

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

Leonard Gold
Statutory Auditor
Chartered Accountants
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

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FOR THE YEAR ENDED 31 DECEMBER 2017

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THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2017**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

LEGAL CONSTITUTION

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The RSPCA Solent Branch is an unincorporated charitable association and a separately registered Branch of the Royal Society for the Prevention of Cruelty to Animals (The Society), carrying out its direct animal welfare work in Portsmouth and Southampton and areas of Solent. The objectives of the Branch are to promote the work and objects of the Society - to promote kindness and to prevent or suppress cruelty to animals by all lawful means - with particular reference to the area of the Branch, in accordance with the policies of the Society. The trustees have reviewed the outcomes and achievements of our activities and objectives for the year, to ensure they remain focused on our charitable aims and to continue to deliver benefits to the public. We have complied with the duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission.

Under the Charities Act 2011 the advancement of animal welfare is recognised as a distinct statutory charitable purpose. The legislation and the Animal Welfare Act indicate an acceptance by society that treating living creatures with compassion has a moral benefit for the public as a whole. While this public benefit is clear, it is sometimes difficult to quantify and must be balanced against any detriment.

The Branch's animal welfare work, although local in nature, benefits society at large and also aims to help people in need with the care of their animals. The next section of this report highlights the Branch's main activities and demonstrates the benefit provided to the public. All our charitable activities, as described in more detail in the following pages of the report, focus on promoting kindness and preventing or suppressing cruelty to animals and are undertaken to further these purposes for public benefit.

Public benefit

We support our local Inspectors by taking in, free of charge, mistreated or abandoned animals, including pets whose owners ill health or financial difficulties or pass away. The Society's Inspectorate (as well as providing education, information and advice) rescues animals in distress and enforces the law against the cruel mistreatment of animals in England and Wales by bringing prosecutions. This work is key to the prevention or suppression of cruelty part of the RSPCA objects and promotes humane sentiments towards animals which involves moral benefit to humankind as a whole.

Animals in our care receive veterinary treatment, vaccination, neutering, micro-chipping and assessing for rehoming. This work helps to control the incidence and spread of disease and suffering and also helps to control the populations of unwanted cats, dogs, rabbits and other small pets.

We rehome animals in need at low cost to people willing and able to have a companion animal. Whilst we recognise that companion animals provide measurable benefits to people's physical and mental health, we consider the provision of pets as subsidiary to the main charitable aim of this series 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 the animals and therefore would fall outside our objects to rehome to those who could not afford them.

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

OBJECTIVES AND ACTIVITIES

Public benefit, continued

We take in free of charge lost animals and take reasonable steps to reunite them with owners. This work benefits our local community (including local authorities) by preventing animals straying and posing a risk to themselves and to people through road traffic accidents.

We respond to enquiries (both direct and via the Society's call centre) from the public about animals locally. The public benefits from knowing we can intervene to help animals in need.

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

ACHIEVEMENT AND PERFORMANCE

In 2017 the Branch took in 251 dogs, 523 cats, 84 rabbits and 203 miscellaneous birds and animals which ranged from goats and pigs to ducks and ferrets.

The branch celebrated its 30th year anniversary in 2017. To mark the momentous occasion, an Open Day was arranged for July which raised funds of over £3,500.

At the start of 2017, the Branch implemented the plan to replace the Branch Manager role with an Animal Centre Manager and Business and Income Generation Manager, supported by three interim animal centre supervisors. This spread the workload and enabled the branch activities to be managed more effectively.

In March 2017 the Branch closed its subsidised welfare clinic in Southampton as part of its financial review, to ensure its sustainability for the future. The premises were rented out to Easipetcare, a low cost veterinary provider, to continue to offer affordable vet care in the community whilst providing a rental income to the branch.

At the same time the Branch changed veterinary provider at the Stubbington Ark's internal clinic from Downlands to Easipetcare as part of its cost cutting measures.

On 1 November 2017 due to unforeseen personal reasons one of the trustees of the Branch resigned. As a result, there were no longer enough local trustees to form a committee for the Branch and under RSPCA rules this automatically meant the Branch is taken into National Society council trusteeship in the short term. Regional staff, who know the Branch very well will be working to support this. The day-to-day business of the Branch and The Stubbington Ark animal centre continued and local animal welfare remained our priority.

