

**Charity number: 208331**

**RSPCA Middlesex North West and South Hertfordshire Branch**

**Trustees' report and audited financial statements**

**For the year ended 31 December 2018**

## **RSPCA Middlesex North West and South Hertfordshire Branch**

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## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Reference and administrative details of the charity, its trustees and advisers For the year ended 31 December 2018**

#### **Trustees**

Mr A Anyon, Treasurer (resigned 18 June 2018)  
Mr G Blatt, Chairman  
Mrs S Barr, Trustee (resigned 16 April 2018)  
Ms L Berns, Trustee  
Mr G Finch, Trustee (resigned 18 June 2018)  
Mr J Gresa, Trustee  
Ms J Thompson, Secretary  
Mrs C Holton, Treasurer  
Mrs C Bach, Trustee  
Mr D Young, Trustee (appointed 18 June 2018)  
Ms I Ling, Trustee (appointed 18 June 2018)  
Ms P Masters, Trustee (co-opted 1 January 2018, resigned 30 January 2018)  
Ms J Young, Trustee (co-opted 1 January 2018, resigned 2 February 2018)  
Ms M Biscoe, Trustee (appointed 18 June 2018)  
Ms J Gardner, Trustee (appointed 18 June 2018)

#### **Charity registered number**

208331

#### **Principal office**

114 Field End Road  
Eastcote  
Pinner  
Middlesex  
HA5 1RL

#### **Chief Executive Officer**

Paul Bennett

#### **Branch Finance Officer**

Allan Harper

#### **Auditor**

Kreston Reeves LLP  
Chartered Accountants  
Statutory Auditor  
Springfield House  
Springfield Road  
Horsham  
West Sussex  
RH12 2RG

#### **Bankers**

Barclays Bank plc  
36-38 Park Royal Road  
Park Royal  
London  
NW10 7JA

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Trustees' report**

**For the year ended 31 December 2018**

The Trustees present their annual report together with the audited financial statements of the charity for the 1 January 2018 to 31 December 2018.

### **Objectives and Activities**

#### **• Policies and objectives**

The RSPCA Middlesex North West and South Hertfordshire Branch is an unincorporated charitable association and a separately registered Branch of the Royal Society for the Prevention of Cruelty to Animals (the Society), carrying out its direct animal welfare work in the areas of North West Middlesex and South Hertfordshire. The 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. The trustees have reviewed the outcomes and achievements of our objectives and activities for the year, to ensure they remain focused on our charitable aims, and continue to deliver benefits to the public. We have complied with the duty under the Charities Act 2011 to have due regard to 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. This 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. Whilst 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 (in italics). All our charitable activities, as described in more detail in the following pages of this report, focus on promoting kindness and preventing or suppressing cruelty to animals and are undertaken to further these purposes for the public benefit.

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

*We support our 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 Society's Inspectorate (as well as providing education, information and advice) rescues animals in distress and enforces laws 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.*

*We provide subsidised veterinary treatment for animals which are sick or injured and belong to local people on low income within our defined branch area. We do this through a voucher scheme. This work benefits those on means tested benefits by giving them financial help to obtain care for companion animals in need of veterinary treatment.*

*We provide subsidised neutering and microchipping of companion animals for those in the Branch area on low incomes. We do this by both a voucher scheme and by holding events in the community where we offer subsidised microchipping and neutering. This work helps to control dog, cat, rabbits and guinea pig populations through neutering and benefits those on means tested benefits by giving them financial help to neuter and microchip companion animals, thereby promoting responsible pet ownership.*

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

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Trustees' report (continued)**

**For the year ended 31 December 2018**

*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 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 rehome to those who could not afford them.*

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

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

*We offer free animal care advice by telephone, by email and in person with this advice provided by three Branch employed Animal Welfare Officers (AWO's), an employed Animal Support Officer and volunteers. The public benefits through the promotion of responsible pet ownership.*

*Within the terms of our governing document, we support the National Society and other RSPCA branches through collaborating on animal welfare campaigns and by providing resources (driver and vehicle) for transporting animals on behalf of the National Society from time to time.*

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

#### **● Volunteers**

The charity receives support from a large number of individuals who volunteer their time and services, assisting the charity in a number of ways. The trustees are extremely grateful for this help. Without the kindness and generosity of both donors of goods and those working within its shops, as well as the volunteers who assist with the animal welfare, fundraising activities and administration of the branch, the charity would be unable to continue. At the end of 2018 the Branch had in excess of 250 volunteers.

### **Achievements and performance**

#### **● Review of activities**

After more than 50 years with the organisation Alan Anyon decided to step down as Branch Trustee having held just about every role within the Branch as well as serving on the National Council alongside his late wife Hilary. Although Alan's contributions and guidance are missed at Trustee meetings, he still works in the office as a volunteer every Tuesday morning.

