

Registered Charity Number: 205594

RSPCA Bath & District

Report and financial statements

For the year ended 31 December 2022

Contents

For the year ended 31 December 2022

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	21
Statement of financial activities (incorporating an income and expenditure account)	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29

Reference and Administrative Information

For the year ended 31 December 2022

Charity number	205594
Country of registration	England & Wales
Registered office and operational address:	Bath Cats & Dogs Home Claverton Down BATH BA2 7AZ

Trustees

Trustees who served during the year and up to the date of this report were as follows:

Ms D Gogarty – Chair of Trustees
Ms S Perrott – Treasurer
Ms L Thayer
Ms V Dejonckheere
Ms V Smith
Ms S O'Neill
Mr N Thayer (Resigned 20 June 2022)
Miss C Stephens (Resigned 20 June 2022)
Ms S Scott-Curtis (Resigned 14 March 2022) *

*Elected Senior Independent Advisor to the Board from 14 March 2022

Senior Leadership Team

Rachel Jones	Chief Executive
Sara Gallagher FCCA FMAAT	Head of Finance
Angela Chapman	Head of People & Facilities
Julie Stone	Head of Animal Operations
Catherine Wright	Head of Fundraising & Trading (Until 8 Nov 2022)
Nathan Fuller	Head of Fundraising & Trading (from 16 Jan 2023)

Auditor

RSPCA Bath & District Branch

Reference and Administrative Information

For the year ended 31 December 2022

Sayer Vincent LLP
Chartered Accountants & Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Bankers

Barclays Bank PLC
4-5 Southgate St
BATH
BA1 1AQ

Lloyds TSB
47 Milsom Street
BATH
BA1 1DN

Chair of Trustees Statement

After the virtual earthquake of the pandemic, we at Bath Cats and Dogs Home were hoping for a steadier year in 2022, one in which we could devote more time to developing our strategic ambitions; but the virtual aftershocks, including the cost-of-living crisis hit us (like most charities) with an exponential force. Steep increases in electricity and gas prices simply had to be leant into – when you are caring for hundreds of animals, you can't just throw on another blanket!

Likewise, the rising number of troubled animals arriving at our doors provided a stark reminder of the undiminishing need for our work. Whether it was lack of socialisation or challenging medical issues that owners felt unable to support, our team was faced with a steady flow of cases that required compassionate, in-depth, and considered rehabilitation care plans.

Throughout this time, our small but energetic fundraising and trading team has kept the spotlight fixed firmly on the fuel that keeps the virtual engines running. Through their concerted efforts, the bounty of great legacies – supplemented by a whole-team ethic to make every penny count – we ended the year in sufficiently robust financial shape to face into the challenges 2023 will no doubt reveal.

As part of our focus on improving governance and ensuring we ourselves are in good shape, in 2022, the Trustees assessed their alignment with the seven principles of the Charity Governance Code. This work, overseen by the newly established Governance subcommittee, provided many useful insights that we will continue to build on. We also ran a very successful recruitment campaign that netted us six potential new Trustees. Each new person bringing valuable skills and experience to the Board table, enhancing the diversity of the existing team.

On behalf of the Trustee Board, I would like to thank Rachel, our amazing CEO, her wonderful leadership team, every single member of Bath Cats and Dogs' Home team and all our volunteers – without whom none of what was achieved in 2022 would ever have been possible.

Deborah Gogarty

Chair of Trustees

Chief Executive's Report

Thanks to our dedicated team of employees and volunteers Bath Cats & Dogs Home (BCDH) had another successful year in terms of positive impact on animal welfare, alongside providing a safe expert environment at the centre to rescue, rehabilitate and rehome cats and dogs in need.

The cost-of-living crisis dominated 2022, and hand in hand with the increased rise in pet ownership on the back of the pandemic, demand hugely increased for us to take in pets that could no longer be cared for. We also saw a significant rise in the number of pets coming into our care that needed urgent medical treatment. All of which increased financial demand on our services.

In 2022 we took in via the RSPCA network, as handovers and as strays, 788 cats and dogs and successfully found loving new homes for 600. We also happily reunited 137 lost pets with their owners.

In 2022 we were finally able to push forward with our Education and Outreach work. We know that alongside our work at the rescue centre, early intervention and prevention is key to keeping cats and dogs in loving homes where possible.

An Education and Outreach Manager was employed to explore how we could better support vulnerable pet owners and we were pleased to launch a modest emergency financial veterinary fund to support those eligible pet owners struggling with vet bills. This fund also allows us to have responsible conversations and help owners to make good choices for their pets. This runs in conjunction with our Together Project, tirelessly run by volunteer vets and nurses, and which provides free preventative veterinary care to the most vulnerable pet owners in Bath.

Our education work also got under way to popular demand. We were grateful to other branches and the National Society's Education team for supporting us with establishing an effective programme, that will help children and young people improve the lives of their current family pets and ensure future commitment to being great pet owners.

Thank you to our expert team, our inspirational volunteers and our kind supporters who work tirelessly to rescue, rehabilitate, and rehome cats and dogs in need and to make sure all pets in our area are well cared for.

Rachel Jones

Chief Executive

The trustees present their report and the audited financial statements for the year ended 31 December 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and Aims

The RSPCA Bath and District Branch (Bath Cats & Dogs Home) is committed to the welfare of companion animals; to rescue, rehabilitate and re-home pets who are unwanted and far too often neglected or mistreated; to ensure animal welfare in our geographical area and to promote responsible pet ownership through education.

In addition, the Branch promotes the work and objects of the Society – to promote kindness and to prevent or suppress cruelty to animals by all lawful means – with reference to the area of the Branch, in accordance with the policies of the Society.

The trustees review the aims, objectives, and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Advancement of Animal Welfare

Under the Charities Act 2011, the advancement of animal welfare is recognised as a distinct statutory charitable purpose. This legislation, the Animal Welfare Act of 2006 and more recently the Animal Welfare (Sentience) Act 2022 indicate an acceptance by society at large that treating living creatures with compassion has a moral benefit for the public.

Whilst this public benefit is clear, it is sometimes difficult to quantify and must be balanced against any detriment. The animal welfare work undertaken by the branch, although local in nature, benefits society at large and aims to help people in need with the care of their animals.

The next section of this report highlights the main activities of the branch and demonstrates the benefit provided to the public. All our charitable activities, as described in more detail in the following pages of this report, focus on promoting kindness and preventing or suppressing cruelty to animals and are undertaken to further these purposes for the public benefit.

Charitable Activities Pursued for the Public Benefit

We support local RSPCA inspectors by taking in mistreated or abandoned animals, including pets whose owners suffer ill health, financial difficulties, or pass away. During 2022 we took in 788 animals from members of the public, other rescue centres, dog wardens and RSPCA inspectors. No matter their background we work to give each the best chance of finding a new home, providing behaviour training and rehabilitation where needed. We were also able to reunite 137 lost pets with their families.

