

Charity number: 255763

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS  
NOTTINGHAM AND NOTTS BRANCH**

**Unaudited**

**Trustees' report and financial statements**

**for the year ended 31 December 2016**

CHARITY COMMISSION  
FIRST CONTACT

- 7 AUG 2017

ACCOUNTS  
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**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
BRANCH**

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**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
BRANCH**

**Reference and administrative details of the Charity, its trustees and advisers  
for the year ended 31 December 2016**

**Trustees**

Miss K Grinrod, Committee  
Mr B Shelton, Committee  
Mrs L Ellis, Committee  
Mr D Platts, Committee  
Ms E Ball, Treasurer  
Mrs E Wong, Chair  
Miss B Butcher, Committee

**Charity registered number**

255763

**Principal office**

137 Radford Road  
Hyson Green  
Nottingham  
NG7 5DU

**Accountants**

Smith Cooper Limited  
Chartered Accountants and Statutory Auditors  
2 Lace Market Square  
Nottingham  
NG1 1PB

**Bankers**

Lloyds TSB Bank plc  
Old Market Square  
Nottingham  
NG1 6FD

**Investment Advisors**

Brewin Dolphin  
1st Floor Waterfront House  
Waterfront Plaza  
33 Station Street  
Nottingham  
NG2 3DQ

# **ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS BRANCH**

## **Trustees' report for the year ended 31 December 2016**

The Trustees present their annual report together with the audited financial statements of Royal Society For The Prevention Of Cruelty To Animals Nottingham And Notts Branch (the Charity) for the year ended 31 December 2016. The Trustees confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 2015, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **• Constitution and Governing Documents**

The principal object of the Charity is to use the freehold property for the reception, boarding, and adoption of, unwanted, lost, starving, injured or diseased animals, for the promotion of kindness, and prevention or suppression of cruelty to animals.

The Charity is governed under the RSPCA Rules for Branches 1 January 2003.

The Charity is constituted under the Royal Society for the Prevention of Cruelty to Animals Acts of 1932, 1940 and 1958.

#### **• Recruitment and Appointment of Trustees**

The Charity is administered by the Trustees. Trustees retire at each annual general meeting and can offer themselves up for re-election.

#### **• Trustee Induction and Training**

Trustees are interviewed by officers of the branch and are given an induction pack detailing the RSPCA Branch rules and objectives. Further training is available on request from the Branch Support Specialist.

#### **• Organisational Structure**

The Rules of the Society confer upon the Council power to supervise and control the management and affairs of Branches. The Branch is controlled by elected Executive Officers and Committee Members. The Executive Officers are elected by the Branch Committee.

During the year the Trustees constantly review their composition and effectiveness in order to provide the best services to the charity. Trustees of the full board meet at least once every two months.

Day to day administration of the Branch is delegated to Jo Maddock, Branch Manager. Employees are consulted on issues of concern to them by means of regular staff meetings, and are kept informed on specific matters directly by the management. The Charity believes that staff training is vital to animal welfare work, and staff have embarked on courses in practical skills of a comprehensive nature.

The Charity is grateful for the unstinting efforts of volunteers. It is impossible to estimate the enormous amount of time devoted, and value provided, by volunteers without whom the Charity would be unable to run its organisation so effectively and help so many animals in need.

We are equally grateful for the hard work, devotion to duty and long hours given by the Branch manager and staff in running the Charity so well and with so much commitment in the cause of animal welfare.

# **ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS BRANCH**

## **Trustees' report (continued) for the year ended 31 December 2016**

### **• Risk Management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Charity has adopted a low to medium risk return policy on its investment portfolio.

The investments are managed by Brewin Dolphin on the basis of the regulations detailed in the RSPCA Act 1958 and the Trustees have given the investment managers discretion to manage the portfolio within the approved risk profile. The Trustees also benefit from the services of independent financial advisers, HFL Financial Advisers Ltd, who oversee and provide advice on the Charity's investment portfolio and cash deposits.

## **OBJECTIVES AND ACTIVITIES**

### **• Objectives and Activities**

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. In particular, the Trustees consider how planned activities will contribute to the aim and objectives they have set.