We were also sad to lose Sue Barr and Graham Finch from the committee this year. Graham had been Chairman of the Branch and as a vet had provided a great deal of support. Sue had served as a Trustee for many years and was a very enthusiastic fundraiser. Graham is now enjoying semi-retirement near Birmingham and Sue has decided that traveling from Suffolk to attend monthly meetings has become too challenging. We wish them both well for the future and hope they will stay in touch with the Branch.

We were very pleased that the new CEO of the RSPCA Chris Sherwood was able to attend our Trustee meeting in October. Despite only being in post since August, Chris was able to share with us his progress to date and an outline of where he sees the society going in the future along with some of his proposed developments. Chris joins the RSPCA after working as CEO of Relate so he has extensive knowledge of membership organisations. We look forward to meeting with Chris again soon.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Trustees' report (continued)**

**For the year ended 31 December 2018**

During the year the Branch found homes for 574 pets compared to 454 rehomed in 2017. In addition to this the Branch continued the initiative started in 2013 to relocate feral cats that were in high risk locations. These feral cats are relocated to country smallholdings whose owners agree to feed and provide veterinary care for these cats when necessary and this program saw 46 feral cats relocated to permanent new homes during 2018. Rehoming proved just as challenging in 2018 but showed an increase of 26% on 2017.

In 2018 the Branch assisted with providing veterinary treatment, neutering and micro-chipping for a total of 824 pets whose owners were not able to afford the full cost of treatment needed for their pets. This shows a decline on 2017 but this is mostly due a continued decrease in the number of animals going through the Hillingdon clinic.

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

	<b>2018</b>	<b>2017</b>
Treatment (vouchers)	<b>117</b>	<b>139</b>
Treatment (via Hillingdon clinic)	<b>543</b>	<b>683</b>
Neutering	<b>107</b>	<b>134</b>
Micro-chipping	<b>57</b>	<b>39</b>
<b>TOTAL</b>	<b>824</b>	<b>995</b>

The Branch only provides welfare assistance to individuals, who are on low incomes, rely on benefits or the State pension and it provides this assistance to ensure that their pets receive veterinary care when needed. The Branch provides this welfare assistance through a voucher scheme enabling people receiving help to attend a vet that is local to them. In addition to this voucher scheme the Branch works with the Hillingdon, Slough, Windsor, Kingston and District Branch of the RSPCA who operate a clinic located in Hillingdon.

This arrangement with the Hillingdon Clinic allows residents in the Middlesex North West & South Hertfordshire Branch area who meet the normal welfare criteria to have clinic access rather than having to travel to one of the RSPCA hospitals at either Putney or Holloway. The costs of these treatments are partly funded by the owner of the pet and partly by our Branch. In addition to the welfare assistance provided to animals owned by the public, the Branch ensures that all the animals in our care receive any veterinary care needed and that that they are neutered and micro-chipped before rehoming (except where this would be inadvisable on veterinary advice).

In 2018 the Branch took a total of 677 pets into our care and had an additional 53 born in our care during the year making a total of 730 animals. Of these and the 80 that were in our care on the 1st January 2018 we successfully reunited 15 pets with their owners, found new homes for 574, transferred 16 to other rehoming facilities better suited to rehoming certain species of pets, and relocated 46 feral cats to new homes on country smallholdings and stables yards. Sadly, as in previous years, many of the animals coming into the care of the Branch during 2018 were in poor health. Following appropriate veterinary care and dietary programmes most of these animals regained their health but 19 died while in our care and a further 33 had to be put to sleep, on the advice of our vets, to prevent further suffering. This, while a sad statistic, it remains at about the average level of animals that died in our care or had to be put to sleep in each year since 2012. At the years end the Branch had a total of 107 animals in our care, which was the same than those in our care at the start of 2018.

In the first few months of 2018 the Branch experienced a period of low numbers of cats and more particularly kittens, coming into our care for rehoming. Animal welfare activity in the Potters Bar, Hatfield and Barnet area continues to grow due in part to the absence of other animal welfare charities such as Blue Cross and PDSA but mainly due to an increase in awareness of our activity.

In 2019 the trustees have budgeted for animal welfare spending of £349,868 during the year which represents an increase of £26,370 on 2018 animal welfare spending. This increase is based on the expected increase in costs as we continue to return to the levels of welfare activity achieved in 2015 now that we have our full complement of animal welfare staff. An allowance has again been made for anticipated inflationary pressure on costs as a result of economic uncertainty over the coming year and the expanded Branch area following the merger.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Trustees' report (continued)**

**For the year ended 31 December 2018**

Our website [www.rspca-middlesex.org.uk](http://www.rspca-middlesex.org.uk) was developed when the branch was significantly smaller than it is now and it no longer meets our needs. In July, the Trustees approved a plan to redevelop the site to include more functionality and make it more user friendly.