On 7 November 2017 the Society appointed National Society Trustees Mike Tomlinson, Paul Baxter and Richard Booker to oversee management of the Branch as a result. All three are experienced National Council Members and all elected Regional Representatives who all work with their own local branches as well as other branches nationally in Trusteeship.

The Branch continues to review its finances and services to ensure its sustainability for the future and maximise its animal welfare delivery working to a strategic plan, budgets and actively trying to increase income generation.

The Branch relies on its dedicated group of volunteers and supporters who work tirelessly in the branch animal centre, shops and fundraising activities.

The Branch remained active in the community with our supporter groups in Hayling Island and Winchester continuing their valuable contributions to our funds.

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2017**

Fundraising activities have continued in the local community including attending fetes, doing talks at local schools and supermarket collections, including food tin donations which has helped to reduce our food bill.

The Branch has had a high number of corporate volunteer groups this year, working at the Ark, including Marks & Spencers who came to the Shelter and repainted our Reception area and Education Centre. This helped to cut down on site repairs as we had lots of groups who could come and help out free of charge.

MR Electrical kindly came in and donated their services free of charge and re-wired our Puppy Unit.

The Branch's four charity shops continued to make a vital contribution to income and also provided a "face" for the branch on the high street. They were generously supported by donations from our supporters and a team of volunteers work with each shop and shop manager to ensure the shops are kept open, well stocked and vibrant throughout the year. A Pop Up in Fareham Shopping Centre provided at a peppercorn rent and staffed by volunteers boosted retail income.

Throughout the year our staff and volunteers worked tirelessly to find rescue rehabilitate and rehome animals that came into the branch care. This meant providing proper veterinary treatment and care to get them ready for rehoming and working to find suitable homes to meet the needs of the animals in our care

FINANCIAL REVIEW

Principal funding sources

Our funding comes mostly from donations from the general public, legacies and our business activities eg adoption fees, clinic fees and shop income. We do not receive any general funding from any other source.

Investment policy and objectives

We only hold investments in secure low risk funds and always seek the advice of our financial advisers.

Reserves policy

The reserves policy of this branch is to have sufficient funds in reserve that should all income cease there would be sufficient funds in hand to run the branch facilities for one year at current levels. Reserves are those funds which are freely available for general purposes and are uncommitted.

Our expenditure is in line with our key priorities in that payment for veterinary treatment is one of the main items, we also ensure that there are sufficient funds to maintain a well trained and motivated workforce.

However, the Trustees are aware that the reserves policy is not currently being achieved. The ongoing cost cutting programme that has continued into 2018 along with an increased emphasis on income generation aims to redress the balance going forward and create a substantial model for the future, including sufficient reserves to meet the policy.

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

FUTURE PLANS

The trustees are actively working on a new strategy to create a more sustainable long term future for the branch including greater animal welfare delivery to the area's neediest animals and a robust income generation plan.

Kirstie Crocker was appointed as the new Animal Centre Manager in March 2018 after the departure of Stephanie Cziczko.

The Branch staff and volunteers are continuing to work tirelessly to rescue rehabilitate and rehome animals that have come into the branch care. This means providing proper veterinary treatment and care to get them ready for rehoming and working to find suitable homes to meet their needs.

An on going training plan is in place to grow the skills of our staff team to help some of the animals with the most challenging problems. While plans are in place to best utilise the centre's facilities.

The Branch is actively working to expand its retail programme to increase sustainable income with a target of four new shops within two years. The first is due to open in Gosport in autumn 2018.

The Ark started working with The Hampshire & Isle of Wight CRC Ltd Company, the community payback facilitator in the spring and this helped with the ongoing site repairs and maintenance of the shelter.

To continue building strong relationships and networking with the wider national society, both the Animal Centre Manager and Business and Income Generation Manager attended the Animal Welfare Conference in March 2018 and will do again in 2019.

The Branch once again open its doors to the public in the August 2018 in the form of a Fete, which raised much needed funds and continues to build on local awareness of the charity.

The Branch took part in a programme of events including: Gosportarians Fete, Show on the Green, and many volunteers took part in other sponsored events on behalf of the Ark. There are also 4 collections scheduled in the Fareham shopping centre, and in local supermarkets too. All of these will be positive press for the branch and help to increase awareness to the local area.

The Branch team are continuing to build relationships with local media and boost its social media presence to ensure it raises awareness of both the Ark and its activities and animal welfare messages.

The Branch will receive support and donations from their local Coop stores who have nominated them as their chosen charity of the year.

