

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**ROYAL SOCIETY FOR THE PREVENTION OF
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**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

It has been a busy year for the Branch in 2022 that began with the completion of our new reception area and offices which have enhanced the working conditions for the staff and volunteers.

The year culminated in the merger between with the Brighton Branch and the Sussex North Branch and we now have a new name RSPCA Sussex North and Brighton Branch and we now collectively extend our animal welfare to this wider area.

Animal Welfare is always at the heart of everything we do at the Brighton Animal Shelter and our successes would not have been achieved without the hard work and dedication of the staff and volunteers. Our thanks must also go to Chief Inspector Patrick Hamby and his Inspectorate Team for the amazing work they do.

Jenny Eden our Branch Manager works tirelessly for the benefit of the animals in our care and is ably supported by her heads of department in the dogs, cats, small animals and reptile sections.

We now have two Animal Welfare Officers, Laurie and Heather who are kept busy covering the animals' needs in the larger area since our merger with RSPCA Sussex North Branch and Jade our Dog Behaviourist has achieved tremendous results with dogs and cats with increasingly complex behavioural issues.

We have also employed Jo Hockley, a full time fundraiser and we have high hopes that she will bring in much needed additional funds that will contribute towards the general running of the branch and improvements we are making to the shelter infrastructure.

In addition to the amazing work Jenny does for the smooth running of the day to day operations, she has also been busy with the opening of charity shops for the branch. We now have shops in Haywards Heath, Hove and Worthing all of which are doing well under the Jenny's guidance.

The first phase of the new kennel refurbishment started in 2022 and at time of writing we are pleased to confirm that they are now completed, signed off by licensing and operational. The next block of kennels and refurbished cattery is hoped to be commenced later in 2023/24.

My thanks go to my fellow Trustees for their guidance and the many hours of unpaid work they do for the RSPCA in general and Branch in particular.

In conclusion, my thanks go to everyone who has helped make this a very successful year for animal welfare.

Doug Taylor
Chairman

**ROYAL SOCIETY FOR THE PREVENTION OF
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees present their annual report and financial statements of the charity for the year ended 31st December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective of the Branch is to promote the work of the National Society within the Branch area of Sussex North and Brighton. We use all lawful means to prevent or suppress cruelty to animals, promote kindness and to alleviate the suffering of animals.

Our primary role is to support the RSPCA national society inspectorate giving priority to the acceptance of case animals and those signed over for welfare concerns, or unowned sick and injured animals presented to us.

Our four key priority areas relating to the delivery of animal welfare services are:

- Rescue, Rehabilitate and Rehome
- Welfare Neutering
- Welfare Microchipping
- Welfare Treatments

The trustees' objectives for the year are shaped by these strategic aims, with a view to obtaining income to be used for the benefit of animal welfare in the area. We raise funds through legacies and donations, running fund raising events, rehoming fees, offering private boarding facilities, retail sales of both new and donated goods and maintaining the value of the Charity's investments.

The main activities of the Charity during the year were the operation of our animal shelter in Brighton which is used for the rescuing, rehabilitating, and rehoming of animals along with our welfare work.

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OBJECTIVES AND ACTIVITIES

Significant activities

During 2022 Covid restrictions were reduced and we were able to operate in a less restricted manner towards the end of the year. Within the year the Branch managed to successfully rehome a total of 138 dogs, 179 cats, 44 rabbits and many other miscellaneous animals including 210 reptiles. Our provision of neutering services has also continued. The specialised Reptile Rescue team at the Branch encountered another busy year with many reptiles being rehomed. We are again proud of their achievements which have been made which undoubtedly had an overall beneficial outcome for the animals, reptiles, and their adopters.

The most significant event in 2022 was the merger between the Sussex North Branch and the Sussex, Brighton and East Grinstead Branch at the end of October which resulted in the newly formed branch covering both geographical areas.

The retail strategy devised in 2021 was rolled out in 2022 and we now have shops in Haywards Heath, Hove and Worthing, the latter of which was taken over from the neighbouring branch where they ran an existing shop that sat within our boundaries.

During the year we recruited an Animal Welfare Officer who is tasked with reaching out within the branch community to give advice on animal welfare issues. A branch Fundraiser has also been employed and a number of events were organized at the tail end of the year with a further schedule of events planned for 2023 to boost our fundraising efforts.

The improvements to the branch offices were completed in 2022 and this now provides an appropriate working environment for the branch staff with efficient use of the space available and removing hazards that previously existed within it.

The refit of the kennel blocks, required to meet current licensing standards, also got underway in 2022. This is the first phase of a long term strategy to renew and refresh all of the shelter animal accommodation with further plans for work to be undertaken in 2023.

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OBJECTIVES AND ACTIVITIES

Public benefit

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 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 trustees confirm that they 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 the planning of future activities.

The Branch activities during the year constitute clear benefit to the public:

- The Branch gives priority to those animals with a genuine welfare need as identified by members of the RSPCA Inspectorate. Such animals may be the subject of an ongoing legal case or may have been removed and signed over to the RSPCA with the consent of an owner unable to meet the animal's welfare needs.
- The Branch takes in local animals for rehoming whose owners, through bereavement, disability, age, marriage break-up or other reasons, are no longer able to keep them.
- These animals are subject to appropriate veterinary treatment and rehabilitation under the direction of the Branch's animal care staff. Animals signed over to us are then rehomed. Prior to rehoming all animals are neutered and microchipped.
- In particular, we promote the neutering of animals and the rehoming of unwanted animals in our area and where there is an urgent need in other RSPCA Branch areas.
- The Branch runs a low cost voucher scheme to support local people who are struggling financially with the costs of neutering their animals and who might otherwise not have them neutered. Also, when we identify a need we offer subsidised or free neutering for specific animals or breeds of animals sometimes in specific local areas with a long term view of reducing unwanted animals.
- The Branch provides free animal care advice to members of the public.
- The Branch has a first aid and holding unit for injured wildlife and where appropriate cares for them until they can be released back into their natural habitat.
- The Branch co-operate with the Police and Brighton and Hove City Council on animal related problems.
- The Branch provides speakers at local schools, companies, youth meetings and organised events with a view to educating and spreading the message of animal welfare.
- 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 our 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.

