

**RSPCA NORTHUMBERLAND WEST BRANCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

# RSPCA NORTHUMBERLAND WEST BRANCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	J Ormiston - Chairman H Crooks R Duggan B Hodgson E Hodgson S Hogarth A Wakelam S Watkins
<b>Charity number</b>	232241
<b>Principal address</b>	4 Newman Row Battle Hill Hexham Northumberland NE46 1BB
<b>Independent examiner</b>	Anthony Dunn Stokoe Rodger St Matthews House Haugh Lane Hexham NE46 3PU
<b>Bankers</b>	Barclays Bank Plc Priestpopple Hexham Northumberland
<b>Investment advisors</b>	St James's Place Wealth Management One Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF

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# RSPCA NORTHUMBERLAND WEST BRANCH

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# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2016***

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The trustees present their report and accounts for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

The charity's aims and objectives are to help with the prevention of cruelty to animals and the promotion of kindness. The charity is very active in animal welfare, taking in many sick, injured or in need animals referred by the RSPCA Inspectorate and finding new and caring homes. The branch operates a welfare neutering scheme and will, wherever possible assist with grants to pet owners on low incomes towards other veterinary conditions.

The RSPCA Northumberland West Branch's vision is to work for a world in which all humans respect and live in harmony with all other members of the animal kingdom.

The Northumberland West Branch as a charity will, by all lawful means, prevent cruelty, promote kindness to and alleviate suffering of animals.

The Northumberland West Branch intends to achieve its mission by:

- being dedicated to providing a public service, delivering effective relief of animal suffering and enforcing the law.
- working tirelessly to reduce the harmful impact of human activities on animals through education, campaigning and the application of ethics, science and law.
- striving for the highest levels of efficiency, effectiveness and integrity.
- urging that, save where the public benefit requires, humankind should not intentionally cause suffering to any animal when it is not for its own benefit, or cause suffering by neglect. This applies whatever the animal, or the situation in which it finds itself.

The objects of the Branch are to promote the work and objects of the Society - to promote kindness and to prevent or suppress cruelty to animals by all lawful means - with particular reference to the area of the Branch, in accordance with the policies of the Society.

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2016***

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The Trustees have reviewed the outcomes and achievements of the Branch's objectives and activities for the year to ensure they remain focussed on the charity's aims and continue to deliver benefits to the public. The Trustees have complied with the duty under the Charity's Act 2006 to have due regard to public benefit guidance published by the Charity Commission which can be illustrated as follows:

- The Branch supports the local Inspectors by taking in, free of charge, mistreated or abandoned animals including pets whose owners suffer ill health or financial difficulties or pass away. The Branch provides education, information and advice, benefiting the public by promoting compassionate human sentiments towards animals.
- The Branch provides subsidies veterinary treatment for animals which are sick or injured and belong to local people on low incomes. This is achieved through a voucher scheme. During 2016 we issued 61 vouchers with a value of £3,660. This is an increase of more than 300% on both the number of vouchers issued in 2015 and the amount spent.
- The Branch offers subsidised neutering and micro-chipping of companion animals for owners on low incomes. This helps to control dog and cat populations and promotes responsible pet ownership. Animals in the care of the Branch receive veterinary treatment, vaccination, neutering, and micro-chipping and are assessed for re-homing.
- Free animal care advice is offered to pet owners, and talks are available by invitation to local school children and caring for pets. These activities benefit the public through the promotion of responsible pet ownership.
- RSPCA Northumberland West branch provides volunteering opportunities for those who wish to support our work including trusteeship, fundraising and retail at our shops. This benefits local people, schools and companies by providing the possibility of doing work which is compassionate and rewarding.

The main activities to achieve this are the operation of an animal re-homing programme and the management of three shops. Our force of volunteers provides invaluable support. We estimate that our volunteers contributed some 8,000 hours of their free time during 2016.

