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
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(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Financial review

The Statement of Financial Activities shows a net surplus for the year of £214,653 (2019 - deficit £365,369). The charity does not have any restricted funds.

Net Current Assets stand in total at £931,645 at 31 December 2020 (2019 - £674,310). The charity also owns the York animal home which is carried in the accounts at its depreciated cost of £181,230 (2019 - £213,250).

The total income for the year was £999,749 (2019 - £679,942). Income from donations and legacies was £437,034 (2019 - £197,130), with income from charitable activities which includes boarding and re-homing fees totalling £238,703 (2019 - £176,706). The charity's shops contributed income of £138,959 (2019 - £242,866).

Reserves Policy

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be at least £300k, which represents 3 months running costs along with the amounts required to pay outstanding liabilities and staff redundancy costs. Estimated expenditure for 2021 is £684k. At the end of 2020 the free cash reserves stood at £930k.

The branch has already made significant steps towards reducing its annual overspend, the branch is forecasting levels of income in 2021 of £562k, resulting in a £122k deficit for the year, which is half the forecasted deficit for 2020.

As the organisation begins to move towards a more sustainable footing the trustees will be ring-fencing legacy donations above £40k a year, towards the refurbishment or rebuild of the animal home.

Investment policy

Due to the volatility of the investment market in 2019 the decision was taken by the branch to reduce its investment portfolio. The branch continues to invest £195k in low risk stocks through Clerical Medical, but the majority of assets are now held in the branch bank accounts.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. During the monthly meetings, the Trustees actively review risks which the charity faces, looking at operational and financial reviews and business risks which have been identified as:

- Inability to operate the animal home because of fire or other destruction;
- Loss of reputation through error or fraud;
- Loss of income through error or fraud;
- Insufficient funds to cover costs of animal welfare activities.

Steps to mitigate significant risks include:

- Internal control risks have been minimised by the implementation of procedures in accordance with the Charity Act 2011;
- Procedures are in place to ensure compliance with health and safety regulations for staff, volunteers and visitors;
- Emergency plans have been drawn up to ensure the animal centre can continue to operate in the event of fire, flood or other destruction.

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(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Structure, governance and management

The charity is constituted as an unincorporated charitable association. The charity operates as an autonomous branch of the National RSPCA subject to its rules for branches (as updated in 2012).

The objects of the charity are:

- To prevent cruelty to animals;
- To look after their general welfare in York, Harrogate and District.

The York, Harrogate and District Branch has a Committee of no less than 7 and up to 14 board who meet monthly and are responsible for the strategic direction and policy of the charity.

A scheme of delegation is in place and the day to day responsibility of the York, Harrogate and District Branch home and shops rests with the Branch Manager, overseen by the Trustee board.

The Trustees who served during the year and up to the date of signature of the financial statements are set out on page 1.

The Trustee board saw some significant changes with a number of Trustees choosing to step down from the board and new trustees joining. At the end of the year the branch was undertaking a coordinated recruitment campaign to bring new Trustees onto the board with the mix of skills currently missing. Three new Trustees were recruited to bring the board back up to full strength and further board development work is planned for 2021.

The legal and administrative information at the front of the financial statements forms part of this Trustees' report.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 and 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 the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that 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.

The Trustees Report was approved by the Board of Trustees and signed on its behalf by:

8 June 2021

S Wass

Trustee

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
YORK, HARROGATE AND DISTRICT BRANCH
(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO
ANIMALS, YORK, HARROGATE AND DISTRICT BRANCH**

I report to the Trustees on my examination of the financial statements of Royal Society for the Prevention of Cruelty to Animals, York, Harrogate And District Branch (the Charity) for the year ended 31 December 2020.

This report is made solely to the charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my independent examination work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all 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 I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 2011 Act;
or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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.

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 financial statements to be reached.

Laura Masheder FCA, DChA
Garbutt & Elliott LLP
Triune Court
Monks Cross Drive
York
YO32 9GZ

Dated: 17 June 2021

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
YORK, HARROGATE AND DISTRICT BRANCH
(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
<u>Income and endowments from:</u>			
Donations and legacies	3	437,034	197,130
Charitable activities	4	238,703	176,706
Other trading activities	5	186,412	292,862
Investments	6	3,771	13,244
Government grants	7	133,829	-
Total income		999,749	679,942
<u>Expenditure on:</u>			
Raising funds	8	161,025	198,323
Charitable activities	9	626,039	848,522
Total expenditure		787,064	1,046,845
Net gains/(losses) on investments	13	1,968	1,534
Net movement in funds		214,653	(365,369)
Fund balances at 1 January 2020		1,163,704	1,529,073
Fund balances at 31 December 2020		1,378,357	1,163,704

All income and expenditure for 2020 and 2019 is unrestricted.