Volunteers

We provide volunteering opportunities for those who wish to support our work including trusteeship, home visiting, animal care, dog walking, fundraising, working in our reception, gardening, helping with general repairs and maintenance of our site. This benefits local people and companies by providing the possibility of doing work which is compassionate and rewarding.

The precise value of volunteers' time is hard to quantify as they each do different amounts of time and some away from the Shelter, some casually and some on a regular basis. However, it is envisaged that this equates to an average of 500 hours a week. We are always very grateful for the amazing support we receive from our army of volunteers. Our Branch would not be able to function as it does without them.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

Since joining the branch our new fundraising manager has created a series of special events including a Christmas Tree Fair, a New Year's Day Dip, a Sponsored Kennel Sleep Out and a forthcoming Pawsome Paddle Challenge. These are in addition to the traditional Summer Fayre and Dog Show. Other fundraising activities saw volunteer's abseil down the I360 in Brighton and our Head of Small Furrries ran the Brighton Marathon.

Investment performance

Investments during the year were placed on deposit with major banks and met with our objectives to invest our money for a fixed term with a very low risk to capital. Investment funds were locked through notice periods which meant that the branch was not able to take advantage of the rising interest rates until late on in 2022. The return on investments was therefore relatively moderate and £8,564 interest was earned during the year.

We have continued to use a recognised deposit scheme that enables access to a wide range of financial institutions and the standard market products they provide. The scheme provides a one-stop shop approach reducing the administration that is needed. We also benefit from preferential rates that are available and reduce our risk by spreading our investments over a wider range of suppliers.

FINANCIAL REVIEW

Financial position

2022 saw fundraising activities increase slightly following the lifting of Covid restrictions which had an impact on the previous two years. We were however very fortunate to have been bequeathed nearly £235,000 in legacies in 2022. This money assists greatly in maintaining our strong financial position and funding the new kennel build. In previous years the branch had made donations to other branches and animal welfare organisations who were in more difficult financial situations however a decision was made to cease these donations and direct funds towards the improvements that were needed to the branch site.

Income is derived from private boarding of animals (which we have now ceased during 2022), shop sales, fees from people who re-home animals, legacies, donations, grants and subscriptions plus investment income. It is always anticipated when we budget that our expenditure will exceed our income. However, this is usually mitigated by fundraising and legacies, which cannot be budgeted for.

- Incoming resources for the year were £1,019,437 compared to £1,009,806 in 2021. The 2022 total included funds incoming from Sussex North as a result of the merger. This offset a reduction in legacies received in 2022 compared to 2021, which, as indicated above, we can never predict or budget for. During 2022 legacies totalled £234,958 compared to £772,922 in 2021.

- Expenditure levels increased by £272,517 to £1,136,998 in 2022 compared to £864,481 in 2021. This was mainly in respect of increased vet charges, employee and energy costs. The expenditure figures include £16,828 of contributions that we made to other RSPCA branches and animal welfare causes.

- Overall, this resulted in a deficit of £117,561 for the year compared to a £145,325 surplus in 2021.

Reserves Policy

The level of reserves is reviewed regularly by the Committee. The Committee considers that reserves (unrestricted funds not invested in fixed assets), should total the equivalent of one years running costs of the Branch. It is felt prudent to maintain free reserves at this level as the charity relies heavily on donations and legacies, both of which can fluctuate significantly from year to year and cannot be predicted with any accuracy. The total reserves (not represented by fixed assets) at 31 December 2022 were £2,405,567 with no restricted funds and £1,643,000 of designated funds leaving £762,567 of unrestricted funds. The trustees are aware that this currently exceeds our policy however further capital expenditure is expected in the medium term which should create more alignment here.

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FUTURE PLANS

Further phases of the animal accommodation will be progressed as and when appropriate levels of funds are available. Phase one of the plan has now been completed and provides new kennelling at the lower end of the existing block and it is envisaged that a second phase of work providing further new kennelling will be progressed in 2023. The recruitment of a second Animal Welfare Officer covering the Sussex North area has been approved but the role has yet to be filled with the intention of finding a suitable candidate in 2023. This role has been put in place as part of the agreement with Sussex North at the time of the merger.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The RSPCA Sussex North and Brighton Branch is constituted as a charitable unincorporated association and a branch of the Royal Society for the Prevention of Cruelty to Animals. The Society was incorporated by the Royal Society for the Prevention of Cruelty to Animals Act 1932 (as amended) and is governed by that Act and by the rules of the Society. These rules accord with rule XI of the Society's rules and are approved by the Council. The branch is governed by RSPCA Branch Model Rules revised February 2009.

The relationship between the Society and the Branch is regulated by these rules, the Society's rules and the RSPCA Acts.

The Branch is required to manage its own affairs and may not pledge the credit of the Society or the Council.

We are bound by the Society's rules and in case of any conflict between these rules and the Society's rules, the Society's rules prevail.

Recruitment and appointment of new trustees

The Trustees appointed to the board of the newly merged branch are all existing trustees of the former branches. No completely new trustees were appointed during 2022.

Organisational structure

The Board consists of at least seven and not more than fourteen trustees and is elected at the Annual General Meeting. The Board elects its officers at the first meeting and meets once a month. Trustees listed in this document held office during the previous year unless stated otherwise.

The Board delegates the day-to-day running of the Animal Shelter to the Branch Manager. The Branch Manager is helping us review all areas of governance, policies, and processes. This includes Risk Assessment, Health and Safety and Employment Regulations.

