

**Royal Society For The Prevention of Cruelty To Animals Isle of Wight
Branch**

Trustees' report and financial statements

For the Year Ended 31 December 2018

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

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Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

Reference and administrative details of the charity, its trustees and advisers For the Year Ended 31 December 2018

Trustees	Michael Tomlinson Paul Baxter Richard Booker
Charity registered number	205311
Principal office	Isle of Wight Animal Centre Bohemia Corner Godshill Isle of Wight PO38 3NA
Independent auditors	Williams Giles Professional Services Ltd Statutory Auditor Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank 22 St Thomas' Square Newport PO30 1SQ
HR Advice	Action Jennings LLP The Old Co-Operative Building 53 Westfield Road Horbury Wakefield West Yorkshire WF4 6HU

**Trustees' report
For the Year Ended 31 December 2018**

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

National Council Trusteeship

The Branch constitution requires seven trustees to be elected at an AGM and a minimum of four Committee members to manage the Branch, however, the committee was dissolved due to insufficient local trustee numbers on August 1, 2013. As a result, the National RSPCA Council was asked to appoint, under the Society's Rules, temporary trustees to manage the Branch's affairs to the exclusion of any former trustees. National trustees Mike Tomlinson, Paul Baxter and Richard Booker served as trustees throughout 2018.

Their purpose in this role is to manage the affairs of the Branch and secure its proper application for the Branch objects until such time as the Branch is returned to the control of a local committee. As temporary officers, they all have proven experience of managing an RSPCA Branch. Paul Baxter and Richard Booker are Regional Representatives in their own area and Mike Tomlinson is a retired Regional Representative and former chairman of the National Society. In December 2018 Mike Tomlinson retired as a National Council Trustee but agreed to continue as a Trustee for the Isle of Wight in accordance with his appointment by the Society.

Objectives and Activities

a. Policies and objectives

The object of the charity is to promote kindness and good care, and 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.

b. Activities for achieving objectives

Our activities to achieve the objectives include the following:

- To support the Society's Inspectorate in their work providing financial assistance and emergency accommodation for 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. The National Call Centre accepts complaints about animals in distress 24 hours a day, every day of the year and the public benefits by being able to call in for help when an animal is suffering, which can be very distressing for humans to witness and feel powerless to help.
- To accept stray and owned animals for rehoming. Animals in our care receive veterinary treatment, vaccination, neutering, microchipping and are assessed for rehoming. This work helps to control the incidence and spread of disease and suffering through vaccination and neutering. The work benefits our local community including local authorities as it reduces the incidence of abandonment and cruelty and the public knows that we assist animals in need. Whilst we are primarily an animal charity, the service we offer pet owners who cannot assist their pets themselves in times of crisis can relieve much distress for the owner as well as the pet.
- We rehome animals in need at low cost to people willing and able to have a companion animal. Whilst we recognise companion animals provide measurable benefits to people's mental and physical health, we consider the provision of pets as subsidiary to the main charitable aim 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.
- We respond to enquiries (both direct and via the Society's main call centre) from the public about animals locally. The public benefits from knowing we can help animals in need.

**Trustees' report (continued)
For the Year Ended 31 December 2018**

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

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 this duty under the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Our current short term and long term aims and objectives can be summarised as follows:

Short term:

- To complete work on the reception and admin block and use it as an integral part of the site.
- To host a Gala Day/Grand Opening to fully reopen the new look site to the public.
- To build the fundraising and events team in order to enable us to have a presence at local events.
- To develop our fostering and rehoming network, to support the National Society.
- To develop our engagement with the community to ensure adequate homes for our animals, volunteers for our shops and fundraising events and support at our events.
- To achieve a balanced budget moving forward.

Long term:

- To ensure the future sustainability of the Branch, by continuing to increase the funds raised by both shops and private boarding.
- To produce a raft of fundraising events for late 2019/2020
- To develop education and community events around the animal centre to increase community engagement and thereby improve the lives of island animals.
- To continue to promote the branch in the community via all forms of media.
- To continue to build the volunteer team and to create great synchronicity between our shops, our high street presence and the animal centre

c. Health and safety policy

This policy applies to all Branch staff whether employed or volunteers. A comprehensive manual that outlines in detail the administrative arrangements for health and safety within the Branch and the procedures to be followed to minimise health and safety risks has been developed. This manual is available for reference by all staff and volunteers and is reviewed regularly to take account of changes.