The branch re-homes animals in need at low cost to people willing and able to have a companion animal. Whilst we recognise, that companion animals provide measurable benefits to people's physical and mental health, we consider the provision of pets as subsidiary to the main charitable aim of this service, which is to reduce animal suffering. Our policy to charge a reasonable adoption fee for animals aims to highlight the ongoing personal and financial commitment of pet ownership. It would not be in the best interests of animals, and therefore would fall outside our objects, to re-home to those who could not afford them.

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2016***

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### **Achievements and performance**

Fund-raising continued with volunteers and trustees at the following events:

March 2016 - Microchipping Events held at Prudhoe, Hexham and Rothbury shops

May 2016 – Welfare Day at Pets at Home, Hexham.

May 2016 - Northumberland County Show

June 2016 - RSPCA Week

June 2016 – Barclay Bank Event

July 2016 - Northumberland West Branch Fun Dog Show

September 2016 – Pets at Home Fundraising Event

October 2016 – Welfare Drop in at Community House, Hexham

December 2016 - Barclays Bank Event

Throughout the year cake baking.

This year has been a turning point for the Branch. We have taken in 60% more animals than 2015, which in itself was a high and rehomed more than double the number of animals than 2015. We have helped more members of the public with neutering and welfare assistance than 2015 and have microchipped 168 animals which is more animals than the previous 6 years collectively.

When the Branch Manager left at the beginning of the year the Trustees saw an opportunity to increase spending significantly on animal welfare. The Trustees had the skills and motivation to run the branch on a day to day basis and move the Branch forward in line with what was recommended in the Branch Review. We believe that the significant increase in rehoming and welfare assistance in 2016 endorses this decision.

At Christmas 2015 we took into our care 10 puppies, all of whom had to be hand reared. Scott Mitchell, vets and Frankham Fell boarding kennels jointly undertook this huge task to great success so that all the puppies thrived and we have successfully rehomed all 10. Many of them came to the dog show and had a “puppy reunion” with their litter mates.

Often animals brought to us require a lot of veterinary attention. In November we were able to help a cat in great distress who had suffered terrible burns at Halloween. He stayed at the vets whilst undergoing treatment and was then nursed back to health at the kennels until recovered. He spent a long time being cared for by the Branch before he was rehomed but it is our role to look after the animals that are brought to us until they are ready for rehoming.

The rabbit facility which we set up in 2015 at the boarding kennels has proved very popular and is often over-subscribed. The inspectors are grateful that they now have a haven for the many rabbits that they rescue as previously they struggled to find places for rabbits.

As well as the more “traditional” animals we have also provided assistance for an Eider Duck and rehomed ferrets and rats. We continue to support the Inspectorate with their work with horses despite not having an equine facility however we have provided welfare assistance for horses requiring veterinary work. In addition we also assist by promoting horses on our Facebook page which has established stronger links with the Equine Officer in the north.

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2016***

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In April of 2016 it became law for all dogs to be microchipped and the branch held an event in March at each of our shops offering free microchipping which were all well attended. In May 2016 we held our first welfare day at Pets at Home in Hexham which involved a lot of planning and coordination. We were supported by the Inspectorate, Pets at Home and the PDSA which enabled the Branch to perform health checks, arrange microchipping, worming and also neutering as well as provide advice and guidance where needed. Once again this was well attended and only highlights the need further such events in our area.

May also saw the annual County Show at Bywell. The Branch always attend as it provides us with an opportunity to promote our presence in the community, talk with the public and raise some funds. There is always the hope that someone who visits the stall is looking for a new pet and we can find that perfect home for one of our animals.

Another favourite event in the year is the Fun Dog Show held again this year at Tyne Green in Hexham. We are always surprised and delighted by the number of people who attend and this year was no different. One of the many highlights of the show is the parade of rescue dogs who have been rehomed through the Branch as well as the largest class of the day – Rescue Dog of the Year. As a direct result of the Dog Show we rehomed a staffie called Timothy who had spent some time with us in kennels. We are very grateful to everyone who gives their time freely and willingly to make this such a popular occasion in our year.