Key management remuneration

The trustees consider the Board of Trustees, the Branch Manager, and the Heads of Departments to be the key management personnel of the charity in charge of directing and controlling the charity and running and operating the Branch on a day to day basis.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees' expenses and related party transactions are disclosed in the notes of the accounts.

Trustees are required to disclose all relevant interests and register them with the board in accordance with the charity's policy.

The pay of the Branch and Operations Manager along with the heads of department is reviewed annually by the Treasurer and Chair and when appropriate increased taking into consideration inflation, average salaries in the area and salaries of other similar sized charities to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Connected parties

The charity is a local branch of the Royal Society for the Prevention of Cruelty to Animals (Charity number 219099) a national charity, which acts as an umbrella organisation.

The amounts due to the main body of the RSPCA in 2022 was £6,064, based on the reserves of the previous year.

The charity works autonomously, but within the rules and policies set out by the main body.

The Animal Shelter run by the charity is licensed annually by the RSPCA.

Risk management

The Board has carried out a review of the major risks to which the Branch is exposed and considers that systems are in place to mitigate the risks. The major risks are assessed annually by the trustees, taking into consideration factors, external risks and the effects of legislation.

The major risks identified are:

- Lack of Branch Capacity to Deliver Services
- Loss of Boarding License
- Lack of Clear Strategy
- Not Having Clear Policies and Procedures
- Non-Core Charitable Income Exceeding HMRC Limit
- IT Problems

The systems and procedures in place to mitigate these risks include staff and volunteer training programmes, effective governance, and continual assessment of risks with appropriate action being taken when they are identified.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

206630

Principal address

RSPCA Animal Shelter and Kennels
Braypool Lane
Patcham
Brighton
East Sussex
BN1 8ZH

Trustees

D Taylor - Chair
Mrs J Brazier - Secretary
Mrs R A Bond (resigned 28/2/2022)
Mrs A Bolton
R Langridge - Treasurer
Mrs S Emms
Mrs S Bilby
Mrs R Gales
Ms S M Cusworth Woolford (appointed 8/11/2022)
G L Anderson (appointed 8/11/2022)
P M Browning (appointed 8/11/2022)

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**REPORT OF THE TRUSTEES
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REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Branch manager

Mrs J Eden

Bankers

Lloyds TSB Bank PLC
55 Preston Circus
Brighton
BN1 4LQ

Bank of Scotland PLC
Pentland House
8 Lochside Avenue
Edinburgh
EH12 9DJ

Barclays Bank PLC
1 Church Road
Burgess Hill
West Sussex
RH15 9BD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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**REPORT OF THE TRUSTEES
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Approved by order of the board of trustees on and signed on its behalf by:

.....
D Taylor - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
ROYAL SOCIETY FOR THE PREVENTION OF
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Opinion

We have audited the financial statements of Royal Society For The Prevention Of Cruelty To Animals Sussex North & Brighton Branch (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 on the charity'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
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Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
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Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks of material misstatement both at the financial statement level and at the assertion level.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

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 obtained an understanding of the legal and regulatory framework that the charity 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 charity from our professional and sector experience.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale
- We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity'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.

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 were indicative of a potential bias and tested significant transactions that were unusual or those outside the normal course of business.

We also

- discussed and reviewed the charity's business model and forward planning to assess going concern
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculated items such as depreciation

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.

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

Use of our report

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

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date:

Eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	733,331	-	733,331	855,782
Charitable activities	5				
Kennels and sanctuary		228,466	-	228,466	114,022
Other trading activities	3	49,076	-	49,076	37,242
Investment income	4	8,564	-	8,564	1,115
Other income	6	-	-	-	1,645
Total		<u>1,019,437</u>	<u>-</u>	<u>1,019,437</u>	<u>1,009,806</u>
EXPENDITURE ON					
Raising funds	7	3,800	-	3,800	-
Charitable activities	8				
Kennels and sanctuary		<u>1,133,198</u>	<u>-</u>	<u>1,133,198</u>	<u>864,481</u>
Total		<u>1,136,998</u>	<u>-</u>	<u>1,136,998</u>	<u>864,481</u>
NET INCOME/(EXPENDITURE)		(117,561)	-	(117,561)	145,325
RECONCILIATION OF FUNDS					
Total funds brought forward		4,314,374	-	4,314,374	4,169,049
TOTAL FUNDS CARRIED FORWARD		<u><u>4,196,813</u></u>	<u><u>-</u></u>	<u><u>4,196,813</u></u>	<u><u>4,314,374</u></u>

The notes form part of these financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**BALANCE SHEET
31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	15	1,791,246	-	1,791,246	1,392,780
CURRENT ASSETS					
Stocks	16	14,355	-	14,355	11,923
Debtors	17	207,098	-	207,098	791,270
Cash at bank and in hand		<u>2,289,822</u>	<u>-</u>	<u>2,289,822</u>	<u>2,172,950</u>
		2,511,275	-	2,511,275	2,976,143
CREDITORS					
Amounts falling due within one year	18	(105,708)	-	(105,708)	(54,549)
NET CURRENT ASSETS		<u>2,405,567</u>	<u>-</u>	<u>2,405,567</u>	<u>2,921,594</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,196,813	-	4,196,813	4,314,374
NET ASSETS		<u>4,196,813</u>	<u>-</u>	<u>4,196,813</u>	<u>4,314,374</u>
FUNDS	19				
Unrestricted funds				<u>4,196,813</u>	<u>4,314,374</u>
TOTAL FUNDS				<u>4,196,813</u>	<u>4,314,374</u>

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
D Taylor - Trustee

The notes form part of these financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>614,847</u>	<u>73,043</u>
Net cash provided by operating activities		<u>614,847</u>	<u>73,043</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(528,719)	(371,266)
Sale of tangible fixed assets		22,180	-
Interest received		<u>8,564</u>	<u>1,115</u>
Net cash used in investing activities		<u>(497,975)</u>	<u>(370,151)</u>
Change in cash and cash equivalents in the reporting period		116,872	(297,108)
Cash and cash equivalents at the beginning of the reporting period		<u>2,172,950</u>	<u>2,470,058</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,289,822</u></u>	<u><u>2,172,950</u></u>