The Branch Health and Safety is overseen by an external provider, Acton Jennings, who carry out annual inspections of all areas of the Branch activity and provide reports with any action points.

d. Volunteers

We provide many volunteering opportunities for those who wish to support our work, including fostering, fundraising and retail opportunities. This benefits local people and companies by providing the possibility of doing work which is both compassionate and rewarding and offers experience which may assist participants in finding paid work. It is not possible to quantify the financial value of our volunteers but in 2018 we had the benefit of over 7,000 hours of volunteer work. Our charity shops provide a valuable source of low cost good quality recycled goods to the benefit of the public and the environment.

**Trustees' report (continued)
For the Year Ended 31 December 2018**

Achievements and performance

a. Review of activities

Significant activities

The rebuild of the site has continued throughout 2018 and is due for completion late summer of 2019.

The boarding cattery opened for residents in the middle of 2018, providing more high standard boarding space for cats. This will enable the branch to expand its boarding business to increase income generation.

New outdoor wildlife facilities were completed in the summer of 2018, giving two pond areas and indoor aviaries of varying sizes with soft release hatches. The aim is to create facilities that are as versatile as possible for the variety of species that are cared for by the Branch. Indoor wildlife facilities were completed later in the year to give designated areas for more vulnerable wildlife casualties.

The new intake and rehoming cattery was completed by the end of 2018. The new cattery, which incorporates part of the old cattery building includes a vet room, isolation facilities and maternity suites for mums and kittens. Air management will reduce the spread of disease and the facilities are designed to provide the best possible environment for rescued cats to be rehabilitated and rehomed from.

The final stage of the build will provide a dedicated reception, administration, training and meetings rooms at the front of the site. As well as providing improved facilities for the centre's staff this will create greater opportunities for community outreach and encouraging the Branch's many supporters on the island to take part in activities there. The build is due for completion in the summer of 2019.

Part of the cost of the redevelopment was funded by the sale of a parcel of land at Totland. This had been bequeathed to the branch to create wildlife facilities and while this was not possible on the specific parcel of land the proceeds of the sale paid for the improved wildlife facilities on site.

The RSPCA's South Central Regional Board also provided a £25,000 grant to help fit out the new build, enabling the branch to invest in better equipment.

During 2018 and early 2019 the Branch restructured to create a more robust management team with a Branch Manager overseeing an Animal Centre Operations Manager, who in turn manages two supervisors with a team of animal care staff on site. An Area Retail Manager continues to manage the retail operation across the island.

The on site boarding facilities for cats and dogs continue to make a significant contribution to branch income via the Branch Trading Company RSPCA Isle of Wight Branch Trading Ltd. Building work in 2018 reduced the number of cats able to be boarded but for 2019 the cattery is fully open and is busy with residents.

While rehoming was affected by the building work the Branch still had a busy and successful year. During 2018 the Branch rehomed 351 animals including 81 dog and 138 cats. The Branch continued to accept all animals they were requested to take from the RSPCA Inspectorate as well as a considerable number accepted from members of the public on the island.

The Branch worked to build up links with neighbouring RSPCA Branches and with other charities to find ways forward for some of the most difficult animals that came into its care.

The Branch also invested in its staff development, using training opportunities to better equip the animal centre staff to improve care and welfare of animals coming into the Branch. This has proved essential as more needy and challenging animals come into Branch care.

The Branch continued to expand its social media presence with its Facebook pages, working to boost rehoming, appeals and public engagement in the RSPCA's work. It is continuing to raise its profile with a regular radio slot and features in local newspapers.

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

Trustees' report (continued) For the Year Ended 31 December 2018

Unfortunately on site building work meant the Branch was unable to hold its annual gala day however fundraising days at Morton Manor and quiz nights at the Hare and Hounds and The Castle pubs were both successful and provided a good way for the Branch to engage with the local community. The Branch was chosen as the Ventnor Co-op's charity of the year a further £4500 was raised through that. A volunteer also raised sponsorship by climbing Everest.

It is hoped that the Branch can continue to attract support from the community going forward and it is immensely grateful to everyone who has helped raise money in the course of the year.

Animal welfare results

During 2018, the Branch took in 334 domestic animals, all either for welfare reasons or via the Inspectorate. In addition the Branch took in 246 wild creatures ranging from foxes and badgers to birds of all shapes and sizes. The Branch also provided welfare assistance for owners on low incomes in 86 cases.

The Branch aims to continue to provide a service to the Inspectorate and to continue to offer welfare assistance to those animals in greatest need within the Branch area.

b. Investment policy and performance

The trustees have wide powers of investment governed and restricted by the Royal Society for the Prevention of Cruelty to Animals Investment Act 1958.

Financial review

a. Results

The charity's funds are collected from membership subscriptions, shop sales, rehoming, donations, legacies, recycling schemes, collection boxes, eBay sales, grants and special fund-raising events, as well as profits from the branch trading company which runs the boarding business.