Pets at Home held a fundraising event in September and following reports of cat poisoning in October the branch held a drop in welfare day in Hexham.

The work of the Branch has become more varied over the year. Together with the Inspectorate we have dealt with feral cats, reported poisoning of cats, hand rearing kittens, illegally imported dogs and irresponsible breeders. In addition we have embraced Facebook and are using it to highlight our animals as well as the website which is now under the umbrella of the National RSPCA providing improved links.

We have ensured that our relationship with the Inspectorate is strong and open which enables good communication and quick responses to requests. We have felt their support throughout the year.

All this work would be very difficult to produce without the hard work of our staff and volunteers in the shops and our Adoptions Officer and the Trustees appreciate their continued support.

#### **Financial review**

Our shops are the main source of regular income and the Trustees would like to thank all staff and volunteers for their hard work and commitment during the year. Takings from the shops totalled £199,109 excluding gift aid, a slight increase on the previous year. The gross profit for the three shops was down by nearly £6,000 in 2016. Reviewing the figures, the main reason for this appears to be an increase in wage costs by 11%. This is accounted for by staff sickness cover, the annual wage increase and also by an increase in opening hours. The decision not to have a Branch Manager has resulted in an initial annual saving of £12,000 and 2017 this will rise to £29,755 based on 2015 figures.

Gift aid totalled £2,788 of which £2,258 was recovered by the Hexham Shop. There is considerable potential to increase this revenue stream at the other two shops.

Legacies and donations totalled £77,348.92 an increase of £40,356.92 and the Branch would like to express its' gratitude for this generosity.

The Branch continued to work closely with Scott Mitchell and Associates and other vets in the area. Total veterinary expenditure almost doubled in the year to £33,376. This was due to the significant increase in animal intake and rehoming as well as the increase in welfare assistance. Our increased animal intake also resulted in a rise in animal boarding costs from £47,588 to £64,900. In total the branch spent £124,497 on all associated animal rehoming costs, an increase of £30,619.

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2016***

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The reserves have again remained at an acceptable level and with the guidelines of the Charity Commission. The Branch has taken steps in 2016, to be able it to increase the amount of animal welfare undertaken. It is hoped that 2017 will continue at this level.

The Northumberland West Branch is aware that it is essential to plan for the future and to demonstrate responsible financial management whilst balancing the needs of the current situation and identifying the likely challenges and opportunities that the Branch may face in the medium to long term. In an increasingly complex and changing funding environment the Branch considers the need to be able to absorb setbacks and take advantage of change and opportunity. For this reason they endeavour to set aside capital as a reserve to ensure the long term future of the branch.

At the end of 2016 the charity had freely available unrestricted reserves of 322k (excluding tangible fixed assets). These reserves represent 14 months' estimated total operating expenditure.

It is the opinion of the Trustees that the existing reserves are sufficient to meet any reduction in incoming resources. The charity aims to maintain free reserves of between 1 and 2 years operating expenditure and this policy is reviewed annually.

The current investment policy aim is:

-that all fixed-interest investments currently held should be retained until maturity when they should be re-invested with the guidance of the branch financial advisor.

Currently investments are valued at £208k.

#### **Risk management**

The RSPCA Northumberland West Branch performs a wide range of activities, all of which give rise to some level of risk. It is fully committed to regularly identifying and assessing these risks and taking appropriate action to prevent or minimise their impact on service delivery. In this way the Branch will better achieve its corporate objectives and enhance the value of the services it provides.

By definition risk management is:-

'The identification, analysis and control, primarily economic, of those risks which can impact on the society's ability to deliver its priorities and objectives'.

The objectives of the Branch's risk management strategy are to:

- embed risk management into the culture and operations of the Branch.
- adopt a systematic approach to risk management as an integral element of service planning and performance management.
- manage risk in accordance with best practice.
- anticipate and respond to changing social, environmental and legislative requirements.
- make sure that sections have clear accountability for both the ownership and cost of risk and the tools to effectively reduce it.