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

All income and expenditure derive from continuing activities.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
YORK, HARROGATE AND DISTRICT BRANCH
(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14	247,976		292,627	
Investments	15	198,736		196,767	
		<u>446,712</u>		<u>489,394</u>	
Current assets					
Stocks	16	714		714	
Debtors	17	27,171		69,267	
Cash at bank and in hand		930,198		645,085	
		<u>958,083</u>		<u>715,066</u>	
Creditors: amounts falling due within one year	18	<u>(26,438)</u>		<u>(40,756)</u>	
Net current assets		931,645		674,310	
Total assets less current liabilities		<u>1,378,357</u>		<u>1,163,704</u>	
Total funds					
Unrestricted funds		1,378,357		1,163,704	
		<u>1,378,357</u>		<u>1,163,704</u>	

The financial statements were approved by the Trustees on 8 June 2021

S Wass
Trustee

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
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(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		281,342		(240,660)
Investing activities					
Proceeds on disposal of investments		-		711,980	
Interest received		3,771		13,244	
Net cash generated from investing activities			3,771		725,224
Net increase in cash and cash equivalents			285,113		484,564
Cash and cash equivalents at beginning of year			645,085		160,521
Cash and cash equivalents at end of year			930,198		645,085

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
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(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity information

RSPCA York, Harrogate and District Branch is a charity registered with the Charity Commission in England and Wales under the registered number 232222. The principal address is RSPCA York Animal Home, Landing Lane, York, YO26 4RH.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 Charities SORP (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

During the year coronavirus COVID-19 has resulted in a global pandemic affecting the global economy. The speed and severity of the impact has been unprecedented but the UK Government has introduced considerable measures to help organisations through this extremely challenging time. COVID-19 has however impacted the ability of the charity to trade via its shops, which have traded in accordance with government restrictions which has included temporarily closures both in the year and post year end.

On the basis of the strong result this year, which was bolstered significantly by legacy income, and the continued financial support available via government schemes, strong cash reserves and outright ownership of the charity’s animal home, the Trustees are confident that the charity is a going concern and has the ability to meet its liabilities as they fall due. The Trustees therefore believe it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would be necessary if the charity was not a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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(OPERATING AS RSPCA YORK, HARROGATE AND DISTRICT BRANCH)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

(Continued)

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government grants and other grants is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is classified under the following activity headings:

- Charitable activity comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.
- Support costs include those costs which cannot be directly attributed to a particular heading, and include the governance costs of the charity. These are allocated to the relevant activity based on usage and staff time associated with each activity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 25 years
Improvements to property	Straight line over 10 years
Animal home equipment	20% on a reducing balance basis
Shop and office equipment	20% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

RSPCA York, Harrogate and District Branch is a registered charity and as such is potentially entitled to tax exemption under Section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

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2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees are of the opinion that there are no material critical accounting estimates.

3 Donations and legacies

	2020	2019
	£	£
Donations and gifts	157,523	150,594
Legacies receivable	279,511	46,536
	<u>437,034</u>	<u>197,130</u>

4 Charitable activities

	2020	2019
	£	£
Boarding fees	108,429	118,106
Re-homing fees	26,981	53,502
Rents	4,920	5,018
Sundry income	3,073	80
Grants received	95,300	-
	<u>238,703</u>	<u>176,706</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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5 Other trading activities

	2020	2019
	£	£
Shop income	138,959	242,866
Fundraising events	47,453	49,996
	<u>186,412</u>	<u>292,862</u>

6 Investments

	2020	2019
	£	£
Interest receivable	3,771	13,244
	<u>3,771</u>	<u>13,244</u>

7 Investment income

	2020	2019
	£	£
Coronavirus Job Retention Scheme	65,283	-
Coronavirus Government support grants	68,546	-
	<u>133,829</u>	<u>-</u>

8 Raising funds

	2020	2019
	£	£
<u>Trading costs</u>		
Operating charity shops	53,801	84,346
Staff costs	107,224	113,977
	<u>161,025</u>	<u>198,323</u>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

