



Middlesex North West & South Hertfordshire Branch

Registered Charity No. 208331

RSPCA Middlesex North West and South Hertfordshire Branch

**Trustees' report and financial statements
for the year ended 31 December 2021**



RSPCA Middlesex North West and South Hertfordshire Branch

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RSPCA Middlesex North West and South Hertfordshire Branch

Trustees' report for the year ended 31 December 2021

Reference and administrative details of the charity, its Trustees and advisers for the year ended 31 December 2021

Trustees

Mrs J Gardner, Chair
Mrs C Holton, Treasurer
Mr R Kent, Secretary
Mr G Blatt, Trustee
Ms L Berns, Trustee
Mr J Gresa, Trustee
Mr J Post, Trustee
Mr R Tyers, Trustee (co-opted 15 November 2021)
Ms S Kemal Trustee (co-opted 21 February 2022)

Mrs S Benson, Trustee (resigned 8 December 2021)
Mr D Young, Trustee (resigned 17 August 2021)
Mrs M Biscoe, Trustee (resigned 20 May 2021)
Ms I Ling, Trustee (resigned 8 February 2021)

Charity registered number
208331

Principal office
114 Field End Road
Eastcote Pinner Middlesex HA5 1RL

Branch General Manager
Karen Cruickshanks

Independent Auditors
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

RSPCA Middlesex North West and South Hertfordshire Branch

Trustees' report (continued) for the year ended 31 December 2021

Foreword

The Trustees' Committee of the RSPCA Middlesex North West and South Hertfordshire Branch are pleased to present the 2021 Annual Report together with the audited financial statements of the charity for the year 1st January 2021 to 31st December 2021.

2021 was an 'exciting' year during which our brilliant staff and volunteers became adept at swiftly rising to each new challenge that Covid continued to throw at us. The Animal Welfare Team, everyone working in our shops, and the office staff, all pulled together to make this a successful year despite the difficulties. It is thanks to their devotion and hard work that we have managed to help so many animals and their owners.

We are delighted to have acquired the lease on our cattery near Eastcote, which we opened in April 2021 with space for up to twenty-four cats. Our two animal welfare officers and an animal care assistant take care of the animals together with the help of a small band of hardy volunteers who ensure that the cats get plenty of socialisation. It is a very busy place, with most pens occupied nearly all the time. We are also very lucky to have fosterers who will take care of some of our most needy cats.

Like most RSPCA branches we have been inundated with rabbits. But for our fosterers, we could not have helped as many as we have. One heroic volunteer took in two pregnant females and ended up caring for fourteen rabbits at the same time! We are also grateful to our other fosterers who take in the small furry animals such as guinea pigs and hamsters.

A big hand is due to our Marathon runners who raised £4,800 for the branch, and to our Tombola Team volunteers who, raised a total of £3,500 and rehomed hundreds of donated cuddly toy animals in the process.



We would like to thank Pets at Home in South Ruislip, who have supported us as their Charity of the year and the Pets at Home Foundation who donated £11,000. Their donations have kept our animals well fed, clean and entertained. Also, many thanks to the Ostacchini Trust who donated £5,000 towards a new van. Finally, we are very grateful to the Jean Sainsbury Trust for their generous grant of £5,000.

RSPCA Middlesex North West and South Hertfordshire Branch

Trustees' report (continued) for the year ended 31 December 2021

Purpose 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 objectives of the Branch are to promote the work and objectives of the Society:

- Promote kindness
- Prevent or suppress cruelty to animals by all lawful means, in accordance with the policies of the Society.
- Provide animal welfare support to our Branch community
- Support the RSPCA Inspectorate

The Branch's animal welfare work, although local in nature, benefits society at large, and aims to help people in need with the care of their animals. All our charitable activities 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)'.

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

We support our local RSPCA Inspectors by taking in, free of charge, mistreated or abandoned animals, including pets whose owners suffer ill health or financial difficulties or pass away. This work is key to 'the prevention or suppression of cruelty' part of the RSPCA objectives and promotes humane sentiments towards animals thus providing a moral benefit to humankind.