These objectives will be achieved by:

- establishing clear roles and responsibilities and reporting lines for risk management within the Society.
- incorporating risk management in the Society's decision-making, business planning and performance management processes.
- monitoring risk management and internal control arrangements on a regular basis.
- reinforcing the importance of effective risk management through training and providing opportunities for shared learning.
- providing suitable insurance or other arrangements to manage the impact of unavoidable risks.

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2016***

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### **Plans for the future**

The trustees' plans for 2017 are aimed at moving forward positively, planning for the new ventures and consolidating the good work they had already put in place.

1. RRR Rescue, Rehabilitation and Re-homing Animals
2. Continue to work to assist feral cats
3. Continue to offer welfare help.
4. Raise awareness of the work of the RSPCA Northumberland West
5. Increase uptake of Gift Aid.
6. Investigate new ways of advertising animals
7. Hold three mini welfare days
8. Review policies and processes for rehoming
9. Increase fundraising
10. Attract new volunteers
11. Hold a Fun Dog Show

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2016***

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### **Structure, governance and management**

The charity is an unincorporated charitable association and a branch of (and thus dependent upon) the Royal Society for the prevention of Cruelty to Animals. The society was incorporated by the RSPCA Animals Act 1932. The branch is subject to the Society's rules, policies and guidance and to the branch rules.

The trustees who served during the year were:

J Ormiston - Chairman

H Crooks

R Duggan

B Hodgson

E Hodgson

S Hogarth

F Hunter

(Resigned 30 January 2016)

C Kyratsous

(Resigned 30 January 2016)

A Wakelam

S Watkins

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity appoints locally elected trustees recruited from the branch membership. Northumberland West Branch welcomes all applications to join the committee and looks for people from all backgrounds. A wide diversity creates interesting debate and new ideas. An induction and training programme is available to all potential and existing trustees.

The board of trustees meet once a month. The day to day operations of the charity, together with all staff and volunteers, are managed by the branch administrator, with the re-homing office co-ordinating the re-homing activities and a shop manager in each of the three shops.

The trustees' report was approved by the Board of Trustees.

**J Ormiston - Chairman**

Trustee

Dated: 6 June 2017

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **INDEPENDENT EXAMINER'S REPORT**

### **TO THE TRUSTEES OF RSPCA NORTHUMBERLAND WEST BRANCH**

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I report on the accounts of the charity for the year ended 31 December 2016, which are set out on pages 9 to 20.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of .

It is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### **Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared accounts in accordance with 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) 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 now been withdrawn.

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

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
  - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Anthony Dunn  
Stokoe Rodger

St Matthews House  
Haugh Lane  
Hexham  
Northumberland  
NE46 3PU  
Dated: 6 June 2017

# RSPCA NORTHUMBERLAND WEST BRANCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		Unrestricted funds	Designated funds	Total 2016	Total 2015
	Notes	£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	77,349	-	77,349	46,655
Charitable activities	4	2,454	-	2,454	5,824
Shop income	5	199,109	-	199,109	197,765
Investment income	6	26	-	26	34
Other income	7	2,085	-	2,085	22,449
<b>Total income and endowments</b>		<b>281,023</b>	<b>-</b>	<b>281,023</b>	<b>272,727</b>
<b>Expenditure on:</b>					
Shop expenses and fundraising costs	8	137,543	-	137,543	140,018
Boarding, rehoming and care of animals	9	146,862	-	146,862	111,533
<b>Total resources expended</b>		<b>284,405</b>	<b>-</b>	<b>284,405</b>	<b>251,551</b>
Net gains on investments		21,904	-	21,904	8,306
<b>Net movement in funds</b>		<b>18,522</b>	<b>-</b>	<b>18,522</b>	<b>29,482</b>
Fund balances at 1 January 2016		286,153	6,050	292,203	262,721
<b>Fund balances at 31 December 2016</b>		<b>304,675</b>	<b>6,050</b>	<b>310,725</b>	<b>292,203</b>

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

All income and expenditure derive from continuing activities.