Our open intake policy is becoming increasingly rare within the animal rescue sector and through this policy we remain committed to taking in all animals in need, but this does pose increased challenges for rehabilitation and responsible rehoming.

Animals in our care receive veterinary treatment, vaccination, neutering, micro-chipping, and general health checks through our veterinary suite. In addition, many animals come to us needing lifesaving and/or complex surgery which is either carried out on site in our veterinary suite or, if requiring referral veterinary surgeons, off site at the Bath Vets' Rosemary Lodge hospital.

Some pets are rehomed under our Assisted Adoption scheme, with the understanding that we continue to help with veterinary care for ongoing conditions. This means that animals can be in a home environment and bonding with their new family whilst receiving the veterinary care that they need. Some are just post-operative check-ups, others need long term palliative care, giving animals a chance of a comfortable few final months.

Our policy to request a reasonable adoption donation for animals that we rehome aims to highlight the ongoing personal and financial commitment of pet ownership. It would not be in the best interests of the animals, and would therefore be outside of our objects, to rehome to those who are unable or unwilling to meet the financial commitment that comes with owning a pet.

We take in lost animals and take steps to reunite them with their owners. We make every effort to find the owners of the stray dogs and cats that come to us and in 2022 we reunited 24 cats and 113 dogs with their owners. Sadly, those we are unable to reunite often appear to have been abandoned rather than lost.

The charity's main activities and who it tries to help are described below. All its charitable activities focus on animals (principally cats and dogs) and are undertaken to further the RSPCA Bath & District Branch's charitable purposes for the public benefit.

In addition to strays the Home also supports members of the public when they can no longer cope and need to hand over their pets. Most of the time these owners find themselves in a situation where they can no longer care for their pet – financial reasons, a change of job, ill health or behaviour of the pet are the most common reasons.

Outside of the rescue centre Bath Cats and Dogs Home continues to fund the Together Project, offering free veterinary care to vulnerable pet owners (those eligible are either homeless or in receipt of personal independence payments). The project involves local vets and vet nurses donating their time to run fortnightly vet clinics for the pets of vulnerable persons, providing routine intervention such as flea and worm treatments, vaccinations, and advising on good animal welfare. Non-routine treatment is also provided free of charge via our on-site vet suite and in an emergency, at the neighbouring 24-hour veterinary hospital.

We continue to help low-income households by providing low-cost neutering at the Home's on-site veterinary suite. We also provide one-off emergency financial assistance for those struggling to pay vet bills to avoid animals unnecessarily coming into our rescue centre.

Finally, we also provide volunteering opportunities for those who wish to support our work including Trusteeship, fostering, and fundraising as well as animal care, helping in our charity shops and undertaking general volunteering duties on site. This benefits local people and companies by providing the possibility of undertaking voluntary work which is both compassionate and rewarding.

Achievements and performance (see also Chair of Trustees' Statement and Chief Executive's Statement)

The charity's main activities and who it tries to help are described below. All its charitable activities focus on animal welfare and are undertaken to further RSPCA Bath & District Branch's charitable purposes for the public benefit.

Our re-homing numbers for 2022 in comparison with 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Dogs Rehomed:	233	159
Cats Rehomed:	367	331
TOTALS	<u>600</u>	<u>490</u>

The impact of the Covid 19 pandemic and the cost-of-living crisis continues to affect our ability to rehome, with many of the animals that were acquired during the pandemic coming into us needing longer rehabilitation times for both behavioural and veterinary reasons.

Beneficiaries of our Services

The activities of the Branch currently focus on the rehoming centre at Bath Cats and Dogs Home alongside the established community projects. We aim to give equal weight to the work in our communities alongside that of the centre to achieve the greatest outcomes for animal welfare.

Financial Review

As in previous years, the underlying strength of the branch continues to be fully attributable to its dedicated staff, Trustees, volunteers, trust, and business supporters. The contribution made by this community underpins all our charitable activities and allows us to continue with our vital welfare work.

With 76 full and part time staff and continued animal intake throughout 2022, the financial challenge that we face to raise income in the region of £2.2 million to balance our outgoings is a daunting one in any normal year let alone one in which we saw rapidly rising inflation, impacting on our running costs and meaning less spare cash available for consumers to donate to the charity sector. We were once again fortunate that generous legacy giving continued to support our incoming funds with circa £1.547 million. This meant that, despite the many challenges faced, Bath Cats and Dogs Home was able to maintain financial stability through careful financial management and thanks to its generous supporters. We were therefore able to ensure the Branch met all its animal care commitments and end the year with an accounting surplus.

However, despite ending the year with an accounting surplus, we remain mindful that our reserves are vital. This was clearly demonstrated throughout 2022 which saw the highest inflation figures for many years and economic turmoil. We also have known capital projects which will once again prove our reserves essential in 2023. The cost of the new roof which is

urgently needed for our main office/adoption building (having been postponed during the pandemic) along with important improvements to the main building including our veterinary suite to ensure we can continue to provide a high standard of care to the animals that we take in, has risen significantly because of inflation and supply pressures for materials. The same supply pressures have also impacted the cost of veterinary drugs and consumables meaning the cost of running our vet suite is also increasing significantly.

During 2022 the total branch income (consolidated, restricted plus unrestricted) was £2.5 million compared with our outgoings of £2.2 million (before net losses on investment assets are factored in), giving an accounting net surplus of £222,367.

Our total (consolidated) expenditure of £2,248,391 represents a year-on-year increase of 6%. As with other charities and businesses, we face annual increases in the National Living Wage with the resulting increases in workplace pension and employers NI costs adding to our staff cost base along with year-on-year increases in other costs such as energy, waste disposal and veterinary services and consumables.

We continue to evaluate and manage our annual expenditure levels whilst still ensuring we meet our set charitable objectives thanks to careful financial management and robust purchasing policies.

During 2022, approximately 80.4 pence of every £1 spent (consolidated financial statements) was on delivering our charitable objectives, compared with approximately 79.4 pence of every £1 spent in 2021 (re-stated for 2021 consolidated figures).

Investments

Under the RSPCA Rules for Branches the branch may deposit or invest funds in any manner but may only invest after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification.

The branch actively abides by these rules and our portfolio remains a multi-asset, risk adjusted portfolio which has been ethically screened in accordance with our investment policy, which excludes investment in companies who undertake testing on animals or the sale of arms, and actively seeks to invest in companies with good environmental credentials. 2022 saw significant volatility for equity investments due to global events and continued economic uncertainty. As a result of this we saw an investment loss of £ (44,092) based on the value of our portfolio as at 31/12/22, however our investment objective remains longer term capital growth and with this in mind our fund managers will continue to invest in assets which are expected to appreciate in value over time. Whilst income may be received through holding these investments it is not our primary objective and will constitute a minor part of the return.

At the end of 2022, our investment portfolio represented approximately 2.09 months' worth of operating reserves and accounted for approximately 13% of our total reserves (net current assets + investments, consolidated statement of financial position).

