

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Lott	
	Ms L Amies	(Appointed 14 December 2021)
	Ms G Dorman	(Appointed 14 December 2021)
	Ms N Light	(Appointed 14 December 2021)
	Ms B Davis	(Appointed 14 December 2021)
	Ms S Collier	(Appointed 14 December 2021)
	Ms C Pope	(Appointed 14 December 2021)
	Mr A Browning	(Appointed 14 December 2021)
	Mr C Lee	(Appointed 14 December 2021)
Charity number	205096	
Principal address	174 - 176 Ranvilles Lane Stubbington Fareham Hampshire PO14 3EZ	
Auditor	Leonard Gold Chartered Accountants Statutory Auditor 24 Landport Terrace Portsmouth Hampshire England PO1 2RG	
Bankers	Barclays Bank Plc 67-69 West Street Fareham Hampshire PO16 OAT	
	Lloyds Bank Plc 272 London Road Waterlooville Hampshire PO7 7HN	

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

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

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

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

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Legal Constitution

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

Objectives and activities

Objectives and aims

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

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

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

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Public benefit

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

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

We rehome animals in need at low cost to people willing and able to have a companion animal. Whilst we recognise that companion animals provide measurable benefits to people's physical and mental health, we consider the provision of pets as subsidiary to the main charitable aim of this branch 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 take in free of charge lost animals and take reasonable steps to reunite them with owners. This work benefits our local community (including local authorities) by preventing animals straying and posing a risk to themselves and to people through road traffic accidents.

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

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

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

In July 2020 the Charity Commission granted a Certificate of Incorporation of the Trustees of the Charity

A Branch Manager is employed to oversee the whole operation of the Branch. The Branch Manager build upon the success of the Branch and has overseen the impacts and effects of Covid on the Branch and staff and has guided the Branch out of the negative impact of Covid. The Branch Manager will continue to develop the Branch with the aim for the Branch to achieve sustainability going forward and for the Animal Centre to become a Centre of Excellence.

In 2021 the Branch continue to be affected by Covid but took in 1190 animals including and dogs, cats, rabbits and 274 miscellaneous wildlife and some stock animals.

Although activities were severely restricted by Covid, when permitted, the Branch continued to network animals to other local RSPCA branches. The Branch also took in case animals (pending cruelty prosecutions) and worked with the Inspectorate to accommodate animals from other areas.

Covid had a significant negative impact on income from the Branch shops as it was necessary to close the shops as per the Government's lockdown requirements.

In between lockdowns, the Branch was able to hold a very successful summer fete which was opened by Fred Dinage, a local television personality and Patron of the Branch. As well as raising much needed funds the fete helped raise the profile of the Branch.

Prior to Christmas the Branch held an indoor winter fete which again was a success and both fetes will be repeated in 2022.

The Branch continues to review its finances and services to ensure its sustainability for the future and to maximise its animal welfare objectives. The Trustees and management team work on a strategic plan, budgets and are actively trying to increase income generation.

The Branch relies on its dedicated group of volunteers and supporters who work tirelessly in the Branch Animal Centre, shops and fundraising activities although this was severely restricted by Covid requirements

Throughout the year, staff and volunteers worked hard to treat, rehabilitate and rehome domestic animals or release wild animals that came into the Branch care. This meant providing proper veterinary treatment and care to prepare them for rehoming or release and working to find suitable homes to meet the needs of the domestic animals.

Financial review

Reserves policy

The Branch Reserves Policy is to have sufficient funds in reserve with the aim to run the Branch for twelve months at current levels in the event all legacies cease. The Branch currently has funds, which are freely available for general purposes and are uncommitted, to fulfill this policy, equivalent to the total prior year legacies and this will be reviewed annually.

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

However, the Trustees are aware that the reserves policy is not currently being achieved without the receipt of legacies. The ongoing cost cutting programme that has continued into 2020 along with an increased emphasis on income generation aims to redress the balance going forward and create a substantial model for the future, including sufficient reserves to meet the policy.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal funding source

Approximately 50% of current Branch funding comes from legacies and the remaining from donations by the general public and fundraising activities such as fetes and open days and from business activities i.e. adoption fees, shop income and commercial boarding. The Branch does not receive any general funding from other sources.

Investment policy and objectives

The Branch investment policy is to only hold investments in secure low risk funds and always seek the advice of financial advisers.