Total income for the year was £526,734 (2017 £952,365). Total expenditure was £934,102 (2017 £928,180). The excess of expenditure over income was £407,368 (2017 excess was £24,185).

The cost of the build and the drop in legacy income during 2018 continues to impact on 2019 accounts meaning the branch has drawn up a significant cost saving and income generation plan to address its deficit budget. The Trustees are committed to work towards creating a robust financial future for the branch. Included in the plan is a restructure of the retail operation including the assignment of branch warehouses at Lake and reviewing the warehouse team. Major savings are being made across all areas of the branch operation with a cashflow projection and budget in place to take the branch through to the end of 2020. A fundraising strategy is being put in place along with a relaunch of Bohemia Boarding to reflect the five star rating it has received from the Isle of Wight Council. In conjunction with this, a concerted effort is being made to raise the profile of the branch across the island to increase community support and involvement, boost the volunteer team and generate more fundraising income.

Our thanks go to all our shop managers and volunteers for their hard work.

We would also like to thank all those people and local businesses who contribute to the success of the Branch and support us with volunteer time, fundraising activities, financial discounts or advertising. There are too many to name individually but they include veterinary surgeries, Branch members, staff and volunteers and local press. Lastly we would like to thank the public for their ongoing support of the Branch - we could not succeed without them.

b. Going concern

The Trustees assess whether the use of going concern is appropriate, i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make their assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

**Trustees' report (continued)
For the Year Ended 31 December 2018**

The result for the group for the year was a deficit of £390,930. This is in part due to a fall in legacy income of over £345k. Net current assets as at 31 December 2018 were £528k which is approximately 7 months costs. The Trustees are committed to work towards creating a robust financial future for the branch. Since the balance sheet date a significant cost saving and income generation plan has been implemented. Additional loan funding has been secured from the RSPCA to cover the cash flow of the build project. The Trustees are confident that a sustainable budget can be achieved in the short term.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Charity has adequate resources to continue in existence for the foreseeable future.

c. Reserves policy

The Branch holds reserves in order that the service level provided for animal welfare is maintained should there be a reduction in incoming resources. Reserves are those funds which are freely available for general purposes and uncommitted.

The trustees have established a policy of holding unreserved cash funds which was equivalent to 12 months expenditure. At the date of 31 December 2018 this would have amounted to £934,102 (2017 would have been £928,180). Reserves on 31 December 2018 stood at £498,128. The cost of the new buildings on site, to benefit animal welfare, meant the Branch reserves dipped below the amount in the policy. However the Branch is actively working at saving money and increasing income generation to address this issue over the coming years.

Structure, governance and management

a. Constitution

The charity is constituted as an incorporated association. The charity operates as an autonomous Branch of the National RSPCA subject to its rules for Branches (as updated in 2012). In the normal course of business, Committee members are elected at every Annual General Meeting, from the members of the Branch, to carry on the work for the ensuing year. Candidates must receive 50% of the votes of the members present. The elected Branch Committee can co-opt not more than three members onto the committee until the next annual general meeting. All Committee members must be Society members for a minimum of three months on appointment. The Committee members are trustees of the Branch and are briefed on their responsibilities as trustees prior to their acceptance of the role. The trustees hold regular meetings at which decisions are made and conveyed to the staff for actioning.

In the event that the number of local trustees falls below four at any time, the Branch is placed into Council Trusteeship, and that is currently the case for this Branch. The Council trustees undertake the day to day management and development of the Branch until it can be returned to the control of local trustees. The day-to-day running of the Branch is delegated to be overseen a Branch Manager. A new Branch Manager, Suzanne Pugh, was appointed in April 2019.

b. Method of appointment or election of Trustees

The management of the charity and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the the rules and regulations laid down by the Royal Society for the Prevention of Cruelty to Animals (RSPCA).

c. Policies adopted for the induction and training of Trustees

New Trustees will attend the National Society's training programme for new trustees.

d. Organisational structure and decision making

The organisational structure and decision making process is set out in the financial scheme of delegation.

**Trustees' report (continued)
For the Year Ended 31 December 2018**

e. Related party relationships

The Branch complies with the Branch Rules as issued by the National Society and has a number of related financial transactions with this organisation. Paul Baxter and Richard Booker are also current trustees of the RSPCA (National Society) and Michael Tomlinson also was for the majority of 2018.

In addition the current trustees also have involvement in other Branches as listed below:

Michael Tomlinson was an elected trustee of the RSPCA Leicestershire Branch for most of 2018. He is also a Council appointed trustee of RSPCA Bedfordshire North Branch, RSPCA Brecknock and District Branch, RSPCA Croydon, Crystal Palace and District Branch, RSPCA Pembrokeshire Branch, RSPCA Preston and District Branch, RSPCA Shropshire Branch, RSPCA Solent Branch, RSPCA North Devon Branch. RSPCA Suffolk East Coast Branch, RSPCA Wrexham District and Deeside Branch, RSPCA Lancashire East Branch. .