The Charity was established with the aim of providing temporary refuge for homeless animals. Animals of a domestic nature are offered for adoption to suitable members of the public. The Charity also cares for wild animals when necessary, and these animals are released into a suitable environment as soon as possible. If necessary the Charity arranges the humane death of seriously injured or sick animals by qualified personnel. No animal or bird in need is ever turned away where they can be assured of clean, well maintained accommodation, will be well fed, will be provided with veterinary care and where they will be well looked after by dedicated staff.

It is the Charity's aim to promote kindness and prevent cruelty to animals.

Animals are placed in the care of the Charity by the public, police, local authorities and by the Society's own inspectors. Focus is placed on supporting the Society's Inspectorate in the Nottingham area.

## **ACHIEVEMENTS AND PERFORMANCE**

### **• 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.

### **• Review of activities**

The Branch is active in all aspects of animal welfare, dealing with 460 animals during 2016. At busy times during the year it is necessary to use private boarding facilities prior to finding available RSPCA accommodation. This is financed by the Branch as boarding bills and veterinary treatments are a Branch responsibility, and together these overheads form a large part of the annual animal welfare expenditure. There were an average of 276 advisory calls taken and dealt with by the Branch each month during the year.

A total of 357 animals were neutered with the aid of the Branch during 2016 and, over a number of years, we

# **ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS BRANCH**

## **Trustees' report (continued) for the year ended 31 December 2016**

have run an assisted neutering service. We have seen clear evidence of progress in responsible ownership and believe it is important that we carry on this valuable campaign. In 2016, the Charity assisted in the neutering of 193 cats, 121 dogs, 37 rabbits and 6 other small pets, either through the provision of neutering vouchers or arrangement of neutering.

### **• Closer working with other charities and the Inspectorate**

Following work from previous years to consider working relationships with Radcliffe Animal Shelter, in 2016 the Charity has continued to provide financial contributions towards the Shelter. In addition, Trustees of both branches, as well as other RSPCA branches in the region, have met on a number of occasions to explore ways in which closer working can be established. Much of this discussion has been centred on the Shelter's rebuild project (including transfer of animals and use of the Shelter's facilities) and fundraising.

The Charity is also pleased to have been able to provide financial assistance to the Stapeley Grange Wildlife Centre, which takes in wildlife within the Charity's area where specialist care is required.

The Charity has also supported the Inspectorate in purchasing equipment to facilitate their day-to-day activities and prosecution cases.

### **• Investment policy and performance**

At year end, the Charity had a little over £1,004,000 in non cash investments (fixed asset investments) and almost £224,000 in cash deposits (current asset investments). Our investment portfolio produced a gain of just over £106,000 compared to a loss of just under £25,000 in 2015. The Charity's financial statements for the year include an overall surplus of £44,648 - a significant improvement over the previous year's deficit of 15,208.

The Trustees have maintained their robust investment strategy and continue to manage the Charity's funds and investments with the support of HFL Financial Advisers Ltd, our investment and cash deposit strategy advisers, and Brewin Dolphin who act as our investment fund managers.

Our investment strategy takes into account our long term needs, attitude to risk and our ethical requirements. Because the Charity still trades at a loss, and in order to ensure both long term survival and future development, we need to maintain sufficient funds to cover this deficit and take steps to protect our reserves (referred to as "funds" in the accounts) from the effects of inflation. Our investment risk profile is best described as "cautious with some risk". We take a moderate approach to risk and invest in well known, reputable and ethical institutions. Approximately 33% of our fixed asset investments are held in bonds issued by the UK government, major banks and financial institutions.

Our ethical stance means that we avoid investing in institutions whose activities may involve the use of animals for testing products, or cause harm to animals.

Our aim is to invest 75% of our funds in long term funds, and keep 25% in cash. We have a strategy for our cash investments whereby we maximise the interest return we can make by investing in different term bonds and accounts of up to two years. The cash balances are held across different banking institutions to minimise the risk which a further banking crisis may pose to the Branch.