Plans for future periods

Covid continued to cause disruption during 2021 especially with its charity shops being closed due to lockdown for part of the year. Limited fundraising took place albeit the Branch were able to run a summer and winter fete which brought funds and recognition, and adoptions started to increase towards the end of 2021.

It is hoped, during 2022, the after-effects of Covid will continue to diminish and allow the Branch to return to more normality and able to carry out its plans during 2022.

The fundraising plans for 2022 include the launch of an annual fundraising week as well as summer and winter fairs and other events.

In 2021 the Branch ventured into online sales of donated items which is hoped will develop and increase income.

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

The Branch is reviewing its retail program and exploring increasing its charity shops and searches of the Branch area to find suitable premises are being explored.

The Branch planned to build a new cattery in the second half of 2021, unfortunately this was delayed due to the Covid situation, but it is intended to start and complete the build by winter of 2022. The new cattery will provide a modern state of the art facility for the cats in the Branch's care.

The Trustees are in the process of setting up a Trading Company to expand the Branch's commercial boarding activities to raise more funds for animal welfare and it should be in place during the summer.

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

In December the Branch returned to local Trustee control recruiting nine Trustees of high caliber.

Structure, governance and management

Governing document

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

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr M Tomlinson	(Resigned 14 December 2021)
Mr P Baxter	(Resigned 14 December 2021)
Mr D Lott	
Ms L Amies	(Appointed 14 December 2021)
Ms G Dorman	(Appointed 14 December 2021)
Ms N Light	(Appointed 14 December 2021)
Ms B Davis	(Appointed 14 December 2021)
Ms S Collier	(Appointed 14 December 2021)
Ms C Pope	(Appointed 14 December 2021)
Mr A Browning	(Appointed 14 December 2021)
Mr C Lee	(Appointed 14 December 2021)

Recruitment and appointment of new trustees

A committee of Trustees is elected at the Annual General Meeting. Trustees are recruited from existing members, supporters and by advertising on the Society's website and using volunteer recruitment websites

Working names

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

Organisational structure

The Trustees hold formal Trustee meetings every two months where decisions are taken and minuted.

Day-to-day operation of the Branch is delegated to the Branch Manager who is assisted by the Animal Centre Manager and Business and Income Generation Manager.

The Branch works with the National Society headquarters staff and other RSPCA Branches in its day-to-day work and regularly liaises with other animal charities and Local Authorities.

Induction and training of new trustees

On becoming a Trustee, the Society provides an information pack, and makes a training course available.

Where appropriate, mentoring by an established Trustee is also used for inducting and training new Trustees.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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
d) Dual authorisation on-line banking |
| 2) Health and Safety | a) Documented policies at each site
b) Annual insurance maintained |
| 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 |

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

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

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

Auditor

In accordance with the company's articles, a resolution proposing that Leonard Gold Chartered Accountants be reappointed as auditor of the company will be put at a General Meeting.

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

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Patrons

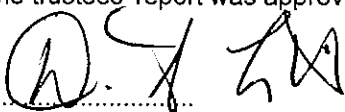
Mr F Dinenage MBE

Mr F Benali MBE

Disclosure of information to auditor

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

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



Mr D Lott

Trustee



Mr C Lee

Trustee

Date: 21-June-2022

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

INDEPENDENT AUDITOR'S REPORT

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

Disclaimer of opinion

We were engaged to audit the financial statements of The royal society for the prevention of cruelty to animals solent branch (the 'RSPCA Solent Branch') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our qualified opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for disclaimer of 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the RSPCA Solent Branch in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

We have not been able to satisfy ourselves as to the completeness of the legacy income within the total income figure. This is because sufficient appropriate audit evidence was not available. In all other aspects we have been able to satisfy ourselves as to the income being recorded correctly.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the RSPCA Solent Branch's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

Arising from the limitation on our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether sufficient accounting records had been maintained.