Principal Risks and Uncertainties

The Trustees have considered the major risks to which the charity is exposed and have taken steps to mitigate them including a Finance, Audit & Risk Committee which will continue to consider and review major risks and report on them to the Board. Examples of these are:

- Financial sustainability – this is the major financial risk for both the charity and its subsidiary trading company. Both the charity and the trading company have a robust financial management function and internal financial controls. Future plans include developing additional income streams and maintaining a diverse income base to ensure long term financial stability and sustainability. The charity also operates a strong reserves policy (see later in this report).
- Fraud – the charity is working hard to establish a robust anti-fraud culture and increasing fraud awareness alongside implementation of effective internal controls. Fraud risks are listed in the risk register, which is reviewed regularly by the Finance, Audit & Risk Committee and in turn, by the Trustee Board. The charity has an anti-fraud policy and a whistleblowing policy both of which form part of its fraud prevention measures.
- Non-financial risks – e.g., arising from fire, health and safety of staff, adopters, volunteers, and visitors. These risks are considered and reviewed regularly by the senior leadership team and the Trustees and appropriate insurance is in place to protect property, buildings, employment, and public liability.
- Compliance risks – arising from non-compliance with statutory legislation and licensing requirements. The Trustees and senior leadership team are all aware of their statutory and legal responsibilities and regularly attend training and instructional seminars. The annual licensing requirements are regularly revisited and reviewed to ensure compliance with both RSPCA Licensing Standards, the Royal College of Veterinary Surgeons, and the Veterinary Medicines Directorate.

Reserves Policy and Going Concern

Reserves Policy

Reserves are needed to bridge the potential gap between the spending and receiving of resources and to cover unplanned emergency repairs and other expenditure including future capital building projects. We currently have two key measures in place to monitor the ongoing financial health of the branch finances. These are: –

- a) A measure of our immediate liquid assets, primarily cash in bank, as a ratio of our typical monthly outgoings. We set a desired level of 6–8 months expenditure coverage (currently approx. £1.171 million to £1.561 million). If we were to experience a major decline in income due to circumstances beyond our control, these reserves will enable us to continue to operate on a business-as-usual basis whilst we adapt to and overcome such challenges.
- b) A measure of all our liquid assets including cash in bank, notified legacies (where it is possible to apply a valuation to the expected income) and our investment portfolio as a ratio of our monthly outgoings. We set a desired level of 12–18 months coverage (currently approx. £2.342 million to £3.122 million).

At the end of 2022 our free cash reserves (net current assets of 2,335,725 + investments of 359,165 less restricted funds of 5,700 carried forward, consolidated statement of financial position) totalled £2,689,190 which equated to 16.5 months operating expenditure and sits within our stated overall liquid assets measure of 12–18 months expenditure coverage. As at the end of 2021 Trustees had agreed to informally designate approximately £450k of free reserves towards the urgently needed roof replacement to the main building which were scheduled to take place in the year ending December 2022, but which will now happen in 2023/2024 and this informal designation has been carried forward.

The purpose of the above measures is to provide early warning of any future financial challenges so that we have the time to take considered, corrective action. They also help us to release funds to support future capital rebuilding projects in a prudent manner.

We regularly compare our reserves policy with benchmarked charities of similar size/operation and in line with Charity Commission guidance we continually review our policy against the level of reserves held throughout the year to ensure it remains in the charity's best interest. In 2022 we also considered the inflationary pressures on the national and global economy and in particular, energy prices, which were emerging towards the end of the year/early 2023.

Going Concern

The branch believes its use of the going concern status for the preparation of its 2022 financial statements is appropriate for the following reasons:

- No major losses or cashflow difficulties have arisen since the reporting date.
- The branch does not rely on financial support from either the bank, financial institutions, or other organisations.
- Operating cashflows are positive.
- The branch currently has no major/long term debt and therefore no repayments falling due.
- There are no pending legal or regulatory proceedings against the branch.
- The branch has undertaken a robust assessment of the principal risks it faces, with ongoing reviews by the Finance, Audit, and Risk committee, and is confident that sufficient measures are in place to mitigate the risks identified.
- Diverse Income – Our income streams are diverse and thus risk is spread. Legacies are our largest source of income and as at the time of preparing this report we have circa £1.9 million of legacy notifications. We expect to receive further notifications as the year progresses, with any residuary entitlements received in the second half of the year being reasonably expected to fall into 2024 considering Probate period. Our fundraising team have identified legacy income as a major priority given its importance and have a robust legacy marketing plan in place.

Fundraising

Despite the challenging circumstances faced in 2022, the fundraising team performed remarkably well. They navigated the pandemic and the steep rise in the cost of living and although the team experienced significant staff turnover, they were only 3% below income levels from 2021, with general donations and community collections outperforming 2021 by 24% and 22%, respectively.

Whilst the cost-of-living crisis did impact overall, we were thrilled to see that our regular givers continued to donate at similar levels in 2021. Moreover, gifts in Wills remained our most significant source of income, where we received £1.5m, in line with the 2021 total. Our Christmas appeal was hugely successful, raising almost £20,000 and garnering eight broadcast media opportunities and ten print media opportunities. It was heart-warming to see the support we received for the urgent medical care and treatments needed by Babe, Tinkerbelle, and Ferdinand, three Chihuahuas who were left in a box in a car park in Wiltshire.

As we closed out 2022, we were thrilled to have filled all vacant positions, providing a solid foundation to springboard into an exciting and productive 2023. With a fully staffed team in place, we are eager to build upon our successes and tackle new challenges. The team is looking forward to driving our fundraising and trading activities forward and achieving our goals in the year ahead.

Fundraising Disclosures

The following information represents the required disclosures regarding fundraising activities undertaken by the Branch during 2021:

- a) The approach taken by the Branch to activities by Bath Cats & Dogs Home (BCDH) or any person on behalf of BCDH for the purpose of fundraising, and whether a professional fundraiser or commercial participator carried out any of those activities during 2021 is as follows:

The Branch's approach to fundraising activities conducted by or on behalf of Bath Cats & Dogs Home (BCDH) during 2022 is characterized by a mixed portfolio of voluntary income, comprising individual donations and fundraising, as well as partnerships with companies, foundations, and trusts. The Branch did not engage in door-to-door or street supporter recruitment or cold calling during this period. The Branch ensures that clear agreements are in place with any individual or organization fundraising on its behalf, and undertakes due diligence for processing and production partnerships, including with The Access Group, which manages the regular giving program, and the companies used for print and fulfilment. The Branch takes care to ensure that all companies with which it works are fully compliant with the GDPR and follow strict guidelines and procedures to maintain data security. Furthermore, the Branch ensures the production of robust reports on income received from trusts and foundations, as well as expenditure incurred.

- b) Whether BCDH or anybody acting on behalf of BCDH was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of BCDH and if so, what scheme or standard:

Bath Cats and Dogs Home (BCDH) is a registered member of the Fundraising Regulator and abides by the Code of Fundraising Practice in all its fundraising endeavours. Our partner agency, The Access Group, is an approved BACS Bureau, while the print and mailing agencies we utilize are ISO27001 certified, ensuring the highest level of data security and integrity. We are also a member of the Charity Retail Association (CRA), which sets the standards for all of our charity trading activities.