We are pleased to report that the Charity has continued to receive periodic reimbursement dividends from Kaupthing Singer & Friedlander Limited and that, to date, we have recovered 88.13% of our investment from the failed Icelandic bank, a matter which we covered in previous annual reports.

### **• Income generation**

The Statement of Financial Activities for the year is set out on page 11 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

Income from donations and gifts received during the year amounted to £46,910 in comparison to £53,242 received during 2015.

# **ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS BRANCH**

## **Trustees' report (continued) for the year ended 31 December 2016**

The Charity's financial statements for the year include legacy income of £60,528 receivable during 2016 compared to £140,060 receivable during 2015.

Membership income was £319 compared to £653 received in the year ended 31 December 2015. Retail income was £66,641 compared to £67,030 in 2015.

Direct charitable expenditure in relation to the reception, boarding and care of animals continues to absorb the greatest share of the Charity's expenditure. These costs equated to £119,001 this year, compared to £129,726 in 2015.

It is recognised nationally that fundraising trends have changed over the past few years and the Charity has worked to adapt its approach to income generation. A key milestone in 2016 has been the identification of premises for a new Charity shop; Trustees will continue working with the Branch Manager in 2017 to secure and operate a shop as an additional income stream.

The two main events of the year were Ramble in Rushcliffe, held at Rushcliffe Country Park, and Big Walkies at Colwick country park. The purpose of these events was two-fold: firstly as direct fundraising events, but secondly to promote the Charity to and increase its presence within the local community. The success of these events is a credit to the Branch Manager, the enthusiasm and dedication of the Branch staff and the generosity and support of volunteers.

### **FINANCIAL REVIEW**

- **Pay policy for senior staff**

The Branch manager is the only senior staff member employed by the Charity. Her compensation package is reviewed on an annual basis by the Trustees.

- **Pensions**

The workplace pension was introduced in 2016 as a government requirement.

- **Reserves policy**

The Trustees have reviewed the reserves of the Charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. During the year the Charity's general reserve decreased by a little over £50,000 but remains strong and well-funded. Excluding legacies and investment income, the Charity's projected annual deficit for 2016 is £147,000.

Throughout 2016, the Charity's reserves policy continued its two fold objective: (a) To set aside sufficient contingency funds to cover unforeseen crises or extended periods of financial setback. (This cover is based on 12 months operating costs with £350,000 ring-fenced for this purpose); (b) To enable the long term survival and future development of the Charity so that it may achieve the Society's objectives in an enduring and effective manner.

This policy will be reviewed during 2017 against the background of economic changes which accompanied the long recession, and significant reductions in legacy income in recent years. The board continues to believe that the Charity faces a future which is likely to be characterised by fewer and lower value legacies than in the past. The modest legacy income during 2016, and generally weak preceding years, lends support to this belief. Our approach will therefore continue to be cautious and based on a realistic outlook for the future, but it should also be pointed out that the Charity's current total reserves remain strong.

The Trustees recognise that they should expend an appropriate proportion of available funds on the Society's charitable objectives within a reasonable period of time. However, any process which involves a significant depletion of reserves must be handled carefully and gradually. The investment funds we hold produce much-

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**Trustees' report (continued)  
for the year ended 31 December 2016**

needed income which helps to fund our animal care operations and limit the size of our deficit.

• **Future plans**

**Main Goals**

- Direct investment in one or more animal welfare projects

The Charity will continue to work with the Inspectorate and other RSPCA Branches to invest in animal welfare projects.

The new agreement with the Shelter which was established in 2015 and has been operational through 2016 helps us to meet our first main goal to invest directly in one or more animal welfare projects.

Our plans to establish a city-based cattery remain in place, subject to the Society clarifying its stance towards out-of-hours remote supervision.

- Establishing a stable source of additional income

With respect to our second goal, as reported above, premises have been identified and a key project in 2017 will be to bring a new Charity shop to be fully operational.

The Charity will also continue to hold fundraising events throughout the year, and will consider how these can be run with other Charities.

**Trustees' responsibilities statement**

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 the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

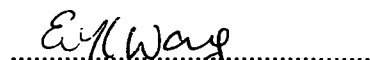
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper 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 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.