In October 2018 the Branch received a grant of £10,000 from the Ostacchini Family Charitable Trust towards the cost of developing a new Branch website. The new site will make donating to the Branch much easier but more importantly will provide a better "shop window" for the animals in our care that are waiting for their forever homes. The greater functionality offered by the new site will also allow us to showcase our shops with much clearer information on how to find them, opening hours, parking etc. Social media such as Facebook and Instagram will be fully integrated and it will be much easier to make donations. We would like to acknowledge the kind support of the Ostacchini Family Charitable Trust who have donated £10,000 towards the project.

The Ostacchini Family Charitable Trust funded our first wave of shop till upgrades in 2017 and building on the success of this we have installed new tills into four more shops by the end of 2018. The final till is scheduled to be installed in Potters Bar in January 2019. The trustees are very grateful to the Trust for their support and with this and previous grants.

As expected we closed our Ruislip furniture shop in July. Fortunately we had already secured a replacement in Station Road, Harrow (the old Maplins shop) but a bigger than expected refit meant that the planned overlap did not happen. The new shop was opened by The Mayor of Harrow, Kareema Marikar ably assisted by Prince Charles look-alike Guy Ingle. At over 4,000 square feet of retail space this is by far our largest shop which combines furniture with more traditional charity shop fayre such as clothing, bric-a-brac, books, CD's, DVD's and jewellery.

In November 2014 the Branch received approval from the national Society (RSPCA) for the business plan the Branch submitted to the Branches Panel to develop its own animal adoption centre within the Branch area in North West Middlesex and South Hertfordshire. As approval by the Society is limited to three years we submitted a new proposal in 2017 which was unanimously approved and this will remain in place for a further three years. Despite strenuous efforts including visits to ten potential sites over the course of the year we have still yet to secure our own adoption centre.

#### **● Fundraising**

The Branch receives donations through our shops (both goods and cash), our website, from existing supporters through our twice yearly newsletter, corporate supporters such as Pets at Home and charitable trusts.

Each newsletter mailing includes instructions on how to be removed from future mailings and when requests are received they are actioned within seven days. Prior the introduction of the General Data Protection Regulations (GDPR) we mailed all of our existing donors asking them to opt in to receive fundraising appeal letters. As take up was low we decided that it would not be viable to make further appeals.

The Branch is a member of the Institute of Fundraising and Charity Retail Association and complies with the Code of Fundraising Practice. The charity does not consider that any of its fundraising activities constitute unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give.

The Branch does not work with any commercial participators or professional fundraisers and we do not fundraise by phone.

During the year we had one request to remove a donor from the Fundraising Preference Service. A search of all of our data showed that the individual was not known to the Branch and this was reported to the Regulator. The Regulator was happy with that the action we had taken and confirmed that no further action was required.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Trustees' report (continued) For the year ended 31 December 2018**

#### **Financial review**

- **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

- **Reserves policy**

The RSPCA Middlesex North West Branch reserves as at 31 December 2018 were £740,841 This was represented by general funds of £170,519, adoption centre funds of £465,000, tangible fixed asset funds of £86,061 and restricted funds of £19,261. This is an decrease of £111,649 on the Branch reserves at the start of 2018. Trading conditions in 2018 remained difficult and this resulted in the Branch shops performance being below expectations for the year. The general unrestricted funds have increased by £89,790 to £170,519 due to a decision by the Trustees to undesignate £225,000 funds previously set aside for the investment in an Adoption centre fund. It is likely that this project will be completed as a leasehold commitment rather than a freehold purchase and therefore £465,000 designated reserves are deemed sufficient.

In early 2011 the trustees of the Branch reviewed the reserves policy and decided that as the Branch derives most of its surplus funds from ongoing charity retailing activity the reserves should be sufficient to cover six months ongoing animal welfare activity. In 2019 these costs are budgeted at £349,868 for the full year. The reserves available at the end of 2018 as general funds of £170,519 would represent 5 months of animal welfare expenditure and while this is below the six months target the trustees consider the current level of reserves to be satisfactory.

Following discussions with Trustees it was agreed that our policy of keeping most of our cash in a single deposit account exposed the Branch to higher level of risk than was comfortable and also suppressed potential earnings from interest. It was agreed that accounts should be opened with The United Trust Bank, Redwood Bank, The Charity Bank, The Hampshire Trust Bank and Cambridge & Counties Bank.