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 through a voucher scheme and by holding events in the community where we offer subsidised microchipping for dogs, cats, and rabbits, as well as subsidised neutering for those animals and guinea pigs.

We refer cat owners on low incomes to the C4 neutering scheme (London Cat Care & Control Consortium) where they can benefit from free neutering if eligible, although the Branch does make an annual donation to this scheme. This work promotes responsible pet ownership, helps to control these populations and prevents the distress caused to both animals and owners if animals stray.

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 helps to control the populations of unwanted cats, dogs, rabbits and other small pets.

**Trustees' report (continued)
for the year ended 31 December 2021**

Main activities undertaken to further the charity's purposes for the public benefit (continued)



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 secondary to the main charitable aim of this service, which is to reduce animal suffering. Our policy of charging 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 for animals, and therefore, would fall outside our objectives, 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 two Branch employed Animal Welfare Officers (AWOs), 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.

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.

Achievements and performance

a. Review of activities

In March 2021 we said goodbye to Allan Harper, who retired and returned to New Zealand. Allan had been with the Branch for many years, serving first as our Branch Manager and later as our Finance Officer. During this time, he helped to build our organisation into the thriving branch it is today. We wish him a long and happy retirement. He more than deserves it.

290 animals came into our care in 2021 which was similar to 2020, but well below our pre-pandemic numbers.

238 of these animals were successfully rehomed:

180 cats, 28 rabbits and 30 miscellaneous small animals.

3 animals were transferred out

13 animals were returned to their owners

Continuing our welfare initiative on feral cats, 12 were trapped, neutered, and re-located to permanent, rural homes where they will be fed and receive veterinary care when needed.

**Trustees' report (continued)
for the year ended 31 December 2021**

Achievements and performance (continued)

This year's intake included many un-neutered tom cats who were FIV positive. We were able to home them all as indoor cats. The two cats pictured made friends in the cattery and went to their new forever home together.

Many of the animals coming into the care of the Branch during 2021 were in poor health. With appropriate veterinary care and dietary programmes most of these animals regained their health but, sadly, 4 died while in our care and, on the advice of our vets, a further 10 had to be put to sleep, to prevent further suffering. These, while regrettable statistics, are below the average in each year since 2012.

At the year end the Branch had a total of 58 animals in care, an increase of 22 from the beginning of the year.

Pre-adoption interviews and home visits are now conducted virtually with visits in person generally restricted to exceptional cases for the time being. At the start of 2021 pets were delivered to adopters' homes within a one-hour drive from the Branch office in compliance with DEFRA guidelines. With the lifting of restrictions rehoming can now be conducted at Joel Street Cattery or at the Eastcote office, with all appropriate Covid precautions in place.

The Branch 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.

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

	2021	2020
Treatment (voucher)	53	57
Treatment (via Hillingdon clinic)	171	
Neutering	22	18
Microchipping	167	61
TOTAL	413	136

For 2022 the trustees have budgeted for animal welfare spending of £226,504 during the year which represents an increase of £44,366 on 2021 animal welfare spending. This increase is due to an expected increase in animal intake following the pandemic and increased spend on financial assistance.

In January 2021 the Branch signed a lease agreement for 5 years to rent a small 12 pen cattery near Eastcote. The cattery was licensed by RSPCA HQ in April 2021 and the first cats were accommodated there shortly afterwards. We have been able to run the cattery with our existing staff and newly recruited volunteers. The Branch set up a comprehensive training and induction programme for these volunteers who help with feeding, cleaning and socialising cats in the cattery.



RSPCA Middlesex North West and South Hertfordshire Branch

Trustees' report (continued) for the year ended 31 December 2021

Achievements and performance (continued)

We have retained 2 pens at the cattery in Rickmansworth to increase capacity. We continue to place cats with fosterers, before rehoming, especially those needing rehabilitation, nursing mums and, those with long term, manageable health problems. Going forward, we will continue to look for a larger site to house our animals and we are building reserves to fund this longer-term aim.