Paul Baxter is an elected trustee of RSPCA Wrexham, District and Deeside Branch. He is also a Council appointed trustee of RSPCA Solent Branch, RSPCA North Devon Branch, RSPCA Lancashire East Branch, RSPCA Pembrokeshire Branch, RSPCA Preston and District Branch. Is is also a trustee of RSPCA Freedom Food Ltd and the Greta Joan Minks Charity.

Richard Booker is an elected trustee of RSPCA Worcester and Mid Worcestershire Branch. He is also a Council appointed trustee of RSPCA Solent Branch, RSPCA North Devon Branch, RSPCA East London Branch, RSPCA Shropshire Branch, RSPCA Essex, Havering and Harold Hill Branch, RSPCA Surrey, Sutton and District Branch. He is also a trustee of the Greta Joan Minks Charity.

f. Risk management

The Branch has carried out a risk assessment and identified the following risks:

- Loss of income through error or fraud
- Loss of reputation through error or fraud
- Loss of income through outside forces
- Insufficient trustees to continue
- Insufficient volunteers to fundraise
- Risk of claims against volunteers
- Risk of claims by volunteers or the public
- Adverse publicity

The trustees actively review the risks which the charity faces on a regular basis, covering operational and financial aspects, and put systems in place to mitigate these risks.

The trustees have a human resources contract with Acton Jennings for advice and support.

Plans for future periods

a. Future developments

During 2018 the trustees continue to focus on and increase effective delivery of animal welfare in the Isle of Wight Branch area.

The Branch Manager will continue to develop all activities including income generation, re-homing and community engagement.

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

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 23 October 2019 and signed on their behalf by:

Michael Tomlinson

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

Independent auditors' report to the Trustees of Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

Opinion

We have audited the financial statements of Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2018 set out on pages 12 to 31. 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 group's and of the parent charity's affairs as at 31 December 2018 and of the group's 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 group 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the result for the group for the year was a deficit of £407,368. Net current assets as at 31 December 2018 were £530k.

As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the group's or the parent charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

Independent auditors' report to the Trustees of Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

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
- the parent charity has not kept sufficient accounting records; or
- the parent charity 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

Independent auditors' report to the Trustees of Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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 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.

Williams Giles Professional Services Ltd

Statutory Auditor
Chartered Accountants

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH
31 October 2019

Williams Giles Professional Services Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Consolidated statement of financial activities
For the Year Ended 31 December 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated</i> Total funds 2017 £
Income from:					
Donations and legacies	2	68,564	-	68,564	447,783
Charitable activities	3	380,505	-	380,505	411,971
Other trading activities	4,5	76,079	-	76,079	88,769
Investments	6	1,586	-	1,586	3,842
Total income		526,734	-	526,734	952,365
Expenditure on:					
Raising funds	5,7	104,013	-	104,013	47,725
Charitable activities		817,951	-	817,951	877,804
Other expenditure		4,476	-	4,476	2,651
Total expenditure	10	926,440	-	926,440	928,180
Net income / (expenditure) before investment gains		(399,706)	-	(399,706)	24,185
Net gains on investments		-	-	-	478
Net income / (expenditure) before transfers		(399,706)	-	(399,706)	24,663
Transfers between Funds	19	6,700	(6,700)	-	-
Net income / (expenditure) before other recognised gains and losses		(393,006)	(6,700)	(399,706)	24,663
Net movement in funds		(393,006)	(6,700)	(399,706)	24,663
Reconciliation of funds:					
Total funds brought forward		3,392,325	31,700	3,424,025	3,399,362
Total funds carried forward		2,999,319	25,000	3,024,319	3,424,025

The notes on pages 16 to 31 form part of these financial statements.

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Consolidated balance sheet
As at 31 December 2018**

	Note	£	2018 £	£	As restated 2017 £
Fixed assets					
Tangible assets	14		2,483,244		1,947,566
Investments	15		3,585		7,619
			<u>2,486,829</u>		<u>1,955,185</u>
Current assets					
Stocks	16	4,976		5,850	
Debtors	17	16,446		165,264	
Cash at bank and in hand		654,800		1,351,496	
			<u>676,222</u>	<u>1,522,610</u>	
Creditors: amounts falling due within one year	18		<u>(138,732)</u>	<u>(53,770)</u>	
Net current assets			<u>537,490</u>		<u>1,468,840</u>
Net assets			<u>3,024,319</u>		<u>3,424,025</u>
Charity Funds					
Restricted funds	19		25,000		31,700
Unrestricted funds	19		2,999,319		3,392,325
Total funds			<u>3,024,319</u>		<u>3,424,025</u>

The financial statements were approved by the Trustees on 23 October 2019 and signed on their behalf, by:

Michael Tomlinson

The notes on pages 16 to 31 form part of these financial statements.