9 Charitable activities

	2020	2019
	£	£
Staff costs	391,242	519,893
Depreciation	44,652	49,638
Rates and water	9,398	6,982
Insurance	2,487	4,753
Light and heat	26,471	26,260
Telephone	6,020	3,566
Postage and stationery	1,212	4,270
Sundries	29,256	18,798
Feeding and bedding	4,239	32,586
Cleaning, laundry and waste disposal	25,567	39,066
Vets fees and medicine	71,314	102,675
Microchips	518	997
Motor expenses	1,061	3,038
Repairs and renewals	3,105	10,882
Legal and professional	665	10,637
Loss on disposal of tangible fixed assets	-	2,297
	<u>617,207</u>	<u>836,338</u>
Share of support costs (see note 10)	8,832	12,184
	<u>626,039</u>	<u>848,522</u>

10 Support costs

	2020	2019
	£	£
Management	2,430	2,439
Finance	2,902	6,395
Independent Examiner's fee	2,240	2,150
Accountancy fees	1,260	1,200
	<u>8,832</u>	<u>12,184</u>

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11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Branch managers	1	1
Animal centre managers	1	1
Animal care centre and other staff	18	30
Charity shop managers	3	3
Charity shop staff	4	3
	<u>27</u>	<u>38</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	461,214	585,405
Social security costs	26,168	35,411
Other pension costs	11,084	13,054
	<u>498,466</u>	<u>633,870</u>

During the year to 31 December 2020 that charity incurred redundancy costs of £nil (2019: £2,671) due to the restructure of the charity.

Key Management Personnel are the Branch Manager, Deputy Centre Manager, and Finance Administrator,

During the year the charity's key management personnel, comprising 3 individuals, received remuneration of £75,147 (2019: £100,037, comprising 5 individuals, with a mid year restructure).

There were no employees whose annual remuneration was £60,000 or more (2019: No employees).

12 Trustees

None of the Trustees (2019: no Trustees) (or any persons connected with them) received any expenses, remuneration or benefits from the Charity during the year.

13 Net gains/(losses) on investments

	2020	2019
	£	£
Revaluation of investments	<u>1,968</u>	<u>1,534</u>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, YORK, HARROGATE AND DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

	Freehold land and buildings	Improvements to property	Animal home equipment	Shop and Motor office vehicles equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2020	800,512	49,164	74,024	72,806	1,005,936
At 31 December 2020	800,512	49,164	74,024	72,806	1,005,936
Depreciation					
At 1 January 2020	587,262	18,824	58,171	44,926	713,309
Depreciation charged in the year	32,020	4,917	3,170	(1,032)	44,651
At 31 December 2020	619,282	23,741	61,341	50,502	757,960
Carrying amount					
At 31 December 2020	181,230	25,423	12,683	22,304	247,976
At 31 December 2019	213,250	30,340	15,853	27,880	292,627

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FOR THE YEAR ENDED 31 DECEMBER 2020**

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	196,767
Valuation changes	1,969
	<hr/>
At 31 December 2020	198,736
	<hr/>
Carrying amount	
At 31 December 2020	198,736
	<hr/> <hr/>
At 31 December 2019	196,767
	<hr/> <hr/>

16 Stocks

	2020 £	2019 £
Finished goods and goods for resale	714	714
	<hr/> <hr/>	<hr/> <hr/>

17 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	13,941	17,373
Other debtors	13,230	51,894
	<hr/>	<hr/>
	27,171	69,267
	<hr/> <hr/>	<hr/> <hr/>

18 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	10,012	17,322
Other creditors	16,426	23,434
	<hr/>	<hr/>
	26,438	40,756
	<hr/> <hr/>	<hr/> <hr/>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS,
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19 Analysis of net assets between funds

	2020	2019
	£	£
Fund balances at 31 December 2020 are represented by:		
Tangible assets	247,976	292,627
Investments	198,736	196,767
Current assets/(liabilities)	931,645	674,310
	<u>1,378,357</u>	<u>1,163,704</u>

20 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	46,566	50,073
Between two and five years	30,500	169,939
	<u>77,066</u>	<u>220,012</u>

21 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 grants and donations from the RSPCA of £95,300 (2019: Nil) in financial support, and £50,346 (2019: £53,478) from the door to door fundraising event.

22 Cash generated from operations

	2020	2019
	£	£
Surplus/(deficit) for the year	214,653	(365,369)
Adjustments for:		
Investment income recognised in statement of financial activities	(3,771)	(13,244)
(Gain)/loss on disposal of tangible fixed assets	-	2,297
Fair value (gains) and losses on investments	(1,968)	(1,534)
Depreciation of tangible fixed assets	44,652	49,638
Movements in working capital:		
Decrease in debtors	42,096	110,867
(Decrease) in creditors	(14,318)	(23,315)
Cash generated from/(absorbed by) operations	<u>281,344</u>	<u>(240,660)</u>