# RSPCA NORTHUMBERLAND WEST BRANCH

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	13		3,341		4,338
Investments	14		207,600		185,696
			<u>210,941</u>		<u>190,034</u>
<b>Current assets</b>					
Stocks	15	576		440	
Debtors	16	69,511		34,821	
Cash at bank and in hand		45,025		71,049	
		<u>115,112</u>		<u>106,310</u>	
<b>Creditors: amounts falling due within one year</b>	17	(15,328)		(4,141)	
Net current assets			99,784		102,169
<b>Total assets less current liabilities</b>			<u>310,725</u>		<u>292,203</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	18	6,050		6,050	
General unrestricted funds		304,675		286,153	
		<u>310,725</u>		<u>292,203</u>	
			<u>310,725</u>		<u>292,203</u>

The accounts were approved by the Trustees on 6 June 2017

J Ormiston - Chairman  
Trustee

A Wakelam  
Trustee

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

#### **Charity information**

The charity is an unincorporated charitable association and a branch of (and thus dependent upon) the Royal Society for the prevention of Cruelty to Animals. The society was incorporated by the RSPCA Animals Act 1932. The branch is subject to the Society's rules, policies and guidance and to the branch rules.

#### **1.1 Accounting convention**

The accounts have been prepared in accordance with the charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2016 are the first accounts of RSPCA Northumberland West Branch prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

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

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

#### **1.4 Incoming resources**

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

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

**(Continued)**

#### **1.5 Resources expended**

These are included in the statement of financial activities on an accruals basis, inclusive of any irrecoverable VAT.

Most expenditure is directly attributable to specific activities and has been included in those costs categories. Where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds, comprises of all costs which are directly attributable to fundraising activities and the shop trading.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Corporate governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fee, costs linked to the strategic management of the charity and a proportion of the support costs.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. All other support costs, including irrecoverable VAT, are allocated equally between the activities of the charity, including governance costs.

#### **1.6 Tangible fixed assets**

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

All assets costing £100 or more are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	20% reducing balance
Fixtures & fittings	20% reducing balance
Motor vehicles	25% reducing balance

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

#### **1.7 Impairment of fixed assets**

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

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

**(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.8 Stocks**

Stocks are stated at the lower of cost and net realisable value. Stock consists entirely of purchased goods for resale. Stocks of donated goods carry no value in the accounts.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### **1.9 Cash and cash equivalents**

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

#### **1.10 Financial instruments**

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

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

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

##### **Basic financial assets**

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

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

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

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

#### **Derecognition of financial liabilities**

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

#### 1.11 Employee benefits

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

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

#### 1.12 Leases

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

### 2 Critical accounting estimates and judgements

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

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

### 3 Donations and legacies

	2016	2015
	£	£
Donations and gifts	38,599	21,835
Legacies receivable	38,750	24,820
	<u>77,349</u>	<u>46,655</u>

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Charitable activities

	2016 £	2015 £
Income from fundraising	2,454	5,824
Analysis by fund		
Unrestricted funds	2,454	
<b>For the year ended 31 December 2015</b>		
Unrestricted funds		3,824
Designated funds		2,000
		5,824

### 5 Other trading activities

	2016 £	2015 £
Shop income	199,109	197,765

### 6 Investments

	2016 £	2015 £
Interest receivable	26	34

### 7 Other income

	2016 £	2015 £
Other income	2,085	22,449

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 8 Costs of generating funds

	2016	2015
	£	£
<u>Shop expenses</u>		
Shop trading costs	55,202	58,464
Staff costs	74,940	73,129
Depreciation and impairment	258	322
Support costs	2,657	2,506
Total shop expenses	133,057	134,421
<u>Other fundraising costs</u>		
Fundraising costs	4,486	5,597
	137,543	140,018

### 9 Charitable activities

	Boarding, rehoming and care of animals	Support costs	Total 2016	Total 2015
	£	£	£	£
Staff costs	12,045	4,941	16,986	20,372
Depreciation and impairment	647	-	647	863
Activities undertaken directly	103,709	2,657	106,366	72,642
	116,401	7,598	123,999	93,877
Share of governance costs (see note 10)	22,863	-	22,863	17,656
	139,264	7,598	146,862	111,533

Governance costs includes £2,000 (2015-£2,000) with regard to independent examination and accountancy fees.