Any failure to comply with any such scheme or standard as per above:

N/A

- c) Whether BCDH monitored activities carried out by any person on behalf of BCDH for the purpose of fundraising and if so, how it did so:

Our charity has a dedicated team of staff members who provide support for community fundraising and engagement. We ensure that everyone who fundraises on our behalf is appropriately supported and guided throughout their fundraising journey. We make it a point to clarify to supporters that they are fundraising in aid of our charity, and we provide assistance to ensure that best practices and adherence to the Code of Fundraising Practice are always followed. This includes conducting thorough checks on the fundraising plans of each individual or party at the outset and regularly checking in with them throughout their fundraising campaign.

In addition, we closely manage any agencies that work on our behalf, such as our direct marketing agency and the agency responsible for managing our regular giving. Before beginning any fundraising activity, we conduct a planning meeting and create detailed plans. We also ensure that all risks are contained through a comprehensive and collaborative risk assessment process, with an agreed plan and chart of activities. Furthermore, we have risk assessments for all activities carried out by our charity, our fundraisers, and our volunteers. We add to and monitor these assessments each year to ensure that the safety of volunteers, staff, and the public remains at the forefront of our delivery.

- d) The number of complaints received by BCDH or a person acting on its behalf about activities by BCDH or a person on their behalf for the purpose of fundraising:

Nil.

- e) What BCDH has done to protect vulnerable people and other members of the public from behaviour within subsection (2) in the course of, or in connection with such activities:

In 2022, our charity did not enlist any external fundraisers to conduct fundraising activities. Our in-house fundraising staff adhered to the Code of Fundraising Practice in all their fundraising work. As a precautionary measure, we have developed a Safeguarding Vulnerable Persons and Young People Policy, which we review annually as a team.

When contacting individual supporters, receiving donations over the phone, or handling donations, we exercise due diligence and ensure that the supporter is content with the donation amount and the frequency of their contribution. We verify all relevant information and follow up with written expressions of gratitude for their donations. Additionally, for donations above threshold, we seek permission to personally thank the donor.

We currently adopt an opt-in policy for postal fundraising, only contacting individuals through the channels they have previously agreed to. During our events, we ensure an ample number of staff and volunteers are present to provide full support to our participants. We offer a stewardship program and sign-up process, enabling participants to notify us in advance of any special needs they might have related to their attendance or fundraising, which we accommodate to the best of our ability.

Trading (Retail) Activity

Bath Cats and Dogs Home faced some initial staffing challenges in the trading team during Q1–Q3 of 2022, which resulted in some shops closing temporarily throughout the year. Despite this, the charity was able to overcome these difficulties and return to normal operations once the staffing situation was resolved. The charity also witnessed a decline in donation levels in 2022, but the latter half of the year showed positive signs of growth with a rise in donation numbers, particularly in Q4.

On a brighter note, the charity experienced growth in volunteer numbers in 2022, with considerable efforts made to cater to their needs. The e-commerce department, in particular, had a successful year with a volunteer now available every day of the week, resulting in a 28% growth in turnover compared to the previous year. The Moorland Road shop exceeded its income budget and was unaffected by the recruitment struggles experienced by other shops. Frome, Bradford on Avon, and Trowbridge shops showed an increase in income in the second half of the year, particularly in Q4, once they had fully staffed teams. Bradford on Avon recorded an impressive 45% growth in 2022 for the weeks opened in 2021. Overall, despite some initial challenges, the charity made significant progress and growth in its trading and volunteer operations.

Plans for Future Period

The fundraising and trading team has made great strides since undergoing changes. We have identified several key areas that will help us reach our agreed budget, including improving our stewardship of supporters by creating documented stewardship plans for each supporter. Additionally, we plan to enhance our use of data across the fundraising team to drive growth.

To meet the increasing demand for quality charity shop donations, we are developing a plan for 2023 and beyond, which includes a review of our current storage systems and stock processes.

We are also heavily investing in our Individual Giving (IG) income stream, with a new IG Manager in place and our fundraising assistant shifting focus to IG. Our initial focus is on developing our regular givers program, which has proven successful in other animal welfare charities.

The Community, Corporate, and Events team (CCE) has received a significant budget uplift of 33% for 2023, and we recently filled a vacant fundraiser position to maximize potential in this area.

Additionally, we recognize the importance of legacy marketing and will be focusing on maintaining our strong legacy performance in 2023. Overall, we are confident in our ability to continue building on our successes and achieve our fundraising goals. We have a dedicated team in place, and we are excited to see what the future holds

In line with our charitable purpose, we continue to focus on our work to rescue, rehabilitate and rehome animals in need via our rescue centre. We are strengthening our expertise, and the recruitment of a Clinical Animal Behaviourist to support our current Behaviour team is a recent new initiative. We are also undertaking a capital build which will improve our veterinary provision and adoption facilities.

We know that education and prevention is key in the current animal welfare crisis, with an increasing number of animals needing to come into the care of a charity such as ours. With this in mind we are focusing on our Education and Outreach work, which will have equal weighting to the work of the rescue centre in our 3-year strategy.

Structure, Governance and Management

The organisation is an unincorporated charity registered as a charity in England and Wales, with an incorporated Trustee body. The charity is a branch of the Royal Society of Prevention of Cruelty to Animals, carrying out its direct animal welfare work in Bath and the surrounding areas.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts (none were claimed in the 2022 financial year).

Trustees and Organisational Structure

The branch is controlled by the Trustees who comprise the Management Committee. The Committee consists of between 5–12 democratically elected RSPCA members. Candidates for election to the Committee must be nominated in writing by at least two eligible branch members.

Eligible candidates are elected by a majority of eligible branch members present and voting at the AGM, candidates must have been members of the RSPCA for three clear months prior to nomination. Members of the committee are elected to serve until the next AGM unless their term of office is ended at an earlier date.

Trustees Interests

All the Trustees are required to declare any business interests which may conflict with their role as a trustee. They have all signed a declaration which, in addition to the disclosure of business interests, is a model guide of conduct for Voluntary Sector Trustee Boards and which sets out guidelines regarding:

- Selflessness
- Integrity
- Objectivity
- Openness
- Honesty
- Leadership

This statement has been circulated to all Trustees who are fully aware of their responsibilities as Trustees, and it is signed on their behalf. If any further detailed information is required, it can be made available on request.

Trustee Induction and Training

It is important to us that new Trustees feel valued and respected from the very first moment they consider taking on this role and past the moment they decide to move on. Support and guidance is offered in many different ways. Potential Trustees are encouraged to sit in on at least two board meetings before committing so they have a chance to experience the process. They are offered pre-board meeting discussions with the chair so they can check their understanding of the agenda without feeling concerned about asking unnecessary questions. They are paired with a longer-serving Trustee to help build relationships and provide 1:2:1 support. Trustees take part in a formal, methodical training plan with measurable outcomes to ensure all the fiduciary elements of the role are clear. This is augmented by appropriate

operational information to ensure the Trustees can navigate their thinking appropriately around the charity's governing objectives.