The Branch has developed a comprehensive volunteer recruitment, training and induction programme with elements that can be delivered online and as workplace training. We have also been fortunate to recruit a volunteer coordinator, who is herself, a volunteer. This has been very successful in enabling us to identify suitable candidates and ensure that they are fully prepared for their role in our organisation.

We took part in the Government's Kickstart Scheme giving fourteen young people opportunities to build up their skills and experience in preparation for future employment. Some worked in our charity shops and received retail training whilst others worked and received their training in our branch office. All received mentoring and help with employability skills. We were pleased to see some of our trainees moving on to permanent jobs with other employers.

We have now made agreements with two companies, Kwil and The Good Will Partnership to provide a low cost will writing service for our supporters.



In July 2021 the Branch received a grant of £11,000 from the Pets at Home Foundation to contribute towards veterinary costs. The trustees would like to thank Pets at Home Foundation for their support.

In September 2021 the Branch received a £5,000 grant from the Ostacchini Family Charitable Trust to contribute towards buying a replacement van. The trustees would like to acknowledge the kind support of the Ostacchini Family Charitable Trust.

In November 2021 we were also pleased to receive a grant of £5,000 from the Jean Sainsbury Trust to help towards rehoming costs.

b. Fundraising activities and income generation

The Covid-19 pandemic continued to have an impact on our ability to raise funds through our charity shops as the shops were mandated to close for the first 3 ½ months of the year. During 2021 several public events, that we usually attend, were cancelled. This severely curtailed our local fundraising opportunities, however, the events that we attended were very successful.

The Branch receives donations through our shops (both goods and cash), our website and from our supporters on Facebook. We ran Facebook appeals while the shops were closed, and our supporters gave generously during this time. We also have corporate supporters such as Pets at Home. The Branch is Pets at Home South Ruislip's Charity of the Year, and we receive regular donations of food and litter from Pets at Home. The trustees would like to thank Pets at Home South Ruislip for their continued support.

We have also started selling donated goods on eBay and Facebook Marketplace, initially while the shops were closed, and we have continued to develop this income stream during 2021.

RSPCA Middlesex North West and South Hertfordshire Branch

Trustees' report (continued) for the year ended 31 December 2021

Achievements and performance (continued)

During the year we received income from providing training for 14 employees from the Kickstart scheme.

The Harrow shop closed in March 2021. The pandemic continues to impact our shop volunteers, some of whom are still hesitant to return to public-facing volunteering activities.

The Branch is a member of the 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.

The Branch is registered with the Fundraising Preference Service and during the year we did not receive any requests to remove donors from our fundraising database.

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.

On 20 December 2020 the UK government introduced measures in response to the Coronavirus pandemic which required the charity's retail shops to close until 12 April 2021 and 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 provided by local authorities. Since reopening on 12 April 2021 the retail shops have traded strongly.

The Trustees have pro-actively managed the charity's expenditure and made cost reductions where possible, including some reductions in shop staff and the closure of the unprofitable Harrow shop. The Branch General Manager is very focused on maximising the charity's income streams and growing the volunteer base.

In addition, the opening of our own cattery facility in April 2021 has enabled savings to be made compared with utilising private boarding facilities.

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.

b. Reserves policy

The RSPCA Middlesex North West and South Hertfordshire Branch reserves as at 31 December 2021 were £833,750. This was represented by general funds of £176,419, adoption centre funds of £575,000, financial assistance special cases funds of £10,000, tangible fixed asset funds of £54,387 and restricted funds of £17,944. This is an increase of £198,727 on the Branch reserves at the start of 2021.

RSPCA Middlesex North West and South Hertfordshire Branch

Trustees' report (continued) for the year ended 31 December 2021

Financial Review (continued)

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 2022 these costs are budgeted at £226,504 for the full year. The reserves available at the end of 2021 as general funds of £176,419 would represent 9 months of animal welfare expenditure and the trustees consider the current level of reserves to be satisfactory.

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 are 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 2022).

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 by the members of the charity. At any one time there must not be less than five 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, unless there are exceptional circumstances. The Honorary officers (Chair, Branch Secretary and Treasurer) are elected by the trustees.