This report was approved by the Trustees on 22/6/17 and signed on their behalf by:



**Ms E Ball, Treasurer**

  
.....  
**Mrs E Wong, Chair**



**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Independent examiner's report  
for the year ended 31 December 2016**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ROYAL SOCIETY FOR THE PREVENTION  
OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS BRANCH**

I report on the financial statements of the Charity for the year ended 31 December 2016 which are set out on pages 9 to 23.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My 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 work or for this report.

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

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER**

The Charity's Trustees are responsible for the preparation of the financial statements, and they consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

**BASIS OF INDEPENDENT EXAMINER'S REPORT**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Independent examiner's report (continued)  
for the year ended 31 December 2016**

**INDEPENDENT EXAMINER'S STATEMENT**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 130 of the Act; and
  - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of the Act.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated:

27 June 2017

Sarah Flear Chartered Accountant

**SMITH COOPER LIMITED**

Chartered Accountants and Statutory Auditors

2 Lace Market Square  
Nottingham  
NG1 1PB

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Statement of financial activities  
for the year ended 31 December 2016**

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>					
Donations and legacies	2	10,185	97,253	107,438	193,302
Merchandising income		-	65,562	65,562	67,030
Investment income	3	-	36,550	36,550	34,482
Other income	4	-	3,469	3,469	2,773
<b>TOTAL INCOME</b>		<b>10,185</b>	<b>202,834</b>	<b>213,019</b>	<b>297,587</b>
<b>EXPENDITURE ON:</b>					
Raising funds:					
Voluntary income		-	37,450	37,450	38,571
Fundraising trading		-	2,051	2,051	2,341
Investment management	5	-	14,100	14,100	13,732
Charitable activities	6	10,185	217,630	227,815	233,416
<b>TOTAL EXPENDITURE</b>	7	<b>10,185</b>	<b>271,231</b>	<b>281,416</b>	<b>288,060</b>
<b>NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)</b>					
Net gains/(losses) on investments	12	-	(68,397)	(68,397)	9,527
		-	106,176	106,176	(24,861)
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		-	37,779	37,779	(15,334)
Exceptional item	14	-	10,394	10,394	126
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>48,173</b>	<b>48,173</b>	<b>(15,208)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		-	1,450,846	1,450,846	1,466,054
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>1,499,019</b>	<b>1,499,019</b>	<b>1,450,846</b>

All activities relate to continuing operations.

The notes on pages 11 to 23 form part of these financial statements.

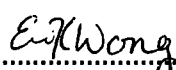
**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Balance sheet  
as at 31 December 2016**

	Note	£	2016 £	2015 £
<b>FIXED ASSETS</b>				
Tangible assets	11		199,819	196,005
Investments	12		1,004,884	950,822
			<u>1,204,703</u>	<u>1,146,827</u>
<b>CURRENT ASSETS</b>				
Stocks	13	1,030		1,030
Debtors	15	9,124		52,115
Investments (cash)	16	223,912		180,942
Cash at bank and in hand		79,303		85,461
		<u>313,369</u>		<u>319,548</u>
<b>CREDITORS:</b> amounts falling due within one year	17	(19,053)		(15,529)
<b>NET CURRENT ASSETS</b>			<u>294,316</u>	<u>304,019</u>
<b>NET ASSETS</b>			<u>1,499,019</u>	<u>1,450,846</u>
<b>CHARITY FUNDS</b>				
Unrestricted funds	18		<u>1,499,019</u>	<u>1,450,846</u>
<b>TOTAL FUNDS</b>			<u>1,499,019</u>	<u>1,450,846</u>

The financial statements were approved by the Trustees on 22/6/17 and signed on their behalf, by:

  
.....  
Ms E Ball, Treasurer

  
.....  
Mrs E Wong, Chair

The notes on pages 11 to 23 form part of these financial statements.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Royal Society For The Prevention of Cruelty To Animals Nottingham And Notts Branch constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Royal Society For The Prevention of Cruelty To Animals Nottingham And Notts Branch prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Royal Society For The Prevention of Cruelty To Animals Nottingham And Notts Branch for the year ended 31 December 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Reconciliations to previous UK GAAP for the comparative figures are included in note 22.