The Branch has a development plan which incorporates its reserves policy and is agreed by all the trustees. The development plan is reviewed on an annual basis by the trustees. The Branch income and expenditure budgets are set annually, are agreed by the trustees, and performance against both income and expenditure budgets is reviewed monthly by the trustees.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Trustees' report (continued) For the year ended 31 December 2018**

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

- **Constitution**

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

- **Method of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the RSPCA branch rules. The trustees are elected at each AGM of the charity from the members of the charity. At any one time there must not be less than seven or more than seventeen trustees. The branch aims to maintain a committee with between 9 and 11 trustees. The existing trustees have a broad range of experience in business and animal welfare. A maximum of fourteen trustees can be elected at the AGM and an additional three trustees may be co-opted to the committee during the year. The trustees have decided that the role of Chair should be for a maximum term of 3 years before stepping down or seeking re-election. The honorary officers (Chair, Branch Secretary and Treasurer) are elected by the trustees. Following the merger with Potters Bar, Hatfield and Barnet Branch, two of the co-opted members resigned and the remaining three were elected as Trustees at the AGM in June 2018. Two long serving Trustees – Graham Finch and Alan Anyon resigned at the AGM.

- **Policies adopted for the induction and training of Trustees**

When joining the committee new trustees are able to access the RSPCA intranet "The Link" which holds information outlining the role of a trustee with the Branch as well as the responsibilities and obligations that the role of a trustee entails. In addition to this the new trustees should receive an introduction to the Branch, its history, the current activities and planned activities for the future from the Branch Chairman and Secretary. They also may access copies of Branch reports and minutes from the preceding 3 months, the annual accounts and reports for the previous year, and the current Branch Development Plan.

Currently there is no formal training plan for Branch trustees. As further support and training courses are offered by the RSPCA, trustees can elect to attend courses which interest them or which they feel will benefit them in their role as a Branch trustee.

- **Organisational structure and decision making**

The Branch trustees meet on a monthly basis to review animal welfare activity, financial performance against annual budgets, fundraising activity, and to discuss non-routine matters arising. The day to day responsibility for Branch activities is delegated to the Branch CEO, Paul Bennett and the Branch Finance Officer, Allan Harper, who keep the trustees informed of any significant issues that arise between the scheduled monthly trustee meetings.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Trustees' report (continued)**

**For the year ended 31 December 2018**

#### **• Risk management**

The trustees have assessed 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	Action
1	Financial Fraud	a) Annual independent accounts audit b) 2 signatures required for cheques c) Monthly reviews of financial records
2	Health and Safety	a) Documented policies at each site b) Annual insurance maintained c) Oversight by our advisers Acton Jennings
3	Loss of Trustees	a) Ongoing volunteer programme b) Branch Development Plan
4	Funds Deficit	a) Annual budgets set, reviewed monthly b) Diversified sources of income c) Ongoing fundraising activities

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Trustees' report (continued)**

**For the year ended 31 December 2018**

#### **Trustees' responsibilities statement**

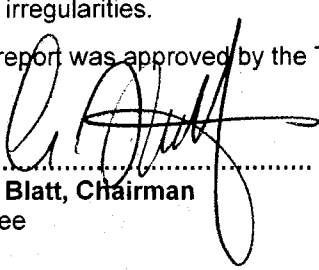
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 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.

This report was approved by the Trustees, on 15/7/19, and signed on their behalf by:

  
.....  
**Mr G Blatt, Chairman**  
Trustee

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Independent auditors' report to the Trustees of RSPCA Middlesex North West and South Hertfordshire Branch**

#### **Opinion**

We have audited the financial statements of RSPCA Middlesex North West and South Hertfordshire Branch (the 'charity') for the year ended 31 December 2018 set out on pages 13 to 29. 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).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Independent auditors' report to the Trustees of RSPCA Middlesex North West and South Hertfordshire Branch**

#### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Independent auditors' report to the Trustees of RSPCA Middlesex North West and South Hertfordshire Branch**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kreston Reeves LLP*