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the financial statements are not in agreement with the accounting records.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 RSPCA Solent Branch'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Identifying potential risks related to irregularities

We obtained an understanding of the laws and regulations that are applicable to the charity and determined those which could reasonably be expected:

- To have a direct effect on the determination of material amounts and disclosures in the financial statements. We determined that the most significant were the Charities Statement of Recommended Practice (FRS102); and
- To not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or avoid a material penalty. We determined that the most significant were health and safety, and employment law.
- We enquired to management as to their own assessment of risks in relation to fraud and irregularities and the internal controls they may have in place to mitigate the risks of fraud or non-compliance with laws and regulations;
- We evaluated management's incentives and opportunity for fraudulent manipulation of the financial statements (including the risk of override of controls). Also, evaluated if there is an increased risk of fraud arising due to the potential impact of COVID-19 on the activities of the charitable company and the reporting thereon.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Audit approach to risks identified

- We reviewed how the charity is complying with laws and regulations by making enquiries to management and senior employees. This was corroborated by review of correspondence received from regulatory bodies;
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with the Charities Act and accounting standards;
- We enquired to management concerning any actual or potential litigation and claims;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud or non compliance;
- We enquired whether management had any knowledge of any actual, suspected, or alleged fraud;
- We tested the appropriateness of journal entries and other adjustments to assess whether the judgements made in making accounting estimates are indicative of a potential bias. This included assessing the business rational of any significant transactions that are unusual or outside the normal course of business;
- We communicated the risks identified and the audit approach to be taken to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. There are inherent limitations in the audit procedures described above.

The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Use of our report

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



Leonard Gold Chartered Accountants

23 June 2022

**Chartered Accountants
Statutory Auditor**

24 Landport Terrace
Portsmouth
Hampshire
England
PO1 2RG

Leonard Gold Chartered Accountants is eligible for appointment as auditor of the RSPCA Solent Branch by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
Income from:						
Donations and legacies	2	1,354,513	-	1,354,513	668,208	668,208
Charitable activities	3	122,135	-	122,135	113,631	113,631
Other trading activities	4	319,921	70,249	390,170	298,330	462,926
Investments	5	37,347	-	37,347	43,436	43,436
Total income		1,833,916	70,249	1,904,165	1,123,605	1,288,201
Expenditure on:						
Raising funds	6	3,087	-	3,087	2,107	2,107
Charitable activities	7	990,268	787	991,055	903,376	926,222
Other	11	13,097	-	13,097	-	-
Total expenditure		1,006,452	787	1,007,239	905,483	928,329
Net income for the year/ Net movement in funds		827,464	69,462	896,926	218,122	359,872
Fund balances at 1 January 2021		3,469,041	191,267	3,660,308	3,250,919	3,300,436
Fund balances at 31 December 2021		4,296,505	260,729	4,557,234	3,469,041	3,660,308

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

All income and expenditure derive from continuing activities.

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

BALANCE SHEET

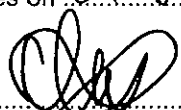
AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	1,812,546		1,796,824	
Investments	13	-		5,412	
		<u>1,812,546</u>		<u>1,802,236</u>	
Current assets					
Stocks	14	11,403		11,159	
Debtors	15	980,594		418,306	
Cash at bank and in hand		1,790,972		1,475,769	
		<u>2,782,969</u>		<u>1,905,234</u>	
Creditors: amounts falling due within one year	16	(38,281)		(47,162)	
Net current assets		<u>2,744,688</u>		<u>1,858,072</u>	
Total assets less current liabilities		<u>4,557,234</u>		<u>3,660,308</u>	
Income funds					
Restricted funds	17	260,729		191,267	
<u>Unrestricted funds</u>					
Designated funds	18	260,823		260,823	
General unrestricted funds		4,035,682		3,208,218	
		<u>4,296,505</u>		<u>3,469,041</u>	
		<u>4,557,234</u>		<u>3,660,308</u>	

The financial statements were approved by the Trustees on 21 June 2022



Mr D Lott
Trustee



Mr C Lee
Trustee

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	22		322,047		444,730
Investing activities					
Purchase of tangible fixed assets		(49,603)		(6,820)	
Proceeds on disposal of investments		5,412		36,558	
Investment income received		37,347		43,436	
Net cash (used in)/generated from investing activities			(6,844)		73,174
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			315,203		517,904
Cash and cash equivalents at beginning of year			1,475,769		957,865
Cash and cash equivalents at end of year			1,790,972		1,475,769

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

1.1 Accounting convention

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

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

1.2 Charitable funds

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

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

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

1.3 Income

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

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

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

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

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

Rents received are measured on an accrual basis.

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

No costs were apportioned during the year.