Trustees are asked to provide feedback after each committee meeting and each trustee has a 1:2:1 with the chair each year to understand how their experience matches their expectations. Trustees assess their collective performance against the governing principles annually.

All Trustees are invited to attend an annual away day to collaborate on strategic thinking as well as get to know each other better. Trustees are encouraged to use an online networking forum called Guild to chat informally in between committee meetings. Trustees who resign are offered an exit interview and, if willing, are invited to join the Trustee Alumni which helps preserve valuable knowledge and experience.

Related Parties and Relationships with Other Organisations

The charity has a wholly owned trading subsidiary, Bath Cats and Dogs Home (Trading) Ltd, a company registered in England and Wales number: 07144330.

As an independent local branch of the RSPCA, Bath Cats and Dogs Home (BCDH) works with the National Society to adopt best animal welfare practices. At a local level we have strong working relationships with RSPCA Inspectors, Animal Rescue Officers and other local branches taking in animals that have been cruelly treated, neglected, or abandoned.

The branch maintains a close relationship with the Friends of Bath Cats and Dogs Home, and who we are grateful to for their committed support. In 2019 the Friends notified members of a consideration to dissolve, and merger discussions continued throughout 2022 with the conclusion date being pushed back to 2023.

BCDH works closely with two Local Authorities to provide kennelling and where needed rehoming for stray and abandoned animals throughout BANES and Wiltshire. Stray dogs are brought into our care by dog wardens with the aim of reuniting them with an owner, if an animal isn't claimed then BCDH are committed to finding them a new loving home.

The branch is a member of the Association of Dogs and Cats Homes and continues to benefit from good working relationships with large national animal welfare organisations and actively engages across the sector, collaborating with other animal charities to ensure the best outcome for animal welfare.

BCDH also works with local charities via our outreach project – The Together Project – providing free veterinary care to the animals of referred vulnerable pet owners.

Remuneration Policy

A remuneration committee comprising key Trustees and members of the senior leadership team sets the remuneration levels for the staff employed by the Home and its trading subsidiary. The Chief Executive and Trustees set the remuneration levels for the senior leadership team, and Trustees set the remuneration for the Chief Executive.

In setting appropriate remuneration levels due regard is given to the potential financial impact to the charity of loss of key staff and therefore retention of good staff is considered essential. Another consideration is the ability to attract the right calibre of staff when recruiting and in this respect salary levels are bench marked against similar organisations as well as local market pay rates and conditions. National minimum wage and living wage requirements are also key parameters.

Statement of Responsibilities of the Trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' Annual Report

For the year ended 31 December 2022

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was appointed as the charity's auditor in 2022 following a successful tender exercise by the branch and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 19 June 2023 and signed on their behalf by:

Name: Deborah Gogarty

Title: Chair of Trustees

Name: Sue Perrott

Title: Treasurer

Independent auditor's report

To the trustees of

RSPCA Bath & District Branch

Independent auditor's report to the trustees of RSPCA Bath & District Branch

Opinion

We have audited the financial statements of RSPCA Bath & District Branch (the 'the parent charity') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2022 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
- 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 Auditor's 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 UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Independent auditor's report

To the trustees of

RSPCA Bath & District Branch

on RSPCA Bath & District 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.

Other Information

The other information comprises the information included in the trustees' 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, except to the extent otherwise explicitly stated in our report, 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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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

Independent auditor's report

To the trustees of

RSPCA Bath & District Branch

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 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.

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 regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Independent auditor's report

To the trustees of

RSPCA Bath & District Branch

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the trustees of

RSPCA Bath & District Branch

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

22 June 2023

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

RSPCA Bath & District Branch

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	1,880,266	72,661	1,952,927	1,905,572	108,799	2,014,371
Charitable activities	3	206,313	–	206,313	172,837	–	172,837
Other trading activities	4	354,185	–	354,185	292,943	–	292,943
Investments	5	1,425	–	1,425	120	–	120
Total income		2,442,189	72,661	2,514,850	2,371,472	108,799	2,480,271
Expenditure on:							
Raising funds	8	440,878	–	440,878	438,878	–	438,878
Charitable activities	8	1,664,118	143,395	1,807,513	1,640,711	46,320	1,687,031
Total expenditure		2,104,996	143,395	2,248,391	2,079,589	46,320	2,125,909
Net income / (expenditure) before net gains / (losses) on investments		337,193	(70,734)	266,459	291,883	62,479	354,362
Net gains / (losses) on investments		(44,092)	–	(44,092)	35,524	–	35,524
Net income / (expenditure) for the year	9	293,101	(70,734)	222,367	327,407	62,479	389,886
Transfers between funds		(727)	727	–	(698)	698	–
Net movement in funds		292,374	(70,007)	222,367	326,709	63,177	389,886
Corporation tax due (including interest)		–	–	–	(21,575)	–	(21,575)
Reconciliation of funds:							
Total funds brought forward		7,033,215	75,707	7,108,922	6,728,081	12,530	6,740,611
Total funds carried forward		7,325,589	5,700	7,331,289	7,033,215	75,707	7,108,922

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 22a to the financial statements.

RSPCA Bath & District Branch

Balance sheets

As at 31 December 2022

		The group		The charity	
	Note	2022 £	2021 £	2022 £	restated 2021 £
Fixed assets:					
Intangible assets	14	18,725	16,180	18,725	16,180
Tangible assets	15	4,617,674	4,748,996	4,603,607	4,726,141
Investments	16	359,165	399,158	359,165	399,158
		<u>4,995,564</u>	<u>5,164,334</u>	<u>4,981,497</u>	<u>5,141,479</u>
Current assets:					
Stock	17	24,006	28,559	20,472	23,910
Debtors	18	176,603	164,117	227,372	158,548
Cash at bank and in hand		2,334,852	1,915,884	2,167,390	1,802,836
		<u>2,535,461</u>	<u>2,108,560</u>	<u>2,415,234</u>	<u>1,985,294</u>
Liabilities:					
Creditors: amounts falling due within one year	19	(199,736)	(163,972)	(144,933)	(113,649)
		<u>2,335,725</u>	<u>1,944,588</u>	<u>2,270,301</u>	<u>1,871,645</u>
Net current assets					
		<u>7,331,289</u>	<u>7,108,922</u>	<u>7,251,798</u>	<u>7,013,124</u>
Total net assets					
		<u>7,331,289</u>	<u>7,108,922</u>	<u>7,251,798</u>	<u>7,013,124</u>
Funds:	22a				
Restricted income funds		5,700	75,707	5,700	75,707
Unrestricted income funds:					
General funds		7,325,589	7,033,215	7,246,098	6,937,417
		<u>7,325,589</u>	<u>7,033,215</u>	<u>7,246,098</u>	<u>6,937,417</u>
Total unrestricted funds		<u>7,325,589</u>	<u>7,033,215</u>	<u>7,246,098</u>	<u>6,937,417</u>
Total funds		<u>7,331,289</u>	<u>7,108,922</u>	<u>7,251,798</u>	<u>7,013,124</u>