#### **Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Springfield House  
Springfield Road  
Horsham  
West Sussex

RH12 2RG

Date: *26 April 2019*

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

# RSPCA Middlesex North West and South Hertfordshire Branch

## Statement of financial activities For the year ended 31 December 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>					
Donations and legacies	2	148,107	42,020	190,127	492,497
Charitable activities	3	33,855	-	33,855	28,775
Other trading activities	4	832,925	-	832,925	783,209
Investments	5	3,615	-	3,615	1,581
Other income	6	10,948	-	10,948	9,222
<b>Total income</b>		<b>1,029,450</b>	<b>42,020</b>	<b>1,071,470</b>	<b>1,315,284</b>
<b>Expenditure on:</b>					
Raising funds	7	829,132	-	829,132	706,421
Charitable activities	8	311,971	42,016	353,987	273,132
<b>Total expenditure</b>		<b>1,141,103</b>	<b>42,016</b>	<b>1,183,119</b>	<b>979,553</b>
<b>Net income / (expenditure) before transfers</b>		<b>(111,653)</b>	<b>4</b>	<b>(111,649)</b>	<b>335,731</b>
Transfers between Funds	18	(321)	321	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(111,974)</b>	<b>325</b>	<b>(111,649)</b>	<b>335,731</b>
<b>Net movement in funds</b>		<b>(111,974)</b>	<b>325</b>	<b>(111,649)</b>	<b>335,731</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	18	833,554	18,936	852,490	516,759
<b>Total funds carried forward</b>		<b>721,580</b>	<b>19,261</b>	<b>740,841</b>	<b>852,490</b>


The notes on pages 16 to 29 form part of these financial statements.

# RSPCA Middlesex North West and South Hertfordshire Branch

## Balance sheet As at 31 December 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	13		86,061		62,825
Investments	14		565		565
			<u>86,626</u>		<u>63,390</u>
<b>Current assets</b>					
Stocks	15	5,088		3,802	
Debtors	16	110,474		49,401	
Cash at bank and in hand	21	611,700		811,052	
			<u>727,262</u>	<u>864,255</u>	
<b>Creditors:</b> amounts falling due within one year	17	(73,047)		(75,155)	
<b>Net current assets</b>			<u>654,215</u>		<u>789,100</u>
<b>Net assets</b>			<u>740,841</u>		<u>852,490</u>
<b>Charity Funds</b>					
Restricted funds	18		19,261		18,936
Unrestricted funds	18		721,580		833,554
<b>Total funds</b>			<u>740,841</u>		<u>852,490</u>

The financial statements were approved by the Trustees on **15 APRIL 2019** and signed on their behalf, by:

  
.....  
**Mrs C Holton, Trustee**

The notes on pages 16 to 29 form part of these financial statements.

# **RSPCA Middlesex North West and South Hertfordshire Branch**

## **Statement of cash flows For the year ended 31 December 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	<b>(154,745)</b>	362,681
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>3,615</b>	1,581
Proceeds from the sale of tangible fixed assets		<b>1,475</b>	500
Purchase of tangible fixed assets		<b>(49,697)</b>	(15,494)
<b>Net cash used in investing activities</b>		<b>(44,607)</b>	(13,413)
<b>Change in cash and cash equivalents in the year</b>		<b>(199,352)</b>	349,268
Cash and cash equivalents brought forward		<b>811,052</b>	461,784
<b>Cash and cash equivalents carried forward</b>	21	<b>611,700</b>	811,052

The notes on pages 16 to 29 form part of these financial statements.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Notes to the financial statements For the year ended 31 December 2018**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

RSPCA Middlesex North West and South Hertfordshire Branch constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

##### **1.2 Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Notes to the financial statements For the year ended 31 December 2018**

#### **1. Accounting policies (continued)**

##### **1.3 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes income earned from adoption fees. Adoption fee income is recognised upon collection of the animal by the new owner.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

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

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Income from other trading activities arises mainly from the sale of donated goods. It is impracticable to fair value the stock items due to the volume of low value items, therefore the sale of donated goods is not recognised in the financial statements until they are sold in line with SORP (FRS 102).

Other income includes income received from the National Society (RSPCA) relating to monthly neutering claims submitted. It also includes other miscellaneous income including commission relating to pet insurance and coin income.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Notes to the financial statements For the year ended 31 December 2018**

#### **1. Accounting policies (continued)**

##### **1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

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

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

All expenditure is inclusive of irrecoverable VAT.

##### **1.5 Tangible fixed assets and depreciation**

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

Long-term leasehold property	-	Over remaining lease period
Motor vehicles	-	25% per annum
Office equipment	-	20% per annum

##### **1.6 Investments**

Investments are included on the balance sheet at their fair value at the end of the financial period. Realised and unrealised gains are credited to the Statement of Financial Activities in the year in which they arise.

##### **1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

##### **1.8 Operating leases**

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

##### **1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out formula. Donated stocks are not recognised in the financial statements until they are sold as described in the income recognition policy above.

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Notes to the financial statements For the year ended 31 December 2018**

#### **1. Accounting policies (continued)**

##### **1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### **1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **1.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### **1.13 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### **1.14 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

##### **1.15 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The tangible fixed assets fund, a designated fund, comprises the net book value of the charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as immediately realisable.