Our aim for the forthcoming year is to continue to provide a high level of care for our animals and ensure the sustainability of the Branch whilst increasing income generation and maintaining a tight control over Branch finances. Our dedicated staff receive continued training as required as well as continuing to work with our invaluable team of volunteers.

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 DECEMBER 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is constituted as an unincorporated association. The charity operates as an autonomous branch of the National RSPCA subject to its rules for branches.

Working Names

Within the wider community the RSPCA Solent Branch is also known as The Stubbington Ark and The Southampton Clinic.

Recruitment and appointment of new trustees

A committee of Trustees is elected at the Annual General Meeting. Trustees are recruited from existing volunteers and supporters and by recommendation. The Branch also uses the local volunteer centre and volunteer recruitment websites.

Organisational structure

The trustees hold monthly meetings at which decisions are made. Day to day running of the animal centre is delegated to the Animal Centre Manager, the day to day of fundraising and shops to the Business and Income Generations Manager.

The Branch works with Headquarters staff and other RSPCA Branches in its day to day work and also regularly liaises with other animal charities and Local Authorities.

Induction and training of new trustees

On becoming a Trustee HQ send out an information pack, and there is also an HQ prepared training course available. Mentoring by an established Trustee is also used for inducting and training new Trustees.

Risk management

The trustees have accessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The trustees believe that by monitoring reserve levels, by ensuring that controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. These systems include:

Risk

- 1) Financial Fraud
- 2) Health and Safety
- 3) Loss of Trustees
- 4) Funds Deficit

Action

- a) Annual independent accounts audit
- b) 2 signatures required for cheques
- c) Monthly reviews of financial records
- d) Dual authorisation on-line banking
- a) Documented policies at each site
- b) Annual insurance maintained
- a) Ongoing volunteer programme
- b) Branch development plan
- a) Annual budgets set, reviewed monthly
- b) Diversified sources of income
- c) Ongoing fundraising activities

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

205096

Principal address

174 - 176 Ranvilles Lane
Stubbington
Fareham
Hampshire
PO14 3EZ

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

REFERENCE AND ADMINISTRATIVE DETAILS

On 1 November 2017 due to unforeseen personal reasons one of the trustees of the Branch resigned.

As a result, there were no longer enough local trustees to form a committee for the Branch and under RSPCA rules this automatically meant the Branch is taken into National Society council trusteeship in the short term. Regional staff, who know the Branch very well will be working to support this. The day-to-day business of the Branch and The Stubbington Ark animal centre will continue and local animal welfare remains our priority.

On 7 November 2017 the Society appointed National Society Trustees Mike Tomlinson, Paul Baxter and Richard Booker to oversee management of the Branch as a result. All three are experienced National Council Members and all elected Regional Representatives who all work with their own local branches as well as other branches nationally in Trusteeship.

Trustees

Mr M Tomlinson – appointed 7 November 2017

Mr P Baxter – appointed 7 November 2017

Mr R Booker – appointed 7 November 2017

Mrs P Lynch – resigned 1 November 2017

Mrs B Davidson – resigned 1 November 2017

Mr S Miah – resigned 1 November 2017

Ms S Mitham – resigned 1 November 2017

Patrons

Claire Anderson

Mr. & Mrs. F Dineage

Councillor Sandra Gidley

The News (Portsmouth)

Mike Hancock

Alan Whitehead MP

Southern Daily Echo

Matthew Taylor

Auditors

Leonard Gold

Statutory Auditor

Chartered Accountants

24 Landport Terrace

Portsmouth

Hampshire

PO1 2RG

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

Solicitors

Warner, Goodman LLP
8/9 College Place
London Road
Southampton
Hampshire
SO15 2FF

Sabrina Cader
Winckworth Sherwood
Minerva House
5 Montague Close
Hampshire
SE1 9BB

Blake Morgan
New Kings Court
Tollgate
Chandler's Ford
Eastleigh
Hampshire
SO53 3LG

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TSB Plc
272 London Road
Waterlooville
Hampshire
PO7 7HN

Barclays Bank Plc
67-69 West Street
Fareham
Hampshire
PO16 0AT

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that they have complied with the duty in section 4 of the 2006 Charities Act with regards to the public benefit statement.

Statement as to disclosure of information to auditors

So far as the trustees are aware there is no relevant audit information of which the charity's auditors are unaware and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Leonard Gold Chartered Accountants will be proposed for reappointment.