The notes form part of these financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
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**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(117,561)	145,325
Adjustments for:		
Depreciation charges	119,800	95,897
Profit on disposal of fixed assets	(11,727)	-
Interest received	(8,564)	(1,115)
Increase in stocks	(2,432)	(8,171)
Decrease/(increase) in debtors	584,172	(184,665)
Increase in creditors	51,159	25,772
Net cash provided by operations	<u>614,847</u>	<u>73,043</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank and in hand	<u>2,172,950</u>	<u>116,872</u>	<u>2,289,822</u>
	<u>2,172,950</u>	<u>116,872</u>	<u>2,289,822</u>
Total	<u>2,172,950</u>	<u>116,872</u>	<u>2,289,822</u>

The notes form part of these financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The RSPCA Sussex Brighton and East Grinstead Branch is an unincorporated registered charity in England and Wales. The registered charity number and principal address are shown on page 7 of the trustee report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements are presented in Sterling and this is the functional currency of the charity. The financial statements are rounded to the nearest whole pound

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting judgements and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are in respect of the recognition of legacy income and fixed asset depreciation. See accounting policy notes below.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the income have been met; it is probable that the income will be received and the amount can be measured reliably.

Legacies

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Volunteers

The value of voluntary work is not included in the financial statements. There are 60 regular volunteers as well as many more who volunteer casually and sometimes for specific fund raising events. They help with a whole variety of tasks, including animal care, fundraising, dog walking, home visiting, and staffing the reception.

Grants

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. Those grants towards capital projects are then charged with depreciation each year.

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

Income

Donations and Fundraising

Donations are accounted for as received. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred until either those conditions are met in full, or their fulfilment is wholly within the control of the charity and it is probable that those conditions will be fulfilled by the reporting period. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

Government grants

Government grants are recognised under the performance model. The grant income is recognised upon performance conditions being satisfied (and should it be received in advance of satisfying the performance, recognition of the income is deferred as a liability) and where there are no specific future performance-related conditions then grants are recognised when proceeds are received or receivable.

Coronavirus Job Retention Scheme (CJRS)

The CJRS grant relates to government support for staff who have been furloughed due to Covid-19. These claims are recognised in the Statement of Financial Activities as part of Other Income.

Earned and other income

Income from shop sales, raffle and other activities are recognised as earned.

Income from investments is recognised on a receivable basis.

Income from sales of publications and training courses are recognised as earned.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes salaries expenses and overheads
- Expenditure on charitable activities includes salaries, expenses and overheads
- Other expenditure represents those items not falling into the categories above

Grants payable to third parties are within the charitable objectives Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and the staging of special events.

Costs of charitable activities comprise direct costs.

Support costs include those costs, such as auditor's remuneration, associated with constitutional and statutory requirements.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Fixed assets, except freehold land, are written off over their estimated useful lives by depreciation through the Statement of Financial Activities. Freehold land is not depreciated.

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

The rates of depreciation used are as follows :

Additions to Freehold Property: Over 20 years on a straight line basis.

Equipment and Motor Vehicles: Over 6 years on a straight line basis.

The charity has a de minimis policy in place whereby only items of £500 and over are capitalised.

Stocks

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

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable entity for UK Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

The charity has various types of funds for which it is responsible:

Unrestricted funds - these are for the use on the general charitable objectives of the charity.

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Donated goods

Donated goods and services have not been recognised in these financial statements as it is not practicable to do so as the cost outweighs the benefit.

Financial instruments

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments" of FRS 102 to all its financial statements. Financial instruments are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets and liabilities (debtors and creditors)

Basic financial assets and liabilities, which include debtors, creditors and bank loans are recognised at transaction price unless the arrangement constitutes a financing transaction. Financial assets and liabilities classified as payable within one year are not amortised.

Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with bank, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**ROYAL SOCIETY FOR THE PREVENTION OF
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Financial instruments

Trade Creditors

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified at current liabilities if payment is due within one year or less. Otherwise they are presented as non current liabilities.

Vat

All incoming resources and resources expended are stated net of VAT where applicable. Irrecoverable VAT is included within resources expended.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations, subscriptions and sundry income	88,618	50,073
Legacies	234,958	772,922
Grants	23,218	24,134
Friends of Brighton	15,532	8,653
Transfer of assets from Sussex North branch	<u>371,005</u>	<u>-</u>
	<u>733,331</u>	<u>855,782</u>

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

	2022	2021
	£	£
RSPCA - Door to Door Grant	<u>23,218</u>	<u>24,134</u>

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising	3,349	2,393
Private boarding	<u>45,727</u>	<u>34,849</u>
	<u>49,076</u>	<u>37,242</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>8,564</u>	<u>1,115</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Boarding fees and shop sales	Kennels and sanctuary	141,337	35,927
Animal fees	Kennels and sanctuary	81,009	76,281
Charitable neutering	Kennels and sanctuary	<u>6,120</u>	<u>1,814</u>
		<u>228,466</u>	<u>114,022</u>

6. OTHER INCOME

Other income represents government grants received for furlough claims made under the Coronavirus Job Retention Scheme.

7. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Fundraising expenses	<u>3,800</u>	<u>-</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Grant funding of activities (see note 10)	Support costs (see note 11)	Totals
	£	£	£	£
Kennels and sanctuary	<u>1,075,691</u>	<u>16,828</u>	<u>40,679</u>	<u>1,133,198</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Wages and salaries	536,854	382,317
Food and welfare	16,081	20,052
Rates, light, heat and telephone	73,257	26,107
Repairs and maintenance	93,994	61,714
Printing, postage and stationery	7,336	3,971
Vets fees and drugs	188,135	86,826
Charitable neutering	-	15,419
Shop stock	22,928	7,044
Cleaning materials	11,853	7,366
Transport and travel costs	6,823	4,198
Uniforms	2,786	2,354
Friends of Brighton Projects	6,292	13,689
Irrecoverable VAT	1,279	3,108
Settlement fees	-	22,500
Depreciation	119,800	95,897
Loss on sale of assets	(11,727)	-
	<u>1,075,691</u>	<u>752,562</u>

10. GRANTS PAYABLE

	2022	2021
	£	£
Kennels and sanctuary	<u>16,828</u>	<u>78,943</u>
The total grants paid to institutions during the year was as follows:		
	2022	2021
	£	£
Covid 19 Branch Support	-	(5,557)
Hillingdon, Slough, Windsor, Kingston and District Branch	-	24,000
Canterbury & District Branch Grant	16,500	55,500
Thanet Branch - Cockerels	-	5,000
Leeds & Bradford Branch	<u>328</u>	<u>-</u>
	<u>16,828</u>	<u>78,943</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. SUPPORT COSTS

	Governance costs £
Kennels and sanctuary	<u>40,679</u>

Support costs, included in the above, are as follows:

Governance costs

	2022 Kennels and sanctuary £	2021 Total activities £
Auditors' remuneration	5,000	4,450
Professional fees and insurances	30,408	25,886
Sundry expenses and bank charges	<u>5,271</u>	<u>2,640</u>
	<u>40,679</u>	<u>32,976</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

No Committee Member received any emoluments from the charity (2021 £nil).

Trustees' expenses

One Committee Member received reimbursed expenses during the year totalling £206 this was for branch supplies.(2021: 3 Members received £769 expenses reimbursed).

13. STAFF COSTS

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	488,740	352,943
Social security cost	34,685	20,273
Pension costs	<u>13,429</u>	<u>9,100</u>
	<u>536,855</u>	<u>382,316</u>

The average number of employees, including 5 part time staff, is 28 (2021: 22).

No employee received remuneration in excess of £60,000 (2021: none).

The charity considers its key management personnel comprise the trustees, the manageress and heads of department. The total employment benefits to its key management personnel including pension contributions and employers national insurance contributions were £149,324 (2021: £123,674).

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	855,782	-	855,782
Charitable activities			
Kennels and sanctuary	114,022	-	114,022
Other trading activities	37,242	-	37,242
Investment income	1,115	-	1,115
Other income	<u>1,645</u>	<u>-</u>	<u>1,645</u>
Total	<u>1,009,806</u>	<u>-</u>	<u>1,009,806</u>
EXPENDITURE ON			
Charitable activities			
Kennels and sanctuary	<u>864,481</u>	<u>-</u>	<u>864,481</u>
NET INCOME	145,325	-	145,325
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>4,169,049</u>	<u>-</u>	<u>4,169,049</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>4,314,374</u></u>	<u><u>-</u></u>	<u><u>4,314,374</u></u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2022	2,976,084	85,003	50,413	3,111,500
Additions	490,982	17,037	20,700	528,719
Disposals	-	-	(31,361)	(31,361)
At 31 December 2022	<u>3,467,066</u>	<u>102,040</u>	<u>39,752</u>	<u>3,608,858</u>
DEPRECIATION				
At 1 January 2022	1,629,090	53,203	36,427	1,718,720
Charge for year	106,620	8,997	4,183	119,800
Eliminated on disposal	-	-	(20,908)	(20,908)
At 31 December 2022	<u>1,735,710</u>	<u>62,200</u>	<u>19,702</u>	<u>1,817,612</u>
NET BOOK VALUE				
At 31 December 2022	<u>1,731,356</u>	<u>39,840</u>	<u>20,050</u>	<u>1,791,246</u>
At 31 December 2021	<u>1,346,994</u>	<u>31,800</u>	<u>13,986</u>	<u>1,392,780</u>

16. STOCKS

	2022 £	2021 £
Stocks	<u>14,355</u>	<u>11,923</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	45,265	19,183
Other debtors	80,760	755,071
VAT	51,356	12,774
Prepayments and accrued income	7,721	2,423
Prepayments	<u>21,996</u>	<u>1,819</u>
	<u>207,098</u>	<u>791,270</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	58,383	23,942
Taxation and social security	3,055	-
Other creditors	44,270	30,607
	<u>105,708</u>	<u>54,549</u>

19. MOVEMENT IN FUNDS

	At 1/1/22 £	Net movement in funds £	Transfers between funds £	At 31/12/22 £
Unrestricted funds				
General fund	2,252,324	401,489	(100,000)	2,553,813
Further rebuild (designated fund)	250,000	(250,000)	-	-
Neutering (designated fund)	40,000	-	-	40,000
Microchipping (designated fund)	3,000	-	-	3,000
Closure provision (designated fund)	750,000	-	-	750,000
Support for other RSPCA Branches (designated fund)	19,050	(19,050)	-	-
Upgrade of Animal Housing (designated fund)	<u>1,000,000</u>	<u>(250,000)</u>	<u>100,000</u>	<u>850,000</u>
	<u>4,314,374</u>	<u>(117,561)</u>	<u>-</u>	<u>4,196,813</u>
TOTAL FUNDS	<u>4,314,374</u>	<u>(117,561)</u>	<u>-</u>	<u>4,196,813</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,019,437	(617,948)	401,489
Further rebuild (designated fund)	-	(250,000)	(250,000)
Support for other RSPCA Branches (designated fund)	-	(19,050)	(19,050)
Upgrade of Animal Housing (designated fund)	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>
	<u>1,019,437</u>	<u>(1,136,998)</u>	<u>(117,561)</u>
TOTAL FUNDS	<u>1,019,437</u>	<u>(1,136,998)</u>	<u>(117,561)</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	2,781,049	145,325	(674,050)	2,252,324
Further rebuild (designated fund)	350,000	-	(100,000)	250,000
Neutering (designated fund)	40,000	-	-	40,000
Microchipping (designated fund)	3,000	-	-	3,000
Matched Funding MNC (designated fund)	100,000	-	(100,000)	-
Closure provision (designated fund)	550,000	-	200,000	750,000
Purchase of dog walking area near shelter (designated fund)	345,000	-	(345,000)	-
Support for other RSPCA Branches (designated fund)	-	-	19,050	19,050
Upgrade of Animal Housing (designated fund)	-	-	1,000,000	1,000,000
	<u>4,169,049</u>	<u>145,325</u>	<u>-</u>	<u>4,314,374</u>
TOTAL FUNDS	<u>4,169,049</u>	<u>145,325</u>	<u>-</u>	<u>4,314,374</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,009,806	(864,481)	145,325
	<u>1,009,806</u>	<u>(864,481)</u>	<u>145,325</u>
TOTAL FUNDS	<u>1,009,806</u>	<u>(864,481)</u>	<u>145,325</u>