Approved by the trustees on 19 June 2023 and signed on their behalf by

Ms D Gogarty (Chair)
Trustee

Ms S Perrott (Treasurer)
Trustee

Consolidated statement of cash flows

For the year ended 31 December 2022

	Note	2022	2021
		£	£
Cash flows from operating activities			
Net income for the reporting period (as per the statement of financial activities)		222,367	389,886
Dividends, interest and rent from investments		(1,425)	(120)
Depreciation charges		162,978	177,756
Amortisation		2,455	2,210
Taxation		–	(21,575)
(Gains)/losses on investments		44,092	(25,419)
(Increase)/decrease in stocks		4,553	13,699
(Increase)/decrease in debtors		(12,486)	14,206
Increase/(decrease) in creditors		35,764	(10,074)
Net cash provided by / (used in) operating activities		458,298	540,569
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,425	120
Purchase of fixed assets		(31,656)	(91,351)
Purchase of intangible fixed assets		(5,000)	(5,000)
Proceeds from sale of investments		188,282	65,957
Purchase of investments		(195,057)	(63,753)
Other investment cash movements		2,676	(12,308)
Net cash provided by / (used in) investing activities		(39,330)	(106,335)
Change in cash and cash equivalents in the year		418,968	434,234
Cash and cash equivalents at the beginning of the year		1,915,884	1,481,650
Cash and cash equivalents at the end of the year a		2,334,852	1,915,884
Analysis of cash and cash equivalents and of net debt			
	At 31 December 2021 £	Cash flows £	Other non- cash changes £
Cash at bank and in hand	1,915,884	418,968	–
a Total cash and cash equivalents	1,915,884	418,968	–

1 Accounting policies

a) Statutory information

RSPCA Bath & District Branch is an unincorporated charity registered with the Charity Commission for England and Wales.

The registered office address is The Avenue, Claverton Down, Bath, BA2 7AZ.

b) Basis of preparation

The financial statements have been prepared 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Bath Cats & Dogs Home (Trading) Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as a summary of the result for the year is disclosed in the notes to the accounts.

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 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) 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 on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

There are no material uncertainties about the charity's ability to continue as a going concern, despite the significant uncertainty being caused by the Ukraine crisis and the worldwide economic pressures. Whilst the Trustees expect there to be a significant impact on the charity's operations and reserves in the coming months and years, the charity has sufficient reserves to be able to meet these challenges.

1 Accounting policies (continued)

e) Income

Income is included in the Statement of Financial Activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable, entitlement is established and the income can be measured reliably.
- income from donated goods is measured at fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

f) 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.

g) Fund accounting

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Unrestricted funds are available for use at the discretion of the Trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular future projects or commitment.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is classified under headings of the Statement of Financial Activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute based on staff costs.

i) Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

j) Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Intangible assets are subject to an amortisation charge when the asset is complete and brought into use.

k) Tangible fixed assets

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

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- | | | |
|---|---------------------|-------------------------------------|
| ● | Freehold property | 50 years straight line |
| ● | Plant & Machinery | 20% straight line |
| ● | Fixtures & Fittings | 25% straight line |
| ● | Motor Vehicles | 25% reducing balance |
| ● | Equipment | 10% & 33% (computers) straight line |

1 Accounting policies (continued)

l) Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

m) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

n) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

o) Debtors

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

p) Cash at bank and in hand

Cash at bank and cash 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.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1 Accounting policies (continued)

r) Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

s) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
General donations	150,443	4,530	154,973	121,813	3,182	124,995
Trust and corporate donations	34,372	55,500	89,872	60,838	105,271	166,109
Community collections	19,862	–	19,862	16,321	–	16,321
Regular giving donations	96,386	–	96,386	97,755	96	97,851
Subscriptions	387	–	387	399	–	399
Together Project	–	633	633	510	250	760
Government grants	7,866	–	7,866	4,268	–	4,268
Legacies	1,535,043	11,998	1,547,041	1,567,251	–	1,567,251
Gift aid	35,907	–	35,907	36,417	–	36,417
	1,880,266	72,661	1,952,927	1,905,572	108,799	2,014,371

As at the year end, the charity had been notified of legacies with an estimated value of £1,507,617 (2021: £1,608,151) which have not been included in income at 31 December 2022 as no confirmation of impending distribution or notification of estate accounts being finalised has been received. The charity has been made aware of additional legacies; however even an approximation of the value of these legacies is not possible at the date of signing the accounts.

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Adoptions	62,482	–	62,482	45,420	–	45,420
Boarding	62,570	–	62,570	48,464	–	48,464
Neutering and vet suite	22,078	–	22,078	19,869	–	19,869
Pet insurance commission	59,183	–	59,183	59,084	–	59,084
	206,313	–	206,313	172,837	–	172,837

4 Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Event income	10,049	–	10,049	21,579	–	21,579
Room rental	475	–	475	1,299	–	1,299
Trading company income (note 6)	343,661	–	343,661	270,065	–	270,065
	354,185	–	354,185	292,943	–	292,943

5 Income from investments

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Interest received	1,425	–	1,425	120	–	120
	1,425	–	1,425	120	–	120

Notes to the financial statements

For the year ended 31 December 2022

6 Income and expenditure from trading company

The charity has a wholly owned trading subsidiary which is incorporated in the UK. Bath Cats & Dogs Home (Trading) Limited (Registered Company Number: 07144330) operates trading activities designed to raise funds to support the charity.

The subsidiary company's available profits have been gift aided in full to the charity. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	Total funds 2022 £	Total funds 2021 £
Turnover	343,661	270,065
Cost of sales (excluding stock purchased from the parent undertaking)	(9,693)	(8,998)
Gross Profit	333,968	261,067
Administrative expenses	(288,515)	(230,558)
Management charges and purchase of stock payable to the parent undertaking (eliminated on consolidation)	(20,000)	(20,000)
Profit on ordinary activities before taxation	25,453	10,509
Taxation on profit on ordinary activities	–	(21,575)
Profit / (loss) for the financial year	25,453	(11,066)
Retained earnings		
Total retained earnings brought forward	95,795	24,715
Prior year adjustment		82,146
Profit / (loss) for the financial year	25,453	(11,066)
Distribution under Gift Aid to parent charity	–	–
Total retained earnings carried forward	121,248	95,795
The aggregate of the assets, liabilities and reserves was:		
Assets	204,273	159,140
Liabilities	(83,023)	(63,343)
Reserves	121,250	95,797

Amounts owed to/from the parent undertaking are shown in note 12.