**1.2 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

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**Notes to the financial statements  
for the year ended 31 December 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.3 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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

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 of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.4 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.

Direct charitable expenditure consists of boarding, treatment, spaying and general animal welfare costs, associated establishment costs, and wage costs relating to the caring of the animals. Fundraising costs are those incurred in seeking voluntary contributions. Support costs are those incurred directly in support of expenditure on the objects of the Charity and include relevant salaries and wages. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

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

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

All resources expended are inclusive of irrecoverable VAT.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% per annum of cost
Refurbishment costs	-	10% per annum of cost
Motor vehicles	-	33% per annum of cost
Sundry office, fundraising and welfare equipment	-	33% per annum of cost

**1.6 Revaluation of tangible fixed assets**

The Charity has adopted the revaluation model to revalue individual freehold and leasehold properties whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

**1.7 Fixed asset 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

**1.8 Operating leases**

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

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.



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**Notes to the financial statements  
for the year ended 31 December 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.10 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 Bank.

**1.11 Stock**

Stock is recognised at the lower of cost and net realisable value.

**1.12 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.

**1.13 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.

**1.14 Current asset investments**

Current asset investments represents cash held in short term, highly liquid deposit accounts by the investment management company.

**1.15 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.

**1.16 Taxation**

The branch is a registered charity and, as such, has no liability to Income, Corporation or Capital Gains Tax.

**1.17 Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the trusts charitable activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. The bases on which these support costs have been allocated are set out in note 10.

**1.18 Irrecoverable VAT**

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

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**Notes to the financial statements  
for the year ended 31 December 2016**

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Restricted funds 2016 £</b>	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Fundraising activities and general donations	10,185	36,725	46,910	53,242
Legacies	-	60,528	60,528	140,060
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total donations and legacies</b>	<b>10,185</b>	<b>97,253</b>	<b>107,438</b>	<b>193,302</b>
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and legacies, £180,611 was to unrestricted funds and £12,691 was to restricted funds.

**3. INVESTMENT INCOME**

	<b>Restricted funds 2016 £</b>	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Bank deposit and building society interest	-	3,227	3,227	2,046
Equities and unit trusts	-	33,323	33,323	32,436
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>-</b>	<b>36,550</b>	<b>36,550</b>	<b>34,482</b>
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total investment income, £34,482 was to unrestricted funds and £ NIL was to restricted funds.

**4. OTHER INCOMING RESOURCES**

	<b>Restricted funds 2016 £</b>	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Pet insurance commission	-	-	-	120
Membership	-	319	319	653
PAYE Incentive	-	3,150	3,150	2,000
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>-</b>	<b>3,469</b>	<b>3,469</b>	<b>2,773</b>
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total other incoming resources, £2,773 was to unrestricted funds and £Nil was to restricted funds.

**5. INVESTMENT MANAGEMENT COSTS**

	<b>Restricted funds 2016 £</b>	<b>Unrestricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Investment management fees	-	14,100	14,100	13,732
	<hr/>	<hr/>	<hr/>	<hr/>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**6. CHARITABLE ACTIVITY EXPENDITURE**

	Reception, boarding £	Total 2016 £	Total 2015 £
Animal welfare and treatments - Direct	54,690	54,690	69,128
(Profit)/Loss on disposal of fixed asset	-	-	(3,430)
Depreciation - Direct	322	322	716
Establishment costs - Direct	17,536	17,536	19,595
General costs - Direct	20,265	20,265	16,380
Wages and Salaries - Direct	26,308	26,308	26,750
National insurance - Direct	845	845	909
Pension cost - Direct	(1,569)	(1,569)	-
Annual general meeting expenses - Governance	20	20	-
Auditors' remuneration - Governance	(4,000)	(4,000)	3,775
Auditors' remuneration - non audit services - Governance	12,180	12,180	4,640
Accounting and bookkeeping services - Governance	9,728	9,728	10,205
General costs - Support	10,234	10,234	6,600
Establishment costs - Support	7,618	7,618	7,988
Wages and salaries - Support	62,144	62,144	61,591
National insurance - Support	4,802	4,802	5,157
Pension cost - Support	1,569	1,569	1,362
Depreciation - Support	5,123	5,123	2,050
At 31 December 2016	<u>227,815</u>	<u>227,815</u>	<u>233,416</u>