During 2021 we had several trustee changes:

We were pleased to welcome Rob Tyers, who was co-opted in November 2021, adding Information Technology skills and experience to our committee.

Several long-standing trustees resigned. Mr David Young, Mrs Maureen Biscoe and Ms Irene Ling left after many years of service, initially with Potters Bar and then with Middlesex North West and South Hertfordshire after the merger of the two branches. We would like to thank them all for their service.

Thanks also to Mrs Suzy Benson who resigned in December 2021.

In March 2022 Suzanna Kemal was co-opted to the trustee board, bringing Human Resources skills and experience.

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. Most monthly meetings are conducted virtually but the intention is to include face to face meetings on a three-monthly basis, when possible. The day-to-day responsibility for Branch activities is delegated to the Branch General Manager, who keeps the trustees informed of any significant issues that arise between the scheduled monthly trustee meetings.

RSPCA Middlesex North West and South Hertfordshire Branch

Trustees' report (continued) for the year ended 31 December 2021

Structure, governance and management (continued)

d. Volunteers

The charity receives support from many individuals who volunteer their time and services. The volunteers work within its shops, assist with animal welfare, engage in fundraising activities, donate goods and help with the administration of the branch. The trustees are extremely grateful for this help. Without this kindness and generosity, the charity would be unable to continue. At the end of 2021 the Branch had a volunteer coordinator and around 150 volunteers. All volunteers receive thorough training and induction appropriate to their role.

e. Policies adopted for the induction and training of Trustees

When joining the committee new trustees can 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 receive an introduction to the Branch, its history, the current activities and planned activities for the future from the Branch Chairman and Secretary. They will be assigned a mentor and directed towards further support and training courses 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. They may also 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. A complete Trustee Induction package is in development.

f. Financial risk management

The trustees have assessed the major risks to which the charity is exposed. We have a comprehensive Risk Register relating to the specific operational areas of the charity, its investments and its finances. Named trustees are responsible for their specific area of the register, checking that appropriate mitigation is in place, monitoring the implementation of mitigating strategies and keeping the register up to date. 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	a) Annual independent accounts audit b) 2 signatures required for cheques c) Dual authorisation of online payments d) Monthly review 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.

**Trustees' report (continued)
for the year ended 31 December 2021**

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

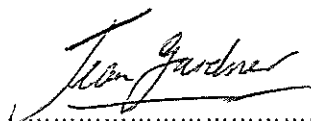
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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:


.....
Mrs J Gardner, Chair

Date: 25/6/2022.

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 2021 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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.

RSPCA Middlesex North West and South Hertfordshire Branch

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

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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery, money laundering legislation and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Statement of Recommended Practice, Animal Welfare Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to:

- Cash-based nature of the trading operations of the charity which could lead to misstatement in relation to income recognition
- Management bias in the accounting estimates associated with the allocation of costs and use of funds

Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety, anti-bribery, money laundering legislation and employment law) and fraud; and
- Reviewing a sample of trading income to gain comfort over completeness of income; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing low level analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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.

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

Chartered Accountants
Statutory Auditor

Horsham

Date: 7 July 2022

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

RSPCA Middlesex North West and South Hertfordshire Branch

Statement of financial activities For the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	403,351	21,000	424,351	596,166
Charitable activities	5	13,770	-	13,770	15,840
Other trading activities	6	581,041	-	581,041	485,640
Investments	7	2,811	-	2,811	3,821
Other income	8	12,911	-	12,911	10,022
Total income		1,013,884	21,000	1,034,884	1,111,489
Expenditure on:					
Raising funds	9	637,114	-	637,114	800,187
Charitable activities	10	186,142	12,901	199,043	253,721
Total expenditure		823,256	12,901	836,157	1,053,908
Net income		190,628	8,099	198,727	57,581
Transfers between funds	22	18,351	(18,351)	-	-
Net movement in funds		208,979	(10,252)	198,727	57,581
Reconciliation of funds:					
Total funds brought forward		606,827	28,196	635,023	577,442
Net movement in funds		208,979	(10,252)	198,727	57,581
Total funds carried forward		815,806	17,944	833,750	635,023

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


The notes on pages 20 to 39 form part of these financial statements.