1.5 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	not depreciated
Buildings	straight line over 100 years
Plant and equipment	15% on reducing balance
Building under construction	not depreciated
Motor vehicles	25% on reducing balance

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

Investments are included at cost less impairment.

1.6 Fixed asset investments

Investments are included at cost less impairment.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Donated stocks is valued at the expected proceeds less the expected cost of sales in accordance with SORP (FRS 102).

1.8 Taxation

The charity is exempt from tax on its charitable activities.

1.9 Retirement benefits

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Irrecoverable VAT

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

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	138,969	110,123
Legacies receivable	1,127,415	411,018
Government grants	62,645	102,334
Other	25,484	44,733
	<u>1,354,513</u>	<u>668,208</u>

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

3 Charitable activities

	Animal Welfare	Animal Welfare
	2021	2020
	£	£
Animal adoptions	22,071	28,201
Boarding fees and police fees	86,960	72,513
Vet fees	13,104	12,917
	<u>122,135</u>	<u>113,631</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Other trading activities

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Fundraising events	51,079	70,249	121,328	97,918	164,596	262,514
Shop income	268,842	-	268,842	200,412	-	200,412
Other trading activities	319,921	70,249	390,170	298,330	164,596	462,926

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Rental income	37,075	40,573
Income from unlisted investments	120	2,467
Interest receivable	152	396
	37,347	43,436

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>	3,087	2,107
Other fundraising costs	3,087	2,107

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	Animal Welfare 2021 £	Animal Welfare 2020 £
Staff costs	570,444	543,892
Depreciation and impairment	20,784	24,478
Veterinary fees and drugs	105,040	118,064
Food	5,424	6,202
Rent, rates, water and power	127,375	129,304
Insurance	5,078	4,162
Stationery, postage and telephone	7,276	8,645
Motor expenses and travel	4,902	5,065
Maintenance and repairs	63,131	26,527
Refuse collection	17,403	19,891
Cleaning	8,219	8,267
Clothing	1,491	621
Miscellaneous	4,184	7,644
Partial exemption adjustment	34,804	21,440
Staff fundraising costs	862	367
Profit on disposal of assets	(7,836)	(36,421)
Bad debts written off	500	-
	<u>969,081</u>	<u>888,148</u>
Share of support costs (see note 8)	4,671	4,219
Share of governance costs (see note 8)	17,303	33,855
	<u>991,055</u>	<u>926,222</u>
Analysis by fund		
Unrestricted funds	990,268	903,376
Restricted funds	787	22,846
	<u>991,055</u>	<u>926,222</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Animal welfare	4,671	-	4,671	4,219	-	4,219
Audit fees	-	7,950	7,950	-	6,980	6,980
Legal and professional	-	9,353	9,353	-	26,875	26,875
	<u>4,671</u>	<u>17,303</u>	<u>21,974</u>	<u>4,219</u>	<u>33,855</u>	<u>38,074</u>
Analysed between Charitable activities	<u>4,671</u>	<u>17,303</u>	<u>21,974</u>	<u>4,219</u>	<u>33,855</u>	<u>38,074</u>

Governance costs includes payments to the auditors of £7,950 (2020- £6,980) for audit fees.

9 Trustees

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

There were no trustees' expenses paid for year ended 31 December 2021 nor for the year ended 31 December 2020.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>33</u>	<u>34</u>
Employment costs	2021 £	2020 £
Wages and salaries	538,495	508,191
Social security costs	22,428	27,051
Other pension costs	9,521	8,650
	<u>570,444</u>	<u>543,892</u>

Defined contribution pension

Amount charged to the SOFA as an expense in the year £9,521 (2020 £8,650).

There were no employees whose annual remuneration was more than £60,000.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Other

	Unrestricted funds	Total
	2021	£ 2020
Net loss on disposal of tangible fixed assets	13,097	-
	<u>13,097</u>	<u>-</u>