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Charity balance sheet
As at 31 December 2018**

	Note	£	2018 £	£	<i>As restated 2017</i> £
Fixed assets					
Tangible assets	14		2,483,244		1,947,566
Investments	15		3,586		7,620
			2,486,830		1,955,186
Current assets					
Stocks	16	4,976		5,850	
Debtors	17	35,788		166,571	
Cash at bank and in hand		640,980		1,350,293	
			681,744	1,522,714	
Creditors: amounts falling due within one year	18		(144,256)	(53,875)	
Net current assets			537,488	1,468,839	
Net assets			3,024,318	3,424,025	
Charity Funds					
Restricted funds			25,000		31,700
Unrestricted funds			2,999,318		3,392,325
Total funds			3,024,318	3,424,025	

The financial statements were approved by the Trustees on 23 October 2019 and signed on their behalf, by:

Michael Tomlinson

The notes on pages 16 to 31 form part of these financial statements.

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Consolidated statement of cash flows
For the Year Ended 31 December 2018**

	Note	2018 £	<i>As restated</i> 2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(123,663)</u>	<u>551,827</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		(1,586)	(1,803)
Proceeds from the sale of tangible fixed assets		384,864	-
Purchase of tangible fixed assets		(960,345)	(384,587)
Write off of investments		4,034	-
Net cash used in investing activities		<u>(573,033)</u>	<u>(386,390)</u>
Change in cash and cash equivalents in the year		(696,696)	165,437
Cash and cash equivalents brought forward		<u>1,351,496</u>	<u>1,186,059</u>
Cash and cash equivalents carried forward	22	<u><u>654,800</u></u>	<u><u>1,351,496</u></u>

The notes on pages 16 to 31 form part of these financial statements.

**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.

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make their assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The result for the group for the year was a deficit of £407,368. This is in part due to a fall in legacy income of over £345k. Net current assets as at 31 December 2018 were £530k which is approximately 7 months costs. The Trustees are committed to work towards creating a robust financial future for the branch. Since the balance sheet date a significant cost saving and income generation plan has been implemented. Additional loan funding has been secured from the RSPCA to cover the cash flow of the build project. The Trustees are confident that a sustainable budget can be achieved in the short term.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Charity has adequate resources to continue in existence for the foreseeable future.

**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.

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

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

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

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

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 and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

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

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

Notes to the financial statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.5 Basis of consolidation

The financial statements consolidate the accounts of Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch and all of its subsidiary undertakings ('subsidiaries').

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Plant and machinery	-	15% on reducing balance
Motor vehicles	-	25% on reducing balance

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.8 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.

1.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 Operating leases

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

Notes to the financial statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.11 Stocks

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

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

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.

Royal Society For The Prevention of Cruelty To Animals Isle of Wight 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 £	<i>As restated</i> Total funds 2017 £
Donations	67,204	-	67,204	75,764
Legacies	29	-	29	345,488
Similar incoming resources	1,331	-	1,331	26,531
	<u>68,564</u>	<u>-</u>	<u>68,564</u>	<u>447,783</u>
<i>Total 2017</i>	<u>447,783</u>	<u>-</u>	<u>447,783</u>	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated</i> Total funds 2017 £
Animal home and fundraising	380,505	-	380,505	411,971
	<u>386,971</u>	<u>25,000</u>	<u>411,971</u>	
<i>Total 2017</i>	<u>386,971</u>	<u>25,000</u>	<u>411,971</u>	

4. Fundraising income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated</i> Total funds 2017 £
Events	1,787	-	1,787	-
	<u>1,787</u>	<u>-</u>	<u>1,787</u>	<u>-</u>

5. Trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated</i> Total funds 2017 £
Charity trading income				
Boarding	73,003	-	73,003	86,172
Sale of RSPCA items	1,289	-	1,289	2,597
	<u>74,292</u>	<u>-</u>	<u>74,292</u>	<u>88,769</u>
Net income from trading activities	<u>74,292</u>	<u>-</u>	<u>74,292</u>	<u>88,769</u>

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Notes to the financial statements
For the Year Ended 31 December 2018**

6. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated Total funds 2017 £</i>
Dividends and interest received	1,586	-	1,586	3,842
	<u>1,586</u>	<u>-</u>	<u>1,586</u>	
<i>Total 2017</i>	<u>3,842</u>	<u>-</u>	<u>3,842</u>	

7. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated Total funds 2017 £</i>
Boarding expenditure	49,701	-	49,701	8,650
Purchases	10,547	-	10,547	31
Boarding wages	43,765	-	43,765	39,044
	<u>104,013</u>	<u>-</u>	<u>104,013</u>	<u>47,725</u>
<i>Total 2017</i>	<u>47,725</u>	<u>-</u>	<u>47,725</u>	

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Notes to the financial statements
For the Year Ended 31 December 2018**

8. Direct costs

	Animal home and fundraisi £	Total 2018 £	As restated Total 2017 £
Administration expenses	2,658	2,658	44,477
Shop rent	64,747	64,747	81,527
Rates and water	14,952	14,952	15,592
Insurance	7,971	7,971	6,131
Light and heat	36,639	36,639	29,993
Telephone	7,280	7,280	6,656
Postage and stationery	3,241	3,241	5,898
Sundry expenses	3,119	3,119	649
Food costs	32,790	32,790	23,740
Veterinary fees	70,144	70,144	79,930
Repairs and renewals	38,465	38,465	49,430
Stock movement	-	-	1,749
Cleaning and waste disposal	15,979	15,979	15,747
Recruitment and training	520	520	312
Travel costs	6,971	6,971	13,436
Regional contribution	-	-	500
Wages and salaries	389,639	389,639	359,151
National insurance	32,552	32,552	28,455
Pension cost	5,051	5,051	4,415
Depreciation	58,246	58,246	50,107
	<u>790,964</u>	<u>790,964</u>	<u>817,895</u>
<i>Total 2017</i>	<u>831,307</u>	<u>831,307</u>	

9. Support costs

	Governance £	Animal home and fundraisi £	Total 2018 £	As restated Total 2017 £
Fundraising and publicity	-	3,404	3,404	13,412
Legal and professional fees	-	4,428	4,428	24,393
Profit on disposal	-	(18,443)	(18,443)	-
Interest payable and similar charges	-	4,420	4,420	1,801
Auditors remuneration	5,700	-	5,700	2,850
Administration costs	-	13,909	13,909	4,063
Wages and salaries	-	13,569	13,569	13,390
	<u>5,700</u>	<u>21,287</u>	<u>26,987</u>	<u>59,909</u>
<i>Total 2017</i>	<u>2,850</u>	<u>43,647</u>	<u>46,497</u>	

During the year ended 31 December 2018, the charity incurred the following Governance costs:
£5,700 (2017 - 2,850) included within the table above in respect of Animal home and fundraising.

**Notes to the financial statements
For the Year Ended 31 December 2018**

10. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	<i>As restated Total 2017 £</i>
Expenditure on raising voluntary income	43,765	-	60,248	104,013	47,725
Costs of raising funds	43,765	-	60,248	104,013	47,725
Animal home and fundraising	440,811	58,246	313,194	812,251	874,954
Expenditure on governance	-	-	5,700	5,700	2,850
Other expenditures	-	-	4,476	4,476	2,651
	484,576	58,246	383,618	926,440	928,180
<i>Total 2017</i>	<i>444,455</i>	<i>50,107</i>	<i>433,618</i>	<i>928,180</i>	

11. Net income/(expenditure)

This is stated after charging:

	2018 £	<i>As restated 2017 £</i>
Depreciation of tangible fixed assets: - owned by the charitable group	58,246	50,107

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

During the year, no Trustees received any benefits in kind (2017 - £NIL).

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

12. Auditors' remuneration

	2018 £	<i>As restated 2017 £</i>
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	5,750	2,850
Fees payable to the charity's auditor and its associates in respect of:		
All other non-audit services not included above	2,000	-

**Notes to the financial statements
For the Year Ended 31 December 2018**

13. Staff costs

Staff costs were as follows:

	2018	<i>As restated</i>
	£	2017 £
Wages and salaries	446,973	411,585
Social security costs	32,552	28,455
Other pension costs	5,051	4,415
	484,576	444,455
	484,576	444,455

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

	2018	<i>2017</i>
	No.	No.
	28	28

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

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Group and Charity Cost				
At 1 January 2018	2,414,930	125,519	47,400	2,587,849
Additions	958,760	1,585	-	960,345
Disposals	(349,382)	(88,341)	(9,898)	(447,621)
At 31 December 2018	3,024,308	38,763	37,502	3,100,573
Depreciation				
At 1 January 2018	510,167	90,203	39,913	640,283
Charge for the year	53,567	3,302	1,377	58,246
On disposals	-	(73,283)	(7,917)	(81,200)
At 31 December 2018	563,734	20,222	33,373	617,329
Net book value				
At 31 December 2018	2,460,574	18,541	4,129	2,483,244
<i>At 31 December 2017</i>	<i>1,904,763</i>	<i>35,316</i>	<i>7,487</i>	<i>1,947,566</i>

Included in land and buildings is freehold land at valuation of £345,964 (2017 - £345,964) which is not depreciated.