RSPCA Middlesex North West and South Hertfordshire Branch

Balance sheet As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	16	9,675	13,975
Tangible assets	17	54,387	41,523
Investments	18	565	565
		<u>64,627</u>	<u>56,063</u>
Current assets			
Stocks	19	3,461	4,951
Debtors	20	43,749	59,926
Cash at bank and in hand		769,227	576,789
		<u>816,437</u>	<u>641,666</u>
Creditors: amounts falling due within one year	21	(47,314)	(62,706)
Net current assets		<u>769,123</u>	<u>578,960</u>
Total assets less current liabilities		<u>833,750</u>	<u>635,023</u>
Total net assets		<u>833,750</u>	<u>635,023</u>
Charity funds			
Restricted funds	22	17,944	28,196
Unrestricted funds	22	815,806	606,827
Total funds		<u>833,750</u>	<u>635,023</u>

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


.....
Mrs C Holton, Treasurer

Date: 25/6/2022

The notes on pages 20 to 39 form part of these financial statements.

RSPCA Middlesex North West and South Hertfordshire Branch

Statement of cash flows For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	24	216,421	77,218
Cash flows from investing activities			
Dividend and interest from investments		2,811	3,821
Proceeds from the sale of tangible fixed assets		10,318	6,342
Purchase of tangible fixed assets		(37,112)	(1,785)
Net cash (used in)/provided by investing activities		(23,983)	8,378
Change in cash and cash equivalents in the year		192,438	85,596
Cash and cash equivalents at the beginning of the year		576,789	491,193
Cash and cash equivalents at the end of the year	25	769,227	576,789

The notes on pages 20 to 39 form part of these financial statements

**Notes to the financial statements
For the year ended 31 December 2021**

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 March 2022).

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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 project 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. In their forecasting, the Trustees have assumed that the charity will now be able to keep its retail shops open following the pandemic and on this assumption they continue to adopt the going concern basis in preparing the financial statements as outline in the Statement of Trustees' responsibilities.

**Notes to the financial statements
For the year ended 31 December 2021**

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.

Donated professional services and donated facilities are recognised on receipt and 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 which ceased after June 2020. It also includes other miscellaneous income including commission relating to pet insurance and profits on the sale of fixed assets.

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 2021**

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 Government grants

Government grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 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.

2.7 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 20 % per annum
-------------------	------------------

2.8 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	- 20% or 25% per annum
Office equipment	- 20% per annum

**Notes to the financial statements
For the year ended 31 December 2021**

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 Operating leases

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

2.16 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.

**Notes to the financial statements
For the year ended 31 December 2021**

2. Accounting policies (continued)

2.17 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 funds from legacies received which have 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.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Depreciation:

Depreciation is an estimate made by management in order to allocate the cost of tangible fixed assets over their estimated useful lives.

Allocation of costs:

Governance and support costs are allocated between raising funds and charitable activities using allocations as estimated by management.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed above.

RSPCA Middlesex North West and South Hertfordshire Branch

Notes to the financial statements For the year ended 31 December 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	32,479	-	32,479
Legacies	13,966	-	13,966
Grants	60,344	21,000	81,344
Government grants	268,507	-	268,507
Similar incoming resources	28,055	-	28,055
	<u>403,351</u>	<u>21,000</u>	<u>424,351</u>

During the year, government grants of £65,308 (2020 - £141,897) were received in relation to the Coronavirus Job Retention Scheme, £133,451 (2020 - £170,000) in relation to Retail Grants, £64,107 (2020 - £nil) in relation to the Kickstart Scheme and £5,641 (2020 - £22,034) in relation to Local Restriction Support Grants.