**7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	25,416	2,321	10,034	37,771	38,571
Expenditure on fundraising trading	-	-	2,051	2,051	2,341
Expenditure on investment management	-	-	14,100	14,100	13,732
<b>Costs of generating funds</b>	<u>25,416</u>	<u>2,321</u>	<u>26,185</u>	<u>53,922</u>	<u>54,644</u>
Reception, boarding and care of stray animals	68,515	5,123	154,177	227,815	212,797
	-	-	-	-	20,620
	<u>93,931</u>	<u>7,444</u>	<u>180,362</u>	<u>281,737</u>	<u>288,061</u>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

**9. AUDITORS' REMUNERATION**

	2016 £	2015 £
Fees payable to the Charity's auditor and its associates for the audit of the Charity's annual accounts	-	4,600
Fees payable to the Charity's auditor and its associates in respect of:		
Audit-related assurance services	2,500	-
All other non-audit services not included above	5,680	4,640
	<u>          </u>	<u>          </u>

**10. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	87,106	86,972
Social security costs	5,256	5,644
Other pension costs	1,569	1,362
	<u>          </u>	<u>          </u>
	<u>93,931</u>	<u>93,978</u>

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

	2016 No.	2015 No.
Charitable activities	3	3
Management and administration	3	3
Cost of generating funds	3	3
	<u>          </u>	<u>          </u>
	<u>9</u>	<u>9</u>

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

The number of hours of time donated by general volunteers during the year is approximately 2500 hours (2015: 2500 hours). This has an approximate value of £18,000 (2015: £16,750) to the charity.

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**Notes to the financial statements  
for the year ended 31 December 2016**

**11. TANGIBLE FIXED ASSETS**

	Freehold property and refurbishment costs £	Motor vehicles £	Sundry office, fundraising and welfare equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2016	200,000	-	17,824	217,824
Additions	-	11,258	-	11,258
At 31 December 2016	<u>200,000</u>	<u>11,258</u>	<u>17,824</u>	<u>229,082</u>
<b>Depreciation</b>				
At 1 January 2016	4,000	-	17,819	21,819
Charge for the year	4,000	3,439	5	7,444
At 31 December 2016	<u>8,000</u>	<u>3,439</u>	<u>17,824</u>	<u>29,263</u>
<b>Net book value</b>				
At 31 December 2016	<u>192,000</u>	<u>7,819</u>	<u>-</u>	<u>199,819</u>
At 31 December 2015	<u>196,000</u>	<u>-</u>	<u>5</u>	<u>196,005</u>

Cost or valuation at 31 December 2016 is as follows:

	Land and buildings £
<b>At cost</b>	-
<b>At valuation:</b>	
Market Value	200,000
	<u>200,000</u>

The freehold property was valued on an open market basis, assuming vacant possession, by Christopher SS Taylor BSc (Hons) MRICS, RICS Registered Valuer, of Salloway Property Consultants on 24 February 2015.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**12. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>Market value</b>	
At 1 January 2016	950,822
Additions	105,286
Disposals	(158,717)
Revaluations	107,493
	<hr/>
At 31 December 2016	<b>1,004,884</b> <hr/>

**Investments at market value comprise:**

	2016 £	2015 £
Listed investments	<b>1,004,884</b>	950,822
	<hr/>	<hr/>

All fixed asset investments are held in the UK.

The following investments represent more than 5% of the total investments.