A review of the fixed asset register has been carried out in the year and an adjustment made to agree the financial statements to the revised register. This is reflected in the disposal value of cost and depreciation in the table above.

**Notes to the financial statements
For the Year Ended 31 December 2018**

15. Fixed asset investments

	Listed securities £
Group	
Market value	
At 1 January 2018	7,619
Disposals	(4,034)
	3,585
At 31 December 2018	3,585

Group investments at market value comprise:

	2018 £	<i>As restated 2017 £</i>
Listed investments	3,585	7,620

All the fixed asset investments are held in the UK

	Listed securities £
Charity	
Market value	
At 1 January 2018	7,620
Disposals	(4,034)
	3,586
At 31 December 2018	3,586

Charity investments at market value comprise:

	2018 £	<i>2017 £</i>
Listed investments	3,586	7,621

All the fixed asset investments are held in the UK

16. Stocks

	Group		Charity	
	2018 £	<i>As restated 2017 £</i>	2018 £	<i>As restated 2017 £</i>
Finished goods and goods for resale	4,976	5,850	4,976	5,850

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Notes to the financial statements
For the Year Ended 31 December 2018**

17. Debtors

	Group		Charity	
	2018	<i>As restated</i> 2017	2018	<i>As restated</i> 2017
	£	£	£	£
Trade debtors	-	3,935	-	3,935
VAT	16,446	44,843	35,788	46,150
Other debtors	-	97,545	-	97,545
Prepayments and accrued income	-	18,941	-	18,941
	16,446	165,264	35,788	166,571

18. Creditors: Amounts falling due within one year

	Group		Charity	
	2018	<i>As restated</i> 2017	2018	<i>As restated</i> 2017
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	399	-	399	-
Trade creditors	111,786	30,933	111,787	30,933
Amounts owed to group undertakings	-	-	16,917	7,207
Other taxation and social security	9,453	6,398	9,453	6,398
Accruals and deferred income	17,094	16,439	5,700	9,337
	138,732	53,770	144,256	53,875

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2018			Transfers in/out	Balance at 31 December 2018
	<i>As restated</i> £	Income £	Expenditure £	£	£
Designated funds					
Designated Building Fund	513,171	-	(513,171)	-	-
General funds					
General Funds	2,879,154	526,734	(413,269)	6,700	2,999,319
Total Unrestricted funds	3,392,325	526,734	(926,440)	6,700	2,999,319

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

Notes to the financial statements For the Year Ended 31 December 2018

19. Statement of funds (continued)

Restricted funds

Cat Neutering Scheme	1,444	-	-	(1,444)	-
Veterinary Emergency Treatment	5,256	-	-	(5,256)	-
Cattery Equipment Fund	25,000	-	-	-	25,000
	<u>31,700</u>	<u>-</u>	<u>-</u>	<u>(6,700)</u>	<u>25,000</u>
Total of funds	<u>3,424,025</u>	<u>526,734</u>	<u>(926,440)</u>	<u>-</u>	<u>3,024,319</u>

Veterinary Emergency Treatment

Donations were received in 2012 for the purpose of enabling two young puppies 'Molly & Chuggs' to have eye operations. In subsequent years the restricted purpose has ceased to exist as Molly & Chuggs no longer require the particular treatment. The restriction has therefore been released by agreement of the Trustees and transferred to the Veterinary Emergency Treatment fund to be used for similar operations as and when required by the centre.

Cat Neutering Scheme

In 2012, a regional grant was received from RSPCA National Society towards the costs of the Cat Neutering Scheme. In addition funds were set aside for this purpose from the branch's general funds. The funds have been carried forward to set off against the expenses as they are incurred.

Designated Building Fund

General funds include £1,000,000 designated in 2016 for the building of the new cattery and the development of the administration and boarding areas within the animal centre site. During the year, expenditure of £381,110 has been undertaken on this project.

Cattery Equipment Fund

A grant was awarded to the centre during the year of £25,000 restricted for the use in the new cattery build and for the provision of equipment, fixtures and fittings. No expenditure has been made from the fund in the year.