12 Tangible fixed assets

	Freehold land	Building under construction	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	1,748,050	-	373,855	14,060	2,135,965
Additions	-	48,606	997	-	49,603
Disposals	-	-	(98,293)	-	(98,293)
At 31 December 2021	<u>1,748,050</u>	<u>48,606</u>	<u>276,559</u>	<u>14,060</u>	<u>2,087,275</u>
Depreciation and impairment					
At 1 January 2021	43,600	-	282,101	13,440	339,141
Depreciation charged in the year	8,706	-	11,922	156	20,784
Eliminated in respect of disposals	-	-	(85,196)	-	(85,196)
At 31 December 2021	<u>52,306</u>	<u>-</u>	<u>208,827</u>	<u>13,596</u>	<u>274,729</u>
Carrying amount					
At 31 December 2021	<u>1,695,744</u>	<u>48,606</u>	<u>67,732</u>	<u>464</u>	<u>1,812,546</u>
At 31 December 2020	<u>1,704,451</u>	<u>-</u>	<u>91,754</u>	<u>620</u>	<u>1,796,824</u>

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2021	5,412
Disposals	(5,412)
	<hr/>
At 31 December 2021	-
	<hr/>
Carrying amount	
At 31 December 2021	-
	<hr/>
At 31 December 2020	5,412
	<hr/>

14 Stocks

	2021 £	2020 £
Finished goods and goods for resale	11,403	11,159
	<hr/>	<hr/>

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	2,215	5,407
Other debtors	966,398	395,862
Prepayments and accrued income	11,981	17,037
	<hr/>	<hr/>
	980,594	418,306
	<hr/>	<hr/>

There were no debtors due after more than one year.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	8,749	7,741
Trade creditors	19,091	11,573
Accruals and deferred income	10,441	27,848
	<u>38,281</u>	<u>47,162</u>

There were no creditors due after more than one year.

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Incoming resources	Balance at January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£
Accumulated shelter fund	-	11,820	-	-	11,820
Pond fund	-	13,137	-	(64)	13,073
Case dog fund	-	3,778	-	-	3,778
F block fund	-	8,793	-	(723)	8,070
Cattery fund	-	153,739	70,249	-	223,988
	<u>-</u>	<u>191,267</u>	<u>70,249</u>	<u>(787)</u>	<u>260,729</u>

Pond Fund

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

Case Dog, A Block, Dog and B Block funds

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

Maintenance Fund

The fund has been created for general maintenance needed at the Stubbington Ark.

Cattery Fund

A Cattery Fund has been created to fund the removal of the condemned existing cattery and the building of a new replacement cattery. The fund consists of two elements; restricted fund and designated fund. The restricted fund is funding raised specifically for the Cattery and restricted to that use only. The designated funds are funds transferred from the Charity's General Fund and designated to fund any shortfall in the funding of the cattery where the restricted fund is insufficient. Any monies not used from the designated fund for the cattery will be returned to the General Fund for all and any use of the Charity.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Designated funds

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

	Movement in funds			Movement in funds		
	Balance at 1 January 2020	Incoming resources	Transfers	Balance at 1 January 2021	Incoming resources	Balance at 31 December 2021
	£	£	£	£	£	£
Maintenance fund	100,000	-	-	100,000	-	100,000
Cattery fund	-	60,823	100,000	160,823	-	160,823
	<u>100,000</u>	<u>60,823</u>	<u>100,000</u>	<u>260,823</u>	<u>-</u>	<u>260,823</u>

19 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	1,812,546	-	1,812,546	1,796,824	-	1,796,824
Investments	-	-	-	5,412	-	5,412
Current assets/ (liabilities)	<u>2,483,959</u>	<u>260,729</u>	<u>2,744,688</u>	<u>1,666,805</u>	<u>191,267</u>	<u>1,858,072</u>
	<u>4,296,505</u>	<u>260,729</u>	<u>4,557,234</u>	<u>3,469,041</u>	<u>191,267</u>	<u>3,660,308</u>

20 Operating lease commitments

	2021 £	2020 £
Within one year	54,167	56,682
Between two and five years	175,000	185,417
In over five years	83,854	127,604
	<u>313,021</u>	<u>369,703</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

22 Cash generated from operations	2021 £	2020 £
Surplus for the year	896,926	359,872
Adjustments for:		
Investment income recognised in statement of financial activities	(37,347)	(43,436)
Loss on disposal of tangible fixed assets	13,097	-
Depreciation and impairment of tangible fixed assets	20,784	24,478
Movements in working capital:		
(Increase) in stocks	(244)	(4,492)
(Increase)/decrease in debtors	(562,288)	97,014
(Decrease)/increase in creditors	(8,881)	11,294
Cash generated from operations	322,047	444,730
23 Analysis of changes in net funds		
The RSPCA Solent Branch had no debt during the year.		