The adoption centre fund, a designated fund, comprises the profit on the sale of the charity's freehold premises and large legacy received which has been ring-fenced for the purposes of the planned adoption centre.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## RSPCA Middlesex North West and South Hertfordshire Branch

### Notes to the financial statements For the year ended 31 December 2018

#### 2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	18,137	32,020	50,157	30,754
Legacies	41,000	-	41,000	390,000
Grants	67,585	10,000	77,585	48,648
Similar incoming resources	21,385	-	21,385	23,095
	<u>148,107</u>	<u>42,020</u>	<u>190,127</u>	<u>492,497</u>
Total 2017	<u>480,990</u>	<u>11,507</u>	<u>492,497</u>	

#### 3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Animal welfare	33,855	-	33,855	28,775
	<u>28,775</u>	<u>-</u>	<u>28,775</u>	
Total 2017	<u>28,775</u>	<u>-</u>	<u>28,775</u>	

#### 4. Trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Charity trading income</b>				
Sale of donated goods	822,929	-	822,929	771,654
Sale of bought-in goods	3,019	-	3,019	2,537
Fundraising activities	6,977	-	6,977	9,018
	<u>832,925</u>	<u>-</u>	<u>832,925</u>	<u>783,209</u>

In the prior year Income from other trading activities was £783,209 of which £nil was attributable to restricted and £783,209 was attributable to unrestricted funds.

# **RSPCA Middlesex North West and South Hertfordshire Branch**

## **Notes to the financial statements For the year ended 31 December 2018**

### **5. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	3,615	-	3,615	1,581
	<u>3,615</u>	<u>-</u>	<u>3,615</u>	<u>1,581</u>
Total 2017	1,581	-	1,581	
	<u>1,581</u>	<u>-</u>	<u>1,581</u>	

### **6. Other incoming resources**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Miscellaneous income including neutering refunds	10,448	-	10,448	8,722
Profit on disposal of fixed assets	500	-	500	500
	<u>10,948</u>	<u>-</u>	<u>10,948</u>	<u>9,222</u>
	<u>10,948</u>	<u>-</u>	<u>10,948</u>	<u>9,222</u>
Total 2017	9,222	-	9,222	
	<u>9,222</u>	<u>-</u>	<u>9,222</u>	

### **7. Costs of raising funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Direct costs of retail activities	349,715	-	349,715	284,293
Other	8,461	-	8,461	8,228
Staff costs of retail activities	417,706	-	417,706	374,268
Governance and support	53,250	-	53,250	39,632
	<u>829,132</u>	<u>-</u>	<u>829,132</u>	<u>706,421</u>
	<u>829,132</u>	<u>-</u>	<u>829,132</u>	<u>706,421</u>
Total 2017	703,970	2,451	706,421	
	<u>703,970</u>	<u>2,451</u>	<u>706,421</u>	

# **RSPCA Middlesex North West and South Hertfordshire Branch**

## **Notes to the financial statements For the year ended 31 December 2018**

### **8. Analysis of expenditure on charitable activities**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Animal welfare	<b>311,971</b>	<b>42,016</b>	<b>353,987</b>	<b>273,132</b>
Total 2017	<b>273,132</b>	<b>-</b>	<b>273,132</b>	

### **9. Direct costs of animal welfare**

	<b>Animal welfare £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Donation RSPCA	<b>105</b>	<b>105</b>	<b>100</b>
Veterinary fees and drugs	<b>218,202</b>	<b>218,202</b>	<b>168,834</b>
Wages and salaries	<b>104,814</b>	<b>104,814</b>	<b>75,099</b>
	<b>323,121</b>	<b>323,121</b>	<b>244,033</b>
Total 2017	<b>244,033</b>	<b>244,033</b>	

## RSPCA Middlesex North West and South Hertfordshire Branch

### Notes to the financial statements For the year ended 31 December 2018

#### 10. Governance and support costs

	Basis of Allocation	Raising funds £	Animal welfare £	Total 2018 £	Total 2017 £
Audit and accountancy fees	See below	7,645	3,277	10,922	11,850
Legal costs	See below	11,571	-	11,571	2,638
Office costs	See below	2,100	6,299	8,399	10,989
Staff costs	See below	31,934	21,290	53,224	43,254
		<u>53,250</u>	<u>30,866</u>	<u>84,116</u>	<u>68,731</u>
Total 2017		<u>39,632</u>	<u>29,099</u>	<u>68,731</u>	

(a) Audit and accountancy fees

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

(b) Legal fees

Legal fees relate to either the branch shops or other fundraising activity undertaken and are therefore allocated 100% to raising funds.

(c) Office costs

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

(d) Staff costs

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

#### 11. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	<u>24,486</u>	<u>22,810</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

## RSPCA Middlesex North West and South Hertfordshire Branch

### Notes to the financial statements For the year ended 31 December 2018

#### 12. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	530,095	459,199
Social security costs	37,186	29,269
Other pension costs	8,463	4,153
	<u>575,744</u>	<u>492,621</u>

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

2018 No.	2017 No.
31	29

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

£417,706 (2017 - £374,268) included within the table above in respect of Retail activities.  
£104,814 (2017 - £75,099) included within the table above in respect of Animal welfare.  
£53,224 (2017 - £43,254) included within the table above in respect of Governance and support.