Approved by order of the board of trustees on 5th DECEMBER 2018 and signed on its behalf by:


.....
M Tomlinson - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH**

Opinion

We have audited the financial statements of RSPCA Solent Branch for the year ending 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its income and expenditure for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of the audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or to have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Andrew Chapman (Senior Statutory Auditor)
for and on behalf of Leonard Gold
Statutory Auditor
Chartered Accountants
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Dated: 10 DECEMBER 2018

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

		Unrestricted fund	Restricted funds	2017 Total funds	2016 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	599,447	16,666	616,113	591,210
Charitable activities					
Animal welfare	5	192,241	-	192,241	327,138
Other trading activities	3	343,186	-	343,186	331,277
Investment income	4	31,116	-	31,116	23,547
Total		1,165,990	16,666	1,182,656	1,273,172
EXPENDITURE ON					
Raising funds	6	4,373	-	4,373	15,237
Charitable activities	7				
Animal welfare		992,969	1,449	994,418	1,416,042
Total		997,342	1,449	998,791	1,431,279
NET INCOME/(EXPENDITURE)		168,648	15,217	183,865	(158,107)
Surplus from sale of property		95,233	-	95,233	-
Net movement in funds		263,881	15,217	279,098	(158,107)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,233,983	43,031	2,277,014	2,435,121
TOTAL FUNDS CARRIED FORWARD		<u>2,497,864</u>	<u>58,248</u>	<u>2,556,112</u>	<u>2,277,014</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

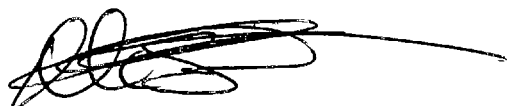
The notes form part of these financial statements

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

BALANCE SHEET
AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	14	1,815,792	1,850,339
Investments	15	<u>30,567</u>	<u>30,567</u>
		1,846,359	1,880,906
 CURRENT ASSETS			
Stocks	16	14,131	29,417
Debtors	17	391,279	98,939
Cash at bank and in hand		<u>363,905</u>	<u>349,261</u>
		769,315	477,617
 CREDITORS			
Amounts falling due within one year	18	(59,562)	(81,509)
		<u>709,753</u>	<u>396,108</u>
 NET CURRENT ASSETS			
		<u>709,753</u>	<u>396,108</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES			
		2,556,112	2,277,014
 NET ASSETS			
		<u>2,556,112</u>	<u>2,277,014</u>
 FUNDS	21		
Unrestricted funds:			
General fund		2,497,864	2,233,983
Restricted funds:			
Southampton Clinic		11,820	11,820
Pond fund		14,857	14,857
Paws4Help		10,651	10,651
Case dog fund		3,778	3,778
C Block fund		(46)	-
Dog Fund		200	200
B Block Fund		4,299	4,299
A Block Fund		189	(2,574)
F Block Fund		<u>12,500</u>	<u>-</u>
		58,248	43,031
 TOTAL FUNDS		<u>2,556,112</u>	<u>2,227,014</u>

The financial statements were approved by the Board of Trustees on 5th DECEMBER 2018 and were signed on its behalf by:



.....
M Tomlinson –Trustee

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(90,449)</u>	<u>(64,992)</u>
Net cash provided by (used in) operating activities		<u>(90,449)</u>	<u>(64,992)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(447)
Sale of intangible fixed assets		-	(1,254)
Sale of tangible fixed assets		102,000	3,014
Sale of fixed asset investments		-	19,529
Interest received		36	583
Dividends received		<u>2,577</u>	<u>2,304</u>
Net cash provided by (used in) investing activities		<u>104,613</u>	<u>23,729</u>
Change in cash and cash equivalents in the reporting period		14,164	(41,263)
Cash and cash equivalents at the beginning of the reporting period	2	<u>329,464</u>	<u>370,727</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>343,628</u></u>	<u><u>329,464</u></u>

The notes form part of the financial statements

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	279,098	(158,107)
Adjustments for:		
Depreciation charges	24,137	27,641
Loss on disposal of fixed assets	(91,590)	1,254
Interest received	(36)	(583)
Dividends received	(2,577)	(2,304)
Decrease in stocks	15,286	736
Decrease in debtors	(292,820)	65,054
Increase in creditors	<u>(21,947)</u>	<u>1,317</u>
Net cash provided by (used in) operating activities	<u><u>(90,449)</u></u>	<u><u>(64,992)</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,414	(435)
Notice deposits (less than 3 months)	362,491	349,696
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(20,277)</u>	<u>(19,797)</u>
Total cash and cash equivalents	<u><u>343,628</u></u>	<u><u>329,464</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

Donation and collection income is included in the accounts when they are received or when it becomes reasonably certain that it will be received and the value of the incoming resource can be measured with sufficient reliability.

Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

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.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable, unless the asset has been fully purchased then the income is deferred.

Income received as a result of generating funds is recognised when received.

Incoming resources from charitable activities are recognised on the accruals basis and are included net of any VAT that has been charged.

Rents received are measured on an accrual basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

No costs were apportioned during the year.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES – continued

Tangible fixed assets

Fixed assets are recorded at cost, assets costing less than £100 are not capitalised. When the asset is received by way of donation it is recorded at its market value on the date of donation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over their expected useful lives on the following basis:

Freehold land	-	not depreciated
Buildings	-	straight line over 100 years
Plant and machinery	-	15% on reducing balance
Motor vehicles	-	25% on reducing balance

Freehold land and property was deemed to be held at cost on date of transition to FRS 102. Half is in relation to Land therefore has an infinite life and not depreciated the remaining amount was deemed to have a useful life of 100 years therefore depreciation was charged to the SOFA on a straight line basis.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Donated stock is valued at the expected proceeds less the expected cost of sales in accordance with SORP (FRS 102).

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Investments are included at cost less impairment.

Irrecoverable VAT

Due to the nature of the Charity's activities not all VAT is recoverable as input tax cannot be attributed directly to taxable or exempt supplies. A quarterly partial exemption calculation is completed for the irrecoverable VAT.

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Other income	5,315	14,165
Donations and collections (including Gift Aid)	131,999	144,972
Legacies	461,299	415,073
Grants	<u>17,500</u>	<u>17,000</u>
	<u>616,113</u>	<u>591,210</u>

Grants received, included in the above, are as follows:

	2017	2016
	£	£
Other grants	<u>17,500</u>	<u>17,000</u>

There are no conditions attached to the grants received in the year and proceeding year.

3. OTHER TRADING ACTIVITIES

	2017	2016
	£	£
Fundraising	109,483	73,646
Animal centre shop sales	9,443	20,940
Charity shop sales	<u>224,260</u>	<u>236,691</u>
	<u>343,186</u>	<u>331,277</u>

4. INVESTMENT INCOME

	2017	2016
	£	£
Rents received	28,503	20,660
Dividends on investments	2,577	2,304
Deposit account interest	<u>36</u>	<u>583</u>
	<u>31,116</u>	<u>23,547</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		2017	2016
		£	£
Animal adoptions	Animal welfare	68,578	72,997
Animal clinic income	Animal welfare	14,182	106,206
Boarding fees and police fees	Animal welfare	82,486	91,103
Vets fees (neutering)	Animal welfare	<u>26,995</u>	<u>56,832</u>
		<u>192,241</u>	<u>327,138</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

6. RAISING FUNDS

Other trading activities

	2017	2016
	£	£
Purchases	<u>4,373</u>	<u>15,237</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Animal welfare	<u>960,305</u>	<u>34,113</u>	<u>994,418</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2017	2016
	£	£
Staff costs	528,927	714,194
Veterinary fees and drugs	169,430	325,282
Food	6,327	28,922
Rent, rates, water and power	116,809	115,580
Insurance	6,010	6,001
Stationery, postage and telephone	12,744	12,840
Advertising	-	1,639
Motor expenses and travel	6,590	3,795
Maintenance and repairs	37,212	74,025
Refuse collection	22,509	23,564
Cleaning	10,579	24,772
Clothing	1,171	1,583
Miscellaneous	2,740	1,783
Partial exemption adjustment	11,198	15,557
Staff fundraising costs	3,325	1,710
Bad debts written off	97	4,987
Bookkeeping and payroll	500	-
Depreciation	<u>24,137</u>	<u>27,641</u>
	<u>960,305</u>	<u>1,383,875</u>

9. SUPPORT COSTS

	Finance	Other 3	Governance costs	Totals
	£	£	£	£
Animal welfare	<u>25,149</u>	<u>3,643</u>	<u>5,321</u>	<u>34,113</u>

10. AUDITORS' REMUNERATION

	2017	2016
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>5,318</u>	<u>5,426</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Trustees' expenses

There were no trustees' expenses paid for year ended 31 December 2017 nor for the year ended 31 December 2016.