20. RELATED PARTY DISCLOSURES

- Three members of staff including two of the Key Management Personnel have job related accommodation on site to carry out their duties.
- The charity received a 'Door to Door' grant from National RSPCA of £23,218 (2021 £24,134) during the year.
- Grants to other branches - see Note 10.

21. CAPITAL COMMITMENTS

During the year the trustees committed to £1 million in capital expenditure of which £483,000 was spent in 2022 leaving a balance of £517,000 to be spent post year end.

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations, subscriptions and sundry income	88,618	50,073
Legacies	234,958	772,922
Grants	23,218	24,134
Friends of Brighton	15,532	8,653
Transfer of assets from Sussex North branch	<u>371,005</u>	<u>-</u>
	733,331	855,782
Other trading activities		
Fundraising	3,349	2,393
Private boarding	<u>45,727</u>	<u>34,849</u>
	49,076	37,242
Investment income		
Deposit account interest	8,564	1,115
Charitable activities		
Boarding fees and shop sales	141,337	35,927
Animal fees	81,009	76,281
Charitable neutering	<u>6,120</u>	<u>1,814</u>
	228,466	114,022
Other income		
Furlough grant	<u>-</u>	<u>1,645</u>
Total incoming resources	1,019,437	1,009,806
EXPENDITURE		
Raising donations and legacies		
Fundraising expenses	3,800	-
Charitable activities		
Wages and salaries	536,854	382,317
Food and welfare	16,081	20,052
Rates, light, heat and telephone	73,257	26,107
Repairs and maintenance	93,994	61,714
Printing, postage and stationery	7,336	3,971
Vets fees and drugs	188,135	86,826
Carried forward	915,657	580,987

This page does not form part of the statutory financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Charitable activities		
Brought forward	915,657	580,987
Charitable neutering	-	15,419
Shop stock	22,928	7,044
Cleaning materials	11,853	7,366
Transport and travel costs	6,823	4,198
Uniforms	2,786	2,354
Friends of Brighton Projects	6,292	13,689
Irrecoverable VAT	1,279	3,108
Settlement fees	-	22,500
Depreciation freehold property	106,620	82,867
Depreciation fixtures and fittings	8,997	6,642
Depreciation motor vehicles	4,183	6,388
Profit on sale of tangible fixed assets	(11,727)	-
Grants to institutions	<u>16,828</u>	<u>78,943</u>
	1,092,519	831,505
Support costs		
Governance costs		
Auditors' remuneration	5,000	4,450
Professional fees and insurances	30,408	25,886
Sundry expenses and bank charges	<u>5,271</u>	<u>2,640</u>
	<u>40,679</u>	<u>32,976</u>
Total resources expended	<u>1,136,998</u>	<u>864,481</u>
Net (expenditure)/income	<u>(117,561)</u>	<u>145,325</u>

This page does not form part of the statutory financial statements

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

**ROYAL SOCIETY FOR THE PREVENTION OF
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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

It has been a busy year for the Branch in 2022 that began with the completion of our new reception area and offices which have enhanced the working conditions for the staff and volunteers.

The year culminated in the merger between with the Brighton Branch and the Sussex North Branch and we now have a new name RSPCA Sussex North and Brighton Branch and we now collectively extend our animal welfare to this wider area.

Animal Welfare is always at the heart of everything we do at the Brighton Animal Shelter and our successes would not have been achieved without the hard work and dedication of the staff and volunteers. Our thanks must also go to Chief Inspector Patrick Hamby and his Inspectorate Team for the amazing work they do.

Jenny Eden our Branch Manager works tirelessly for the benefit of the animals in our care and is ably supported by her heads of department in the dogs, cats, small animals and reptile sections.

We now have two Animal Welfare Officers, Laurie and Heather who are kept busy covering the animals' needs in the larger area since our merger with RSPCA Sussex North Branch and Jade our Dog Behaviourist has achieved tremendous results with dogs and cats with increasingly complex behavioural issues.

We have also employed Jo Hockley, a full time fundraiser and we have high hopes that she will bring in much needed additional funds that will contribute towards the general running of the branch and improvements we are making to the shelter infrastructure.

In addition to the amazing work Jenny does for the smooth running of the day to day operations, she has also been busy with the opening of charity shops for the branch. We now have shops in Haywards Heath, Hove and Worthing all of which are doing well under the Jenny's guidance.

The first phase of the new kennel refurbishment started in 2022 and at time of writing we are pleased to confirm that they are now completed, signed off by licensing and operational. The next block of kennels and refurbished cattery is hoped to be commenced later in 2023/24.

My thanks go to my fellow Trustees for their guidance and the many hours of unpaid work they do for the RSPCA in general and Branch in particular.

In conclusion, my thanks go to everyone who has helped make this a very successful year for animal welfare.