The charity considers its key management personnel to comprise of its trustees, the Chief Executive Officer, the Finance Officer and the Branch Retail Manager. The total employment benefits including employer pension contributions of the key management personnel were £112,944 (2017: £101,239).

The charity has purchased insurance to protect the charity from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The premium paid by the charity during the year totalled £888 (2017: £845) and provides cover up to a maximum of £3 million (2017: £5 million).

# RSPCA Middlesex North West and South Hertfordshire Branch

## Notes to the financial statements For the year ended 31 December 2018

### 13. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2018	142,333	73,518	90,682	306,533
Additions	8,675	14,413	26,609	49,697
Disposals	(2,619)	(1,500)	(13,022)	(17,141)
At 31 December 2018	148,389	86,431	104,269	339,089
<b>Depreciation</b>				
At 1 January 2018	121,090	61,830	60,788	243,708
Charge for the year	5,271	5,829	13,386	24,486
On disposals	(2,619)	-	(12,547)	(15,166)
At 31 December 2018	123,742	67,659	61,627	253,028
<b>Net book value</b>				
At 31 December 2018	24,647	18,772	42,642	86,061
At 31 December 2017	21,243	11,688	29,894	62,825

### 14. Fixed asset investments

	Listed securities £
<b>Market value</b>	
At 1 January 2018 and 31 December 2018	565

#### Investments at market value comprise:

	2018 £	2017 £
Listed investments	565	565

All the fixed asset investments are held in the UK

### 15. Stocks

	2018 £	2017 £
Goods for resale	5,088	3,802

# RSPCA Middlesex North West and South Hertfordshire Branch

## Notes to the financial statements For the year ended 31 December 2018

### 16. Debtors

	2018 £	2017 £
Trade debtors	762	762
Other debtors	78,561	16,758
Prepayments and accrued income	31,151	31,881
	<u>110,474</u>	<u>49,401</u>

### 17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	32,507	23,205
Other creditors	15,030	39,459
Accruals and deferred income	25,510	12,491
	<u>73,047</u>	<u>75,155</u>

### 18. Statement of funds

#### Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>					
General fund	80,729	1,029,450	(1,141,103)	201,443	170,519
Tangible fixed assets fund	62,825	-	-	23,236	86,061
Adoption centre fund	690,000	-	-	(225,000)	465,000
	<u>833,554</u>	<u>1,029,450</u>	<u>(1,141,103)</u>	<u>(321)</u>	<u>721,580</u>
<b>Restricted funds</b>					
Potters Bar	-	32,020	(42,016)	9,996	-
Animal ambulance fund	7,366	-	-	-	7,366
Dog boarding fund	6,570	-	-	-	6,570
Branch adoption centre project	5,000	-	-	-	5,000
Website development	-	10,000	-	(9,675)	325
	<u>18,936</u>	<u>42,020</u>	<u>(42,016)</u>	<u>321</u>	<u>19,261</u>
<b>Total of funds</b>	<u>852,490</u>	<u>1,071,470</u>	<u>(1,183,119)</u>	<u>-</u>	<u>740,841</u>

# RSPCA Middlesex North West and South Hertfordshire Branch

## Notes to the financial statements For the year ended 31 December 2018

### 18. Statement of funds (continued)

#### Statement of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
<b>General funds</b>					
General fund	126,746	913,777	(977,102)	17,308	80,729
Tangible fixed assets fund	71,077	-	-	(8,252)	62,825
Adoption centre fund	300,000	390,000	-	-	690,000
	<u>497,823</u>	<u>1,303,777</u>	<u>(977,102)</u>	<u>9,056</u>	<u>833,554</u>
<b>Restricted funds</b>					
Animal ambulance fund	7,366	-	-	-	7,366
Dog boarding fund	6,570	-	-	-	6,570
Branch adoption centre project	5,000	-	-	-	5,000
New till installation	-	11,507	(2,451)	(9,056)	-
	<u>18,936</u>	<u>11,507</u>	<u>(2,451)</u>	<u>(9,056)</u>	<u>18,936</u>
<b>Total of funds</b>	<u>516,759</u>	<u>1,315,284</u>	<u>(979,553)</u>	<u>-</u>	<u>852,490</u>

### 19. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	86,061	-	86,061
Fixed asset investments	565	-	565
Current assets	708,001	19,261	727,262
Creditors due within one year	(73,047)	-	(73,047)
	<u>721,580</u>	<u>19,261</u>	<u>740,841</u>