12. STAFF COSTS

Total Staff costs comprised:

	2017 £
Wages and Salaries	506,941
Social Security Costs	19,082
Pension Costs	<u>2,904</u>
	<u>528,927</u>

No employee earned £60,000 pa or more.

The average number of employees during the year was 36 (2016: 49).

Defined contribution pension

Amount charged to the SOFA as an expense in the year £x,xxx (2016 £3,491).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	581,416	9,794	591,210
Charitable activities			
Animal welfare	327,138	-	327,138
Other trading activities	331,277	-	331,277
Investment income	<u>23,547</u>	<u>-</u>	<u>23,547</u>
Total	1,263,378	9,794	1,273,172
EXPENDITURE ON			
Raising funds	15,237	-	15,237
Charitable activities			
Animal welfare	<u>1,408,752</u>	<u>7,290</u>	<u>1,416,042</u>
Total	1,423,989	7,290	1,431,279
NET INCOME/(EXPENDITURE)	(160,611)	2,504	(158,107)
Transfer between funds	<u>3,803</u>	<u>(3,803)</u>	<u>-</u>
	(156,808)	(1,299)	(158,107)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>2,390,791</u>	<u>44,330</u>	<u>2,435,121</u>
TOTAL FUNDS CARRIED FORWARD	<u>2,233,983</u>	<u>43,031</u>	<u>2,277,014</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2017	1,754,817	342,501	14,060	2,111,378
Additions	-	-	-	-
Disposals	(6,767)	(15,258)	-	(22,025)
At 31 December 2017	<u>1,748,050</u>	<u>327,243</u>	<u>14,060</u>	<u>2,089,353</u>
DEPRECIATION				
At 1 January 2017	8,774	240,168	12,097	261,039
Charge for year	8,706	14,939	492	24,137
Eliminated on disposal	-	(11,615)	-	(11,615)
At 31 December 2017	<u>17,480</u>	<u>243,492</u>	<u>12,589</u>	<u>273,561</u>
NET BOOK VALUE				
At 31 December 2017	<u>1,730,570</u>	<u>83,751</u>	<u>1,471</u>	<u>1,815,792</u>
At 31 December 2016	<u>1,746,043</u>	<u>102,333</u>	<u>1,963</u>	<u>1,850,339</u>

Under the rules of the society, the title to freehold land owned by the branch is vested in the headquarters of the society.

All fixed assets are used in the direct furtherance of the charity's objectives.

15. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 January 2017	30,567
Disposals	-
At 31 December 2017	<u>30,567</u>
NET BOOK VALUE	
At 31 December 2017	<u>30,567</u>
At 31 December 2016	<u>30,567</u>

There were no investment assets outside the UK.

Investments (neither listed nor unlisted) were as follows:

	2017 £	2016 £
Shares	30,567	30,567
	<u>30,567</u>	<u>30,567</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

16. STOCKS

	2017	2016
	£	£
Finished goods	<u>14,131</u>	<u>29,417</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	5,182	7,706
Other debtors	368,201	68,187
VAT	5,852	10,823
Prepayments	<u>12,044</u>	<u>12,223</u>
	<u>391,279</u>	<u>98,939</u>

There were no debtors due after more than one year.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 19)	20,277	19,797
Trade creditors	15,996	34,535
Social security and other taxes	6,911	4,940
Accruals and deferred income	<u>16,378</u>	<u>22,237</u>
	<u>59,562</u>	<u>81,509</u>

There were no creditors due after more than one year.

19. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	<u>20,277</u>	<u>19,797</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed assets	1,815,792	-	1,815,792	1,850,339
Investments	30,567	-	30,567	30,567
Current assets	711,067	58,248	769,315	477,617
Current liabilities	(59,562)	-	(59,562)	(81,509)
	<u>2,497,864</u>	<u>58,248</u>	<u>2,556,112</u>	<u>2,277,014</u>