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 10 Governance and share of support costs

	Governance costs £	2016 £	2015 £
Share of support costs			
Staff costs	4,939	4,939	9,918
Depreciation	92	92	116
Unrecoverable VAT on overheads	995	995	554
Other administrative expenses	1,662	1,662	1,953
Governance costs			
Accountancy	2,000	2,000	2,000
Donations to Headquarters etc	1,600	1,600	1,100
Professional fees	11,575	11,575	2,015
	<u>22,863</u>	<u>22,863</u>	<u>17,656</u>

### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. With the Northumberland West Branch being set in a large, sparsely populated mainly rural area travel expenses of £Nil (2015 - £179) has been paid to no (2015 - 1) trustees in their work as volunteers.

### 12 Employees

#### Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
	<u>7</u>	<u>8</u>
Employment costs	2016 £	2015 £
Wages and salaries	95,607	100,216
Social security costs	1,258	3,203
	<u>96,865</u>	<u>103,419</u>

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 13 Tangible fixed assets

	Office equipment £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2016	1,362	37,228	14,540	53,130
At 31 December 2016	1,362	37,228	14,540	53,130
<b>Depreciation and impairment</b>				
At 1 January 2016	899	35,940	11,952	48,791
Depreciation charged in the year	93	258	647	998
At 31 December 2016	992	36,198	12,599	49,789
<b>Carrying amount</b>				
At 31 December 2016	370	1,030	1,941	3,341
At 31 December 2015	463	1,288	2,587	4,338

### 14 Fixed asset investments

	Listed investments £	Alternative investments £	Cash in portfolio £	Total £
<b>Cost or valuation</b>				
At 31 December 2016	139,913	33,362	12,421	185,696
Valuation changes	22,325	(421)	-	21,904
Movement	(6,081)	(1,450)	7,531	-
At 31 December 2016	156,157	31,491	19,952	207,600
<b>Carrying amount</b>				
At 31 December 2016	156,157	31,491	19,952	207,600
At 31 December 2015	139,913	33,362	12,421	185,696

### 15 Stocks

	2016 £	2015 £
Finished goods and goods for resale	576	440

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 16 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1	2
Other debtors	63,910	29,219
Prepayments and accrued income	5,600	5,600
	<u>69,511</u>	<u>34,821</u>

### 17 Creditors: amounts falling due within one year

	2016 £	2015 £
Other taxation and social security	1,405	1,278
Trade creditors	11,923	53
Accruals and deferred income	2,000	2,810
	<u>15,328</u>	<u>4,141</u>

### 18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2016 £	Movement in funds		Balance at 31 December 2016 £
		Incoming resources £	Resources expended £	
Rothbury Shop Cat Space Fund	2,795	-	-	2,795
Rothbury Shop Dog Space Fund	3,255	-	-	3,255
	<u>6,050</u>	<u>-</u>	<u>-</u>	<u>6,050</u>

The Rothbury Shop Cat Space Fund relates to fundraising for money set aside for cat spaces.

The Rothbury Shop Dog Space Fund relates to fundraising for money set aside for dog spaces.

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2016 are represented by:			
Tangible assets	3,341	-	3,341
Investments	207,600	-	207,600
Current assets/(liabilities)	93,734	6,050	99,784
	<u>304,675</u>	<u>6,050</u>	<u>310,725</u>

### 20 Related party transactions

The charity operates as a branch of the Royal Society for the prevention of Cruelty to Animals (RSPCA). During the year a contribution of £1,100 (2015 £1,100) was paid to the RSPCA as a contribution towards their costs.

During the year contributions from head office were received by the branch in respect of Door to Door Donations of £22,047.