7 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022 £	2021 £
Gross income	2,191,194	2,230,206
Result for the year	(196,919)	379,374

8a Analysis of expenditure (current year)

		Charitable activities				
	Raising funds £	Cats and Dogs Home £	Governance costs £	Support costs £	2022 Total £	2021 Total £
Staff costs	326,600	813,047	–	266,656	1,406,303	1,279,900
Other staff costs	–	27,132	–	–	27,132	200
Direct costs	23,387	404,474	–	2,080	429,941	465,438
Communications and IT	10,203	–	–	31,779	41,982	34,868
Printing, postage and stationery	–	–	–	14,965	14,965	6,159
Events, Trusts & Corporate	15,281	–	–	–	15,281	16,464
General office	–	–	–	29,539	29,539	13,162
Finance costs	–	–	–	10,253	10,253	1,495
Sundry costs	–	762	–	–	762	2,208
Depreciation	–	150,137	–	15,296	165,433	177,756
Auditor's fees	–	–	21,918	–	21,918	9,371
Legal and professional fees	–	–	16,874	2,601	19,475	27,183
Investment Fees	2,738	–	–	–	2,738	2,149
Other Direct Trading company costs	62,669	–	–	–	62,669	89,556
	440,878	1,395,552	38,792	373,169	2,248,391	2,125,909
Support costs	–	373,169		(373,169)	–	–
Governance costs	–	38,792	(38,792)	–	–	–
Total expenditure 2022	440,878	1,807,513	–	–	2,248,391	
Total expenditure 2021	438,878	1,687,031	–	–		2,125,909

Included within Direct Trading Company costs are £171,437 of staff costs.

8b Analysis of expenditure (prior year)

		Charitable activities			
	Raising funds £	Cats and Dogs Home £	Governance costs £	Support costs £	2021 Total £
Staff costs	303,463	654,552	–	321,885	1,279,900
Employer healthcare scheme	200	–	–	–	200
Communications and IT	20,887	–	–	13,981	34,868
Printing, postage and stationery	1,837	–	–	–	1,837
Newsletter	4,322	–	–	–	4,322
Events, Trusts & Corporate	16,464	–	–	–	16,464
General office	–	–	–	13,162	13,162
Finance costs	–	–	–	1,495	1,495
Sundry costs	–	–	–	2,208	2,208
Depreciation	–	162,576	–	15,180	177,756
Auditor's fees	–	–	9,371	–	9,371
Legal and professional fees	–	–	27,183	–	27,183
Investment Fees	2,149	–	–	–	2,149
Other Direct Trading company costs	89,556	–	–	–	89,556
Direct costs	–	465,438	–	–	465,438
	438,878	1,282,566	36,554	367,911	2,125,909
Support costs	–	367,911	–	(367,911)	–
Governance costs	–	36,554	(36,554)	–	–
Total expenditure 2021	438,878	1,687,031	–	–	2,125,909

9 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Amortisation	2,455	2,210
Depreciation	162,978	177,756
Operating lease rentals:		
Property	42,929	49,748
Auditor's remuneration (excluding VAT):		
Audit	12,300	6,000
Other services	4,500	3,371
	<u>181,862</u>	<u>239,091</u>

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,275,867	1,166,131
Social security costs	94,381	84,005
Employer's contribution to defined contribution pension schemes	36,055	29,764
	<u>1,406,303</u>	<u>1,279,900</u>

No employee earned more than £60,000 during the year (2021: nil).

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £237,482 (2021: £248,620).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

No trustees have been reimbursed for their out of pocket travel expenses (2021: £nil).

11 Staff numbers

The average weekly number of employees (head count based on number of staff employed) during the year was 73 (2021: 66).

12 Related party transactions**Group**

There are no transactions with Trustees or other related parties other than those disclosed as required by the Statement of Recommended Practice elsewhere in the financial statements.

Charity

RSPCA Bath and District Branch is the parent charity of Bath Cats and Dogs Home (Trading) Limited.

In the financial year ended 31 December 2022, Bath Cats and Dogs Home (Trading) Limited made a gift aid donation of £nil (2021: £nil) to RSPCA Bath and District Branch. In addition to this, Bath Cats and Dogs Home (Trading) Limited paid £57,284 (2021: £62,593) to the charity in respect of rent and overheads. Management charges were paid to the parent charity from Bath Cats and Dogs Home (Trading) Limited of £20,000 (2021: £20,000).

At the year end, £133,327 (2021: £95,166) was due to the parent charity from Bath Cats and Dogs Home (Trading) Limited.

Notes to the financial statements

For the year ended 31 December 2022

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Bath Cats & Dogs Home Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2022 £	2021 £
UK corporation tax at 19%	–	21,575

14 Intangible fixed assets

The group and charity

	Website £	Total £
Cost		
At the start of the year	18,390	18,390
Additions in year	5,000	5,000
At the end of the year	23,390	23,390
Amortisation		
At the start of the year	2,210	2,210
Charge for the year	2,455	2,455
At the end of the year	4,665	4,665
Net book value		
At the end of the year	18,725	18,725
At the start of the year	16,180	16,180

15 Tangible fixed assets

The group

	Freehold property £	Plant, Machinery & Short Leasehold £	Fixtures, Fittings & Equipment £	Motor vehicles £	Total £
Cost					
At the start of the year	6,088,937	130,033	276,325	12,309	6,507,604
Additions in year	8,382	15,333	7,455	486	31,656
Disposals in year	–	(2,649)	(1,735)	–	(4,384)
At the end of the year	6,097,319	142,717	282,045	12,795	6,534,876
Depreciation					
At the start of the year	1,420,274	84,924	241,395	12,015	1,758,608
Charge for the year	121,788	15,296	25,709	185	162,978
Eliminated on disposal	–	(2,649)	(1,735)	–	(4,384)
At the end of the year	1,542,062	97,571	265,369	12,200	1,917,202
Net book value					
At the end of the year	4,555,257	45,146	16,676	595	4,617,674
At the start of the year	4,668,663	45,109	34,930	294	4,748,996

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2022

15 Tangible fixed assets (continued)

The charity

	Freehold property £	Plant & Machinery £	Fixtures, Fittings & Equipment £	Motor vehicles £	Total £
Cost					
At the start of the year	6,088,937	104,101	227,413	12,309	6,432,760
Additions in year	8,382	15,608	6,975	486	31,451
Disposals in year	–	(2,649)	(1,735)	–	(4,384)
At the end of the year	6,097,319	117,060	232,653	12,795	6,459,827
Depreciation					
At the start of the year	1,420,274	75,426	198,904	12,015	1,706,619
Charge for the year	121,788	10,690	21,322	185	153,985
Eliminated on disposal	–	(2,649)	(1,735)	–	(4,384)
At the end of the year	1,542,062	83,467	218,491	12,200	1,856,220
Net book value					
At the end of the year	4,555,257	33,593	14,162	595	4,603,607
At the start of the year	4,668,663	28,675	28,509	294	4,726,141

All of the above assets are used for charitable purposes.