21. MOVEMENT IN FUNDS

	At 1.1.17	Net movement in funds	Transfers between funds	At 31.12.17
	£	£	£	£
Unrestricted funds				
General fund	2,233,983	263,881	-	2,497,864
Restricted funds				
Southampton Clinic	11,820	-	-	11,820
Pond fund	14,857	-	-	14,857
Paws4Help	10,651	-	-	10,651
Case dog fund	3,778	-	-	3,778
C Block fund	-	(46)	-	(46)
Dog Fund	200	-	-	200
B Block Fund	4,299	-	-	4,299
A Block Fund	(2,574)	2,763	-	189
F Block Fund	-	12,500	-	12,500
	<u>43,031</u>	<u>15,217</u>	<u>-</u>	<u>58,248</u>
TOTAL FUNDS	<u>2,277,014</u>	<u>279,098</u>	<u>-</u>	<u>2,556,112</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	1,165,990	(902,109)	263,881
Restricted funds			
C Block Fund	-	(46)	(46)
A Block Fund	4,166	(1,403)	2,763
F Block Fund	12,500	-	12,500
	<u>16,666</u>	<u>(1,449)</u>	<u>15,217</u>
TOTAL FUNDS	<u>1,182,656</u>	<u>(903,558)</u>	<u>279,098</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2017

21. MOVEMENT IN FUNDS - continued

Pond Fund

A restricted fund was created as a result of a donation to be used for the creation and landscaping of a new pond at the animal shelter. This work commenced in the year ended 31 December 2012.

Southampton Clinic

A donation in previous years was received that is required to be used for the Southampton Clinic.

Paws4Help

The fund has been created for a campaign to raise funds to redevelop the cattery.

Case Dog, A Block, Dog and B Block funds

These funds were created by companies or individuals sponsoring a redevelopment of an area of The Ark.

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2017.

23. POST BALANCE SHEET EVENTS

The financial statements take into consideration events occurring between 31 December 2017 and their approval by the trustees.

24. OPERATING LEASE COMMITMENTS

At 31 December 2017 the total of the Charity's future following payments are committed to be paid:

	<u>2017</u>	<u>2016</u>
Less than one year	-	-
One to five years	98,888	151,265
More than five years	<u>-</u>	<u>-</u>

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Other income	5,315	14,165
Donations and collections (including Gift Aid)	131,999	144,972
Legacies	461,299	415,073
Grants	<u>17,500</u>	<u>17,000</u>
	616,113	591,210
Other trading activities		
Fundraising	109,483	73,646
Animal centre shop sales	9,443	20,940
Charity shop sales	<u>224,260</u>	<u>236,691</u>
	343,186	331,277
Investment income		
Rents received	28,503	20,660
Dividends on investments	2,577	2,304
Deposit account interest	<u>36</u>	<u>583</u>
	31,116	23,547
Charitable activities		
Animal adoptions	68,578	72,997
Animal clinic income	14,182	106,206
Boarding fees and police fees	82,486	91,103
Vets fees (neutering)	<u>26,995</u>	<u>56,832</u>
	<u>192,241</u>	<u>327,138</u>
Total incoming resources	1,182,656	1,273,172
EXPENDITURE		
Other trading activities		
Animal centre goods for resale	4,373	15,237
Charitable activities		
Wages	506,941	684,283
Social security	19,082	26,420
Pensions	2,904	3,491
Veterinary fees and drugs	169,430	325,282
Food	6,327	28,922
Rent, rates, water and power	116,809	115,580
Insurance	6,010	6,001
Stationery, postage and telephone	12,744	12,840
Advertising	-	1,639
Motor expenses and travel	6,590	3,795
Maintenance and repairs	37,212	74,025
Carried forward	884,049	1,282,278

This page does not form part of the statutory financial statements

THE ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS SOLENT BRANCH

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Charitable activities		
Brought forward	884,049	1,282,278
Refuse collection	22,509	23,564
Cleaning	10,579	24,772
Clothing	1,171	1,583
Miscellaneous	2,740	1,783
Partial exemption adjustment	11,198	15,557
Staff fundraising costs	3,325	1,710
Bad debts written off	97	4,987
Bookkeeping and payroll fees	500	-
Freehold property	8,706	8,774
Plant and machinery	14,939	18,211
Motor vehicles	492	656
	<u>960,305</u>	<u>1,383,875</u>
Support costs		
Finance		
Bank charges	3,690	3,712
Professional fees	21,459	21,775
	<u>25,149</u>	<u>25,487</u>
Other 3		
Profit on sale of assets	(91,590)	1,254
Governance costs		
Auditors' remuneration	5,318	5,426
Late payment interest	3	-
	<u>903,558</u>	<u>1,431,279</u>
Total resources expended		
	<u>903,558</u>	<u>1,431,279</u>
Net expenditure	<u>279,098</u>	<u>(158,107)</u>

This page does not form part of the statutory financial statements