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	29,690	-	29,690
Legacies	132,803	-	132,803
Grants	77,933	5,000	82,933
Government grants	333,931	-	333,931
Similar incoming resources	16,809	-	16,809
	<u>591,166</u>	<u>5,000</u>	<u>596,166</u>

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Animal welfare	<u>13,770</u>	<u>13,770</u>
	Unrestricted funds 2020 £	Total funds 2020 £
Animal welfare	<u>15,840</u>	<u>15,840</u>

RSPCA Middlesex North West and South Hertfordshire Branch

Notes to the financial statements For the year ended 31 December 2021

5. Income from charitable activities (continued)

6. Trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Sale of donated goods	575,685	575,685
Sales of bought-in goods	3,568	3,568
Fundraising activities	1,788	1,788
	<u>581,041</u>	<u>581,041</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Sale of donated goods	481,074	481,074
Sales of bought-in goods	3,312	3,312
Fundraising activities	1,254	1,254
	<u>485,640</u>	<u>485,640</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	2,811	2,811

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	3,821	3,821

RSPCA Middlesex North West and South Hertfordshire Branch

Notes to the financial statements For the year ended 31 December 2021

8. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £
Miscellaneous income including neutering refunds	2,676	2,676
Profit on disposal of fixed assets	10,235	10,235
	<u>12,911</u>	<u>12,911</u>
	Unrestricted funds 2020 £	Total funds 2020 £
Miscellaneous income including neutering refunds	3,680	3,680
Profit on disposal of fixed assets	6,342	6,342
	<u>10,022</u>	<u>10,022</u>

9. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £
Direct costs of fundraising activities	262,868	262,868
Other	496	496
Costs of retail activities - wages and salaries	321,446	321,446
Costs of raising voluntary income - NI	19,328	19,328
Costs of raising voluntary income - pension costs	7,516	7,516
Allocated centrally incurred fundraising and governance costs	25,460	25,460
	<u>637,114</u>	<u>637,114</u>

Notes to the financial statements
For the year ended 31 December 2021

9. Expenditure on raising funds (continued)

Costs of raising voluntary income (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Direct costs of fundraising activities	355,512	355,512
Other	(357)	(357)
Costs of retail activities - wages and salaries	383,452	383,452
Costs of retail activities - national insurance	26,936	26,936
Costs of retail activities - pension costs	11,127	11,127
Governance and support costs	23,517	23,517
	<u>800,187</u>	<u>800,187</u>

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Animal welfare	<u>186,142</u>	<u>12,901</u>	<u>199,043</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Animal welfare	<u>253,721</u>	<u>253,721</u>

Notes to the financial statements
For the year ended 31 December 2021

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Animal welfare	182,138	16,905	199,043

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Animal welfare	239,114	14,607	253,721

Analysis of direct costs

	Animal welfare 2021 £	Total funds 2021 £
Staff costs	79,546	79,546
Donation RSPCA	1,110	1,110
Other donations	500	500
Veterinary fees and drugs	100,982	100,982
	182,138	182,138

Included within veterinary fees and drugs is expenditure from restricted funds of £12,901 (2020 - £nil). All other direct costs were from unrestricted funds in 2021 and 2020.

	Animal welfare 2020 £	Total funds 2020 £
Staff costs	112,432	112,432
Donation RSPCA	1,110	1,110
Veterinary fees and drugs	125,572	125,572
	239,114	239,114

Notes to the financial statements
For the year ended 31 December 2021

12. Governance and support costs

	Raising funds 2021 £	Animal welfare 2021 £	Total funds 2021 £
Audit and accountancy fees	7,907	3,389	11,296
Legal and professional fees	413	965	1,378
Office costs	482	1,446	1,928
Staff costs	16,658	11,105	27,763
	<u>25,460</u>	<u>16,905</u>	<u>42,365</u>

	Raising funds 2020 £	Animal welfare 2020 £	Total funds 2020 £
Audit and accountancy fees	8,441	3,618	12,059
Legal and professional fees	2,058	882	2,940
Office costs	612	1,836	2,448
Staff costs	12,406	8,271	20,677
	<u>23,517</u>	<u>14,607</u>	<u>38,124</u>

(a) Audit and accountancy fees

Costs are allocated based on the ratio of 30% to animal welfare and 70% to raising funds. This ratio has been calculated by reviewing the split of other expenditure between charitable activities and raising funds.