16 Investments

Group and charity	Cash or cash equivalent £	Financial motive investment £	Total 2022 £	Total 2021 £
Valuation				
At 31 December 2021	17,362	381,796	399,158	363,635
Additions	–	195,057	195,057	63,753
Disposals	–	(188,282)	(188,282)	(65,958)
Fair value movements	–	(44,092)	(44,092)	25,419
Other movements	(2,676)	–	(2,676)	12,309
At 31 December 2022	14,686	344,479	359,165	399,158
Historic cost	14,686	347,045	361,731	252,360

17 Stock

	Charity		Trading subsidiary		Total	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
Finished goods	20,472	23,910	3,534	4,649	24,006	28,559
	20,472	23,910	3,534	4,649	24,006	28,559

18 Debtors

	The group		The charity	
	2022 £	2021 £	2022 £	restated 2021 £
Trade debtors	8,818	29,216	26,341	23,352
Amounts due from group and associated	–	–	51,181	13,020
Prepayments/ Accrued Income	85,769	81,757	70,157	73,085
VAT	82,016	53,144	79,693	49,091
	176,603	164,117	227,372	158,548

There has been a prior year adjustment on the Charity and Trading separate balance sheets, due to correct funds allocation between entities.

19 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	88,191	62,931	77,822	47,273
Taxation and social security	44,353	46,884	23,015	21,204
Other creditors	250	967	-	-
Accruals	66,942	53,190	44,096	45,172
	199,736	163,972	144,933	113,649

20 Pensions and other post retirement benefits

Defined contribution plans:

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £33,320 (2021: £26,571).

21 Analysis of net assets between funds**Group**

	Restricted funds	Unrestricted Designated funds	Unrestricted General funds	Total funds
	£	£	£	£
Intangible fixed assets	-	-	18,725	18,725
Tangible fixed assets	-	-	4,617,674	4,617,674
Investments	-	-	359,165	359,165
Other net assets	5,700	-	2,330,025	2,335,725
Net assets at 31 December 2022	5,700	-	7,325,589	7,331,289

	Restricted funds	Unrestricted Designated funds	Unrestricted General funds	Total funds
	£	£	£	£
Intangible fixed assets	-	-	16,180	16,180
Tangible fixed assets	-	-	4,748,996	4,748,996
Investments	-	-	399,158	399,158
Net current assets	75,707	-	1,868,881	1,944,588
Net assets at 30 December 2021	75,707	-	7,033,215	7,108,922

Notes to the financial statements

For the year ended 31 December 2022

22a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers / Gains & Losses £	At 31 December 2022 £
Restricted funds:					
The Gallimore Trust	300	-	(300)	-	-
BCDH Together Project	-	633	(666)	33	-
Muriel Jones Foundation	57,530	50,000	(106,878)	-	652
Rose Animal Trust	15,000	5,000	(20,000)	-	-
France-Hayhurst Foundation	1,559	-	(1,559)	-	-
Barry Green Memorial Trust	-	500	(500)	-	-
Cats in Care	-	600	(970)	370	-
Dogs in Care	-	2,400	(2,724)	324	-
Charity Works	278	-	(278)	-	-
TC	1,040	-	(1,040)	-	-
Bronco's Appeal	-	1,530	(1,530)	-	-
Restricted Legacies	-	11,998	(6,950)	-	5,048
Total restricted funds	75,707	72,661	(143,395)	727	5,700
Unrestricted funds:					
General funds	7,019,566	2,442,189	(2,149,088)	(727)	7,311,940
Non-charitable trading funds	13,649	-	-	-	13,649
Total unrestricted funds	7,033,215	2,442,189	(2,149,088)	(727)	7,325,589
Total funds	7,108,922	2,514,850	(2,292,483)	-	7,331,289

The narrative to explain the purpose of each fund is given at the foot of the note below.

22b Movements in funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers / Gains & Losses £	At 31 December 2021 £
	At restated				
Restricted funds:					
The Gallimore Trust	-	300	-	-	300
BCDH Together Project	-	346	(1,044)	698	-
Muriel Jones Foundation	7,530	50,000	-	-	57,530
Ostacchini Foundation	-	1,565	(1,565)	-	-
Rose Animal Trust	5,000	10,000	-	-	15,000
France-Hayhurst Foundation	-	5,000	(3,441)	-	1,559
Pets at Home	-	19,616	(19,616)	-	-
PA	-	500	(500)	-	-
Cats in Care	-	12,000	(12,000)	-	-
Charity Works	-	500	(222)	-	278
Bensons Foundation	-	3,182	(3,182)	-	-
Pet Plan CT	-	4,750	(4,750)	-	-
TC	-	1,040	-	-	1,040
Total restricted funds	12,530	108,799	(46,320)	698	75,707
Unrestricted funds:					
General funds	6,703,366	2,101,407	(1,840,033)	54,826	7,019,566
Non-charitable trading funds	24,715	270,065	(261,131)	(20,000)	13,649
Total unrestricted funds	6,728,081	2,371,472	(2,101,164)	34,826	7,033,215
Total funds	6,740,611	2,480,271	(2,147,484)	35,524	7,108,922

22b Movements in funds (continued)

The Gallimore Trust

The Gallimore Trust fund is for the care of staffordshire bull terriers only.

BCDH Together Project

The Together Project is an outreach programme providing free veterinary care to animals belonging to vulnerably housed people. The project involves local vets and vet nurses donating their time to run weekly vet clinics for homeless people's pets, providing routine intervention such as flea and worm treatments and advising on good animal welfare.

Muriel Jones Foundation

Muriel Jones Foundation Fund is for the running costs of 8 'vulnerable dog' kennels in the Roy Hulbert Block for 2020.

Ostacchini Foundation

Ostacchini Foundation Fund is monies received in the year towards the cost of veterinary drugs & consumables.

Rose Animal Trust

Rose Animal Trust Fund is monies received in the year towards the cost of veterinary drugs & consumables.

France-Hayhurst Foundation

France-Hayhurst Foundation is monies received in the year towards the cost of veterinary dugs & consumables.

Pets at Home

Pets at Home Ltd is monies received in the year towards the cost of veterinary dugs & consumables.

PA

Paul Alexander is monies received towards veterinary care for cats and dogs.

Cats in Care

Cats in Care is monies received for the care of cats.

Charity Works

Charity Works is monies received as employment grant for a new employee under the Government's Kickstart scheme. The monies covered start-up costs of uniform, training and equipment.

Bensons Foundation

Benson JG Appeal is monies received for the cost of surgery and vet fees to fix Benson's broken leg with any surplus allocated towards general vet costs.

Pet Plan CT

Pet Plan is monies received in the year towards the cost of veterinary dugs & consumables in 2021.

TC

Terence Church is monies received in the year to fund the care of cats and dogs.

23 Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2022 £	2021 £
Group		
Less than one year	42,929	49,748
One to five years	63,417	101,907
Over five years	–	–
	106,346	151,655

24 Legal status of the charity

The charity registered unincorporated charity with a trustee board incorporated under part 12 of the CA 2011.