Doug Taylor
Chairman

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees present their annual report and financial statements of the charity for the year ended 31st December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objective of the Branch is to promote the work of the National Society within the Branch area of Sussex North and Brighton. We use all lawful means to prevent or suppress cruelty to animals, promote kindness and to alleviate the suffering of animals.

Our primary role is to support the RSPCA national society inspectorate giving priority to the acceptance of case animals and those signed over for welfare concerns, or unowned sick and injured animals presented to us.

Our four key priority areas relating to the delivery of animal welfare services are:

- Rescue, Rehabilitate and Rehome
- Welfare Neutering
- Welfare Microchipping
- Welfare Treatments

The trustees' objectives for the year are shaped by these strategic aims, with a view to obtaining income to be used for the benefit of animal welfare in the area. We raise funds through legacies and donations, running fund raising events, rehoming fees, offering private boarding facilities, retail sales of both new and donated goods and maintaining the value of the Charity's investments.

The main activities of the Charity during the year were the operation of our animal shelter in Brighton which is used for the rescuing, rehabilitating, and rehoming of animals along with our welfare work.

**ROYAL SOCIETY FOR THE PREVENTION OF
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Significant activities

During 2022 Covid restrictions were reduced and we were able to operate in a less restricted manner towards the end of the year. Within the year the Branch managed to successfully rehome a total of 138 dogs, 179 cats, 44 rabbits and many other miscellaneous animals including 210 reptiles. Our provision of neutering services has also continued. The specialised Reptile Rescue team at the Branch encountered another busy year with many reptiles being rehomed. We are again proud of their achievements which have been made which undoubtedly had an overall beneficial outcome for the animals, reptiles, and their adopters.

The most significant event in 2022 was the merger between the Sussex North Branch and the Sussex, Brighton and East Grinstead Branch at the end of October which resulted in the newly formed branch covering both geographical areas.

The retail strategy devised in 2021 was rolled out in 2022 and we now have shops in Haywards Heath, Hove and Worthing, the latter of which was taken over from the neighbouring branch where they ran an existing shop that sat within our boundaries.

During the year we recruited an Animal Welfare Officer who is tasked with reaching out within the branch community to give advice on animal welfare issues. A branch Fundraiser has also been employed and a number of events were organized at the tail end of the year with a further schedule of events planned for 2023 to boost our fundraising efforts.

The improvements to the branch offices were completed in 2022 and this now provides an appropriate working environment for the branch staff with efficient use of the space available and removing hazards that previously existed within it.

The refit of the kennel blocks, required to meet current licensing standards, also got underway in 2022. This is the first phase of a long term strategy to renew and refresh all of the shelter animal accommodation with further plans for work to be undertaken in 2023.

**ROYAL SOCIETY FOR THE PREVENTION OF
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

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 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 trustees confirm that they 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 the planning of future activities.

The Branch activities during the year constitute clear benefit to the public:

- The Branch gives priority to those animals with a genuine welfare need as identified by members of the RSPCA Inspectorate. Such animals may be the subject of an ongoing legal case or may have been removed and signed over to the RSPCA with the consent of an owner unable to meet the animal's welfare needs.
- The Branch takes in local animals for rehoming whose owners, through bereavement, disability, age, marriage break-up or other reasons, are no longer able to keep them.
- These animals are subject to appropriate veterinary treatment and rehabilitation under the direction of the Branch's animal care staff. Animals signed over to us are then rehomed. Prior to rehoming all animals are neutered and microchipped.
- In particular, we promote the neutering of animals and the rehoming of unwanted animals in our area and where there is an urgent need in other RSPCA Branch areas.
- The Branch runs a low cost voucher scheme to support local people who are struggling financially with the costs of neutering their animals and who might otherwise not have them neutered. Also, when we identify a need we offer subsidised or free neutering for specific animals or breeds of animals sometimes in specific local areas with a long term view of reducing unwanted animals.
- The Branch provides free animal care advice to members of the public.
- The Branch has a first aid and holding unit for injured wildlife and where appropriate cares for them until they can be released back into their natural habitat.
- The Branch co-operate with the Police and Brighton and Hove City Council on animal related problems.
- The Branch provides speakers at local schools, companies, youth meetings and organised events with a view to educating and spreading the message of animal welfare.
- 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 our 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.

Volunteers

We provide volunteering opportunities for those who wish to support our work including trusteeship, home visiting, animal care, dog walking, fundraising, working in our reception, gardening, helping with general repairs and maintenance of our site. This benefits local people and companies by providing the possibility of doing work which is compassionate and rewarding.

The precise value of volunteers' time is hard to quantify as they each do different amounts of time and some away from the Shelter, some casually and some on a regular basis. However, it is envisaged that this equates to an average of 500 hours a week. We are always very grateful for the amazing support we receive from our army of volunteers. Our Branch would not be able to function as it does without them.

**ROYAL SOCIETY FOR THE PREVENTION OF
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

Since joining the branch our new fundraising manager has created a series of special events including a Christmas Tree Fair, a New Year's Day Dip, a Sponsored Kennel Sleep Out and a forthcoming Pawsome Paddle Challenge. These are in addition to the traditional Summer Fayre and Dog Show. Other fundraising activities saw volunteer's abseil down the I360 in Brighton and our Head of Small Furrries ran the Brighton Marathon.

Investment performance

Investments during the year were placed on deposit with major banks and met with our objectives to invest our money for a fixed term with a very low risk to capital. Investment funds were locked through notice periods which meant that the branch was not able to take advantage of the rising interest rates until late on in 2022. The return on investments was therefore relatively moderate and £8,564 interest was earned during the year.

We have continued to use a recognised deposit scheme that enables access to a wide range of financial institutions and the standard market products they provide. The scheme provides a one-stop shop approach reducing the administration that is needed. We also benefit from preferential rates that are available and reduce our risk by spreading our investments over a wider range of suppliers.