Statement of funds - prior year

	<i>Balance at 1 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2017 As restated £</i>
Designated Building Fund	894,280	1	-	381,110	-	1,275,391
General funds						
General Funds	2,498,899	882,370	-	(381,110)	478	3,000,637

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Notes to the financial statements
For the Year Ended 31 December 2018**

19. Statement of funds (continued)

Restricted funds

Cat Neutering Scheme	1,444	-	-	-	-	1,444
Veterinary Emergency Treatment	4,741	515	-	-	-	5,256
Cattery Equipment Fund	-	25,000	-	-	-	25,000
	<u>6,185</u>	<u>25,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,700</u>
Total of funds	<u><u>3,399,364</u></u>	<u><u>907,886</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>478</u></u>	<u><u>4,307,728</u></u>

Summary of funds - current year

	Balance at 1 January 2018 <i>As restated</i> £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2018 £
Designated funds	513,171	-	(513,171)	-	-
General funds	2,879,154	526,734	(413,269)	6,700	2,999,319
	<u>3,392,325</u>	<u>526,734</u>	<u>(926,440)</u>	<u>6,700</u>	<u>2,999,319</u>
Restricted funds	31,700	-	-	(6,700)	25,000
	<u><u>3,424,025</u></u>	<u><u>526,734</u></u>	<u><u>(926,440)</u></u>	<u><u>-</u></u>	<u><u>3,024,319</u></u>

Summary of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 <i>As restated</i> £
Designated funds	894,280	1	-	381,110	-	1,275,391
General funds	2,498,899	882,370	-	(381,110)	478	3,000,637
	<u>3,393,179</u>	<u>882,371</u>	<u>-</u>	<u>-</u>	<u>478</u>	<u>4,276,028</u>
Restricted funds	6,185	25,515	-	-	-	31,700
	<u><u>3,399,364</u></u>	<u><u>907,886</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>478</u></u>	<u><u>4,307,728</u></u>

Royal Society For The Prevention of Cruelty To Animals Isle of Wight Branch

**Notes to the financial statements
For the Year Ended 31 December 2018**

20. 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	2,483,244	-	2,483,244
Fixed asset investments	3,585	-	3,585
Current assets	644,523	31,700	676,223
Creditors due within one year	(138,733)	-	(138,733)
Difference	6,700	(6,700)	-
	<u>2,999,319</u>	<u>25,000</u>	<u>3,024,319</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	1,947,566	-	1,947,566
Fixed asset investments	7,620	-	7,620
Current assets	1,490,909	31,700	1,522,609
Creditors due within one year	(53,770)	-	(53,770)
	<u>3,392,325</u>	<u>31,700</u>	<u>3,424,025</u>

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

	Group	Group
	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(399,706)	24,663
Adjustment for:		
Depreciation charges	58,246	50,107
Losses on investments	-	(478)
Dividends, interest and rents from investments	1,586	1,801
Profit on the sale of fixed assets	(35,482)	-
Decrease in stocks	874	1,749
Decrease in debtors	148,818	440,456
Increase in creditors	84,962	33,529
Write off of fixed assets	17,039	-
Net cash (used in)/provided by operating activities	<u>(123,663)</u>	<u>551,827</u>

**Notes to the financial statements
For the Year Ended 31 December 2018**

22. Analysis of cash and cash equivalents

	2018	Group
	£	2017
		£
Cash in hand	654,800	1,351,496
Total	654,800	1,351,496

23. Operating lease commitments

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

	2018	2017
	£	£
Group		
Amounts payable:		
Within 1 year	33,875	49,915
Between 1 and 5 years	67,000	127,030
Total	100,875	176,945

At 31 December 2018 the charity had annual commitments under non-cancellable operating leases as follows:

Charity		
Amounts payable:		
Within 1 year	33,875	49,915
Between 1 and 5 years	127,030	127,030
Total	160,905	176,945

24. Related party transactions

The branch is currently under Council Trusteeship meaning that the Royal Society for the Prevention of Cruelty to Animals (RSPCA) has the power to appoint and remove Trustees. The RSPCA is therefore deemed to be a related party.

Purchases of £22,066 were made from the RSPCA at the balance sheet date £708 was owed to the RSPCA.

Notes to the financial statements
For the Year Ended 31 December 2018

25. Principal subsidiaries

RSPCA Isle of Wight Trading Company Limited

Subsidiary name	RSPCA Isle of Wight Trading Company Limited
Company registration number	10251591
Basis of control	Shareholding
Equity shareholding %	100%
Total assets as at 31 December 2018	£ 30,737
Total liabilities as at 31 December 2018	£ 30,736
Total equity as at 31 December 2018	£ 1
Turnover for the year ended 31 December 2018	£ 73,003
Expenditure for the year ended 31 December 2018	£ 73,003
Result for the year ended 31 December 2018	£ -