(b) Legal and professional fees

Due to the events in the current and prior year and the reduction in shop activity, costs were allocated based on the ratio of 30% to animal welfare and 70% to raising funds. Legal and professional fees directly related to animal welfare activities have been included within direct costs.

(c) Office costs

Costs are allocated based on the ratio of 75% to animal welfare and 25% to raising funds. This estimate has been applied based on an assessment of the use of these resources.

(d) Staff costs

Staff costs which are not directly allocated to either raising funds or charitable activities are allocated based on the ratio of 60% to raising funds and 40% to animal welfare. This allocation has been derived from a best estimate of the time spent by the Branch General Manager and Finance Officer.

RSPCA Middlesex North West and South Hertfordshire Branch

Notes to the financial statements For the year ended 31 December 2021

13. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	6,550	6,300
Fees payable to the Charity's auditor in respect of:		
The audit of prior year accounts	-	800
All non-audit services not included above	3,490	3,299
	<u>6,550</u>	<u>6,300</u>

14. Staff costs

	2021 £	2020 £
Wages and salaries	418,014	502,475
Social security costs	26,982	37,454
Contribution to defined contribution pension schemes	10,603	14,695
	<u>455,599</u>	<u>554,624</u>

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

	2021 No.	2020 No.
Employees	28	28

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

£348,290 (2020 - £421,515) included within the table above in respect of Retail activities.

£79,546 (2020 - £112,732) included within the table above in respect of Animal welfare.

£27,763 (2020 - £20,677) included within the table above in respect of Governance and support.

The charity considers its key management personnel during the year to comprise of its trustees, the Branch General Manager and the Finance Officer (2020: the trustees, the Branch General Manager, the Finance Officer and Branch Retail Manager). The total employment benefits including employer pension contributions of the key management personnel were £55,526 (2020: £96,966).

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 £931 (2020: £766) and provides cover up to a maximum of £3 million (2020: £3 million).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

Notes to the financial statements
For the year ended 31 December 2021

16. Intangible assets

	Computer software £
Cost	
At 1 January 2021	21,500
At 31 December 2021	<u>21,500</u>
Amortisation	
At 1 January 2021	7,525
Charge for the year	4,300
At 31 December 2021	<u>11,825</u>
Net book value	
At 31 December 2021	<u><u>9,675</u></u>
At 31 December 2020	<u><u>13,975</u></u>

Notes to the financial statements
For the year ended 31 December 2021

17. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 January 2021	148,389	51,337	98,782	298,508
Additions	-	19,210	17,902	37,112
Disposals	(8,675)	(26,801)	(4,000)	(39,476)
At 31 December 2021	139,714	43,746	112,684	296,144
Depreciation				
At 1 January 2021	135,123	43,121	78,741	256,985
Charge for the year	8,135	3,165	12,870	24,170
On disposals	(8,675)	(26,801)	(3,922)	(39,398)
Transfers between classes	2,259	-	(2,259)	-
At 31 December 2021	136,842	19,485	85,430	241,757
Net book value				
At 31 December 2021	2,872	24,261	27,254	54,387
At 31 December 2020	13,266	8,216	20,041	41,523

18. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	565
At 31 December 2021	565
Net book value	
At 31 December 2021	565
At 31 December 2020	565

RSPCA Middlesex North West and South Hertfordshire Branch

Notes to the financial statements For the year ended 31 December 2021

19. Stocks

	2021 £	2020 £
Goods for resale	3,461	4,951

20. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	-	1,477
Other debtors	20,607	38,416
Prepayments and accrued income	23,142	20,033
	43,749	59,926

21. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	29,525	34,292
Other creditors	4,927	7,298
Accruals and deferred income	12,862	21,116
	47,314	62,706