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	62,825	-	62,825
Fixed asset investments	565	-	565
Current assets	845,319	18,936	864,255
Creditors due within one year	(75,155)	-	(75,155)
	<u>833,554</u>	<u>18,936</u>	<u>852,490</u>

# RSPCA Middlesex North West and South Hertfordshire Branch

## Notes to the financial statements For the year ended 31 December 2018

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(111,649)	335,731
<b>Adjustment for:</b>		
Depreciation charges	24,486	22,810
Dividends, interest and rents from investments	(3,615)	(1,581)
Profit on the sale of fixed assets	500	435
(Increase)/decrease in stocks	(1,286)	1,279
Increase in debtors	(61,073)	(12,363)
(Decrease)/increase in creditors	(2,108)	16,370
<b>Net cash (used in)/provided by operating activities</b>	<b>(154,745)</b>	<b>362,681</b>

### 21. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	611,700	811,052
<b>Total</b>	<b>611,700</b>	<b>811,052</b>

### 22. Pension commitments

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £8,463 (2017: £7,476).

### 23. Operating lease commitments

At 31 December 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	171,900	168,940
Between 1 and 5 years	551,797	635,519
After more than 5 years	211,648	276,477
<b>Total</b>	<b>935,345</b>	<b>1,080,936</b>

## **RSPCA Middlesex North West and South Hertfordshire Branch**

### **Notes to the financial statements For the year ended 31 December 2018**

#### **24. Related party transactions**

The charity is an affiliated branch of the Royal Society for the Prevention of Cruelty to Animals (RSPCA) (Charity Registration Number: 219099) and is governed by the RSPCA Branch Model Rules. During the year the charity received donations of £76,293 (2017: £44,280) from the RSPCA door to door fundraising and neutering grants, and paid grants and donations of £105 (2017: £100). At 31 December 2018 £190 (2017: £975) was due to the RSPCA.

G Blatt, a trustee of RSPCA Middlesex North West and South Hertfordshire Branch is an employee of David Charles Property Consultants. During the year payments for rent review services were incurred which were handled by a colleague of G Blatt totalled £2,698 (2017: £nil). At the end of the year £nil (2017: £nil) was due to David Charles Property Consultants.

#### **25. Contingent assets**

At the end of the prior year, 31 December 2017, the charity had been notified of legacy bequests potentially estimating at around £60,000. £39,000 in relation to this legacy was received during the year by RSPCA HQ and has been accrued in legacy income for the year in these accounts. Therefore there is an amount in the region of £20,000 still receivable. The charity had not been informed of the final amount receivable by the year end and as it was not possible to reliably measure the amount expected to be distributed this amount has not been included within legacy income for the year ended 31 December 2018.

# **RSPCA Middlesex North West and South Hertfordshire Branch**

## **Detailed income and expenditure account For the year ended 31 December 2018**

		2018 £	2017 £
<b>Trading income</b>			
Sale of bought-in goods	3,019	2,537	
Sale of donated goods	822,929	771,654	
Fundraising activities	6,977	9,018	
<b>Total Trading income</b>		<b>832,925</b>	<b>783,209</b>
<b>Gross trading profit</b>		<b>832,925</b>	<b>783,209</b>
<b>Net profit from trading activities</b>		<b>832,925</b>	<b>783,209</b>
<b>Charity income</b>			
Donations	50,157	30,754	
Legacies	41,000	390,000	
Grants	67,585	37,141	
Restricted grants	10,000	11,507	
Collection and subscriptions	1,147	2,019	
Gift aid income	20,238	21,076	
Investment income	3,615	1,581	
(Loss)/profit on sale of fixed assets	500	500	
Other income	10,448	8,722	
Adoption fee income	33,855	28,775	
<b>Total Charity income</b>		<b>238,545</b>	<b>532,075</b>
<b>Less: Charity expenditure</b>			
Support staff costs	53,224	43,254	
Accountancy fees	10,922	11,850	
Legal and professional	11,571	2,638	
Printing, postage and stationary	14,998	10,989	
Animal welfare - veterinary fees and drugs	218,202	168,834	
Animal welfare - wages and salaries	104,814	75,099	
Grants and donations payable	105	100	
Staff costs of retail activities	417,706	374,268	
Direct costs of retail activities	349,715	284,293	
Other costs of retail activities	1,862	8,228	
<b>Total Charity expenditure</b>		<b>1,183,119</b>	<b>979,553</b>
<b>Net expenditure from charitable sources</b>		<b>(944,574)</b>	<b>(447,478)</b>
<b>Net (expenditure)/income for the year</b>		<b>(111,649)</b>	<b>335,731</b>