	31 December 2016 £	31 December 2015 £
UK Government 2.5% Stock 17/07/2024	85,392	77,191

**13. STOCKS**

	2016 £	2015 £
Finished goods and goods for resale	<b>1,030</b>	1,030
	<hr/>	<hr/>

**14. EXCEPTIONAL ITEM**

The investment held in Kaupthing Singer & Friedlander was provided against in full during the year ended 31 December 2008, due to the bank going into administration on 8 October 2008. The Charity has received compensation of £10,394 during the year (2015: £126) which has been classified as an exceptional item in the statement of financial activities.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**15. DEBTORS**

	2016 £	2015 £
Trade debtors	-	81
Other debtors	-	998
Prepayments and accrued income	5,899	48,194
Tax recoverable	3,225	2,842
	<u>9,124</u>	<u>52,115</u>

**16. CURRENT ASSET INVESTMENTS**

	2016 £	2015 £
Cash on deposit investments	<u>223,912</u>	<u>180,942</u>

**17. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	10,126	7,328
Other taxation and social security	1,398	1,687
Other creditors	2,059	2,004
Accruals and deferred income	5,470	4,510
	<u>19,053</u>	<u>15,529</u>

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**18. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>					
General Fund	739,370	200,913	(272,835)	116,570	784,018
Designated Fund	500,000	-	-	-	500,000
Fixed Asset Fund	211,476	-	-	-	211,476
Other General funds	-	1,921	1,604	-	3,525
	<u>1,450,846</u>	<u>202,834</u>	<u>(271,231)</u>	<u>116,570</u>	<u>1,499,019</u>
<b>Restricted funds</b>					
Restricted Funds	-	10,185	(10,185)	-	-
<b>Total of funds</b>	<u>1,450,846</u>	<u>213,019</u>	<u>(281,416)</u>	<u>116,570</u>	<u>1,499,019</u>

**SUMMARY OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
General funds	1,450,846	202,834	(271,231)	116,570	1,499,019
Restricted funds	-	10,185	(10,185)	-	-
	<u>1,450,846</u>	<u>213,019</u>	<u>(281,416)</u>	<u>116,570</u>	<u>1,499,019</u>

The designated fund represents amounts set aside by the Trustees for specific future projects, which continue to be under review.

The restricted funds represents donations received towards the cost of spaying, veterinary charges, emergency boarding, and sick and injured animals. Donations are also made to local animal shelters in the form of boarding fees for taking in and caring of animals on behalf of the Branch. There are no assets or liabilities representing these funds at the year end as transfers are made from unrestricted funds to cover the full cost as shown in the Statement of Financial Activities.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	199,819	199,819	196,005
Fixed asset investments	-	1,004,884	1,004,884	950,822
Current assets	-	313,370	313,370	319,548
Creditors due within one year	-	(19,054)	(19,054)	(15,529)
	-	-	-	(1)
	<u>-</u>	<u>1,499,019</u>	<u>1,499,019</u>	<u>1,450,846</u>



**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Notes to the financial statements  
for the year ended 31 December 2016**

**20. OPERATING LEASE COMMITMENTS**

At 31 December 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2016 £	As restated 2015 £
<b>Amounts payable:</b>		
Within 1 year	3,403	3,403
Between 1 and 5 years	6,873	10,973
<b>Total</b>	<b>10,276</b>	<b>14,376</b>

**21. RELATED PARTY TRANSACTIONS**

For the year ended 31 December 2016, related party transactions are as follows:

**RSPCA Head Office**

	2016 £	2015 £
Head Office Contribution	2,500	2,500
Purchases for branch shop	1,646	1,235
	<b>4,146</b>	<b>3,735</b>

**RSPCA Regional Contribution**

	2016 £	2015 £
Regional contribution	2,500	2,500

**RSPCA Radcliffe Shelter**

	2016 £	2015 £
Contribution towards boarding fees	23,595	12,000
Donation towards new kennels	-	-
Emergency boarding, animal welfare costs and recharges	-	17
	<b>23,595</b>	<b>12,017</b>

At 31 December 2016 an amount of £8 (2015 - £Nil) was owed to RSPCA Radcliffe Shelter, and £55 (2015 - £63) was owed to RSPCA Head Office.

**ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS NOTTINGHAM AND NOTTS  
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**Schedule to the detailed accounts  
for the year ended 31 December 2016**

**22. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Charity has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 January 2015.

The policies applied under the Charity's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.