Notes to the financial statements
For the year ended 31 December 2021

22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
Unrestricted funds					
Tangible fixed assets fund	41,523	-	-	12,864	54,387
Adoption centre fund	400,000	-	-	175,000	575,000
Financial assistance special cases fund	-	-	-	10,000	10,000
General fund	165,304	1,013,884	(823,256)	(179,513)	176,419
	<u>606,827</u>	<u>1,013,884</u>	<u>(823,256)</u>	<u>18,351</u>	<u>815,806</u>
Restricted funds					
Animal ambulance fund	12,366	5,000	-	(17,366)	-
Dog boarding fund	5,830	-	-	(985)	4,845
Branch adoption centre project	5,000	-	-	-	5,000
Pens for fosterers	5,000	-	-	-	5,000
Rehoming fund	-	5,000	(1,901)	-	3,099
Veterinary fees fund	-	11,000	(11,000)	-	-
	<u>28,196</u>	<u>21,000</u>	<u>(12,901)</u>	<u>(18,351)</u>	<u>17,944</u>
Total of funds	<u>635,023</u>	<u>1,034,884</u>	<u>(836,157)</u>	<u>-</u>	<u>833,750</u>

The trustees have reviewed the reserves and have decided to increase the amount in the Adoption centre fund by £175,000 as the general fund of £179,518 is the equivalent of 11 months animal welfare expenditure and is more than adequate to meet future needs.

During the year a transfer was made between the restricted animal ambulance fund and the general fund to represent the purchase of a motor vehicle which was funded by restricted income but the use of which is unrestricted.

During the year a transfer was made between the restricted dog boarding fund and the general fund to represent expenditure in relation to this fund which was incurred in a previous year but which had not been previously allocated to the dog boarding fund.

RSPCA Middlesex North West and South Hertfordshire Branch

Notes to the financial statements For the year ended 31 December 2021

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Unrestricted funds					
Tangible fixed assets fund	80,759	-	-	(39,236)	41,523
Adoption centre fund	325,000	-	-	75,000	400,000
General fund	148,487	1,106,489	(1,053,908)	(35,764)	165,304
	<u>554,246</u>	<u>1,106,489</u>	<u>(1,053,908)</u>	<u>-</u>	<u>606,827</u>
Restricted funds					
Animal ambulance fund	12,366	-	-	-	12,366
Dog boarding fund	5,830	-	-	-	5,830
Branch adoption centre project	5,000	-	-	-	5,000
Pens for fosterers	-	5,000	-	-	5,000
	<u>23,196</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>28,196</u>
Total of funds	<u>577,442</u>	<u>1,111,489</u>	<u>(1,053,908)</u>	<u>-</u>	<u>635,023</u>

Notes to the financial statements
For the year ended 31 December 2021

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	54,387	-	54,387
Intangible fixed assets	9,675	-	9,675
Fixed asset investments	565	-	565
Current assets	798,493	17,944	816,437
Creditors due within one year	(47,314)	-	(47,314)
Total	815,806	17,944	833,750

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	41,523	-	41,523
Intangible fixed assets	13,975	-	13,975
Fixed asset investments	565	-	565
Current assets	613,470	28,196	641,666
Creditors due within one year	(62,706)	-	(62,706)
Total	606,827	28,196	635,023

Notes to the financial statements
For the year ended 31 December 2021

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	198,727	57,581
Adjustments for:		
Depreciation charges	24,170	19,521
Amortisation charges	4,300	7,525
Dividends and interests from investments	(2,811)	(3,821)
Profit on the sale of fixed assets	(10,240)	(6,342)
Decrease/(increase) in stocks	1,490	(529)
Decrease in debtors	16,177	10,074
Decrease in creditors	(15,392)	(6,791)
Net cash provided by operating activities	216,421	77,218

25. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	769,227	576,789
Total cash and cash equivalents	769,227	576,789

26. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	576,789	192,438	769,227
	576,789	192,438	769,227

27. Pension commitments

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £10,915 (2020: £14,695).

Notes to the financial statements
For the year ended 31 December 2021

28. Operating lease commitments

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	139,082	157,670
Later than 1 year and not later than 5 years	252,766	347,255
Later than 5 years	50,458	91,186
	442,306	596,111

29. 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 £60,335 (2020: £62,933) from the RSPCA door to door fundraising and neutering grants, and paid grants and donations of £1,110 (2020: £1,110). At 31 December 2021 £1,015 (2020: £451 due from) was due to RSPCA. During the year the charity received donations without conditions from trustees totalling £979.