FINANCIAL REVIEW

Financial position

2022 saw fundraising activities increase slightly following the lifting of Covid restrictions which had an impact on the previous two years. We were however very fortunate to have been bequeathed nearly £235,000 in legacies in 2022. This money assists greatly in maintaining our strong financial position and funding the new kennel build. In previous years the branch had made donations to other branches and animal welfare organisations who were in more difficult financial situations however a decision was made to cease these donations and direct funds towards the improvements that were needed to the branch site.

Income is derived from private boarding of animals (which we have now ceased during 2022), shop sales, fees from people who re-home animals, legacies, donations, grants and subscriptions plus investment income. It is always anticipated when we budget that our expenditure will exceed our income. However, this is usually mitigated by fundraising and legacies, which cannot be budgeted for.

- Incoming resources for the year were £1,019,437 compared to £1,009,806 in 2021. The 2022 total included funds incoming from Sussex North as a result of the merger. This offset a reduction in legacies received in 2022 compared to 2021, which, as indicated above, we can never predict or budget for. During 2022 legacies totalled £234,958 compared to £772,922 in 2021.

- Expenditure levels increased by £272,517 to £1,136,998 in 2022 compared to £864,481 in 2021. This was mainly in respect of increased vet charges, employee and energy costs. The expenditure figures include £16,828 of contributions that we made to other RSPCA branches and animal welfare causes.

- Overall, this resulted in a deficit of £117,561 for the year compared to a £145,325 surplus in 2021.

Reserves Policy

The level of reserves is reviewed regularly by the Committee. The Committee considers that reserves (unrestricted funds not invested in fixed assets), should total the equivalent of one years running costs of the Branch. It is felt prudent to maintain free reserves at this level as the charity relies heavily on donations and legacies, both of which can fluctuate significantly from year to year and cannot be predicted with any accuracy. The total reserves (not represented by fixed assets) at 31 December 2022 were £2,405,567 with no restricted funds and £1,643,000 of designated funds leaving £762,567 of unrestricted funds. The trustees are aware that this currently exceeds our policy however further capital expenditure is expected in the medium term which should create more alignment here.

**ROYAL SOCIETY FOR THE PREVENTION OF
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

FUTURE PLANS

Further phases of the animal accommodation will be progressed as and when appropriate levels of funds are available. Phase one of the plan has now been completed and provides new kennelling at the lower end of the existing block and it is envisaged that a second phase of work providing further new kennelling will be progressed in 2023. The recruitment of a second Animal Welfare Officer covering the Sussex North area has been approved but the role has yet to be filled with the intention of finding a suitable candidate in 2023. This role has been put in place as part of the agreement with Sussex North at the time of the merger.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The RSPCA Sussex North and Brighton Branch is constituted as a charitable unincorporated association and a branch of the Royal Society for the Prevention of Cruelty to Animals. The Society was incorporated by the Royal Society for the Prevention of Cruelty to Animals Act 1932 (as amended) and is governed by that Act and by the rules of the Society. These rules accord with rule XI of the Society's rules and are approved by the Council. The branch is governed by RSPCA Branch Model Rules revised February 2009.

The relationship between the Society and the Branch is regulated by these rules, the Society's rules and the RSPCA Acts.

The Branch is required to manage its own affairs and may not pledge the credit of the Society or the Council.

We are bound by the Society's rules and in case of any conflict between these rules and the Society's rules, the Society's rules prevail.

Recruitment and appointment of new trustees

The Trustees appointed to the board of the newly merged branch are all existing trustees of the former branches. No completely new trustees were appointed during 2022.

Organisational structure

The Board consists of at least seven and not more than fourteen trustees and is elected at the Annual General Meeting. The Board elects its officers at the first meeting and meets once a month. Trustees listed in this document held office during the previous year unless stated otherwise.

The Board delegates the day-to-day running of the Animal Shelter to the Branch Manager. The Branch Manager is helping us review all areas of governance, policies, and processes. This includes Risk Assessment, Health and Safety and Employment Regulations.

Key management remuneration

The trustees consider the Board of Trustees, the Branch Manager, and the Heads of Departments to be the key management personnel of the charity in charge of directing and controlling the charity and running and operating the Branch on a day to day basis.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustees' expenses and related party transactions are disclosed in the notes of the accounts.

Trustees are required to disclose all relevant interests and register them with the board in accordance with the charity's policy.

The pay of the Branch and Operations Manager along with the heads of department is reviewed annually by the Treasurer and Chair and when appropriate increased taking into consideration inflation, average salaries in the area and salaries of other similar sized charities to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Connected parties

The charity is a local branch of the Royal Society for the Prevention of Cruelty to Animals (Charity number 219099) a national charity, which acts as an umbrella organisation.

The amounts due to the main body of the RSPCA in 2022 was £6,064, based on the reserves of the previous year.

The charity works autonomously, but within the rules and policies set out by the main body.

The Animal Shelter run by the charity is licensed annually by the RSPCA.

Risk management

The Board has carried out a review of the major risks to which the Branch is exposed and considers that systems are in place to mitigate the risks. The major risks are assessed annually by the trustees, taking into consideration factors, external risks and the effects of legislation.

The major risks identified are:

- Lack of Branch Capacity to Deliver Services
- Loss of Boarding License
- Lack of Clear Strategy
- Not Having Clear Policies and Procedures
- Non-Core Charitable Income Exceeding HMRC Limit
- IT Problems

The systems and procedures in place to mitigate these risks include staff and volunteer training programmes, effective governance, and continual assessment of risks with appropriate action being taken when they are identified.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

206630

Principal address

RSPCA Animal Shelter and Kennels
Braypool Lane
Patcham
Brighton
East Sussex
BN1 8ZH

Trustees

D Taylor - Chair
Mrs J Brazier - Secretary
Mrs R A Bond (resigned 28/2/2022)
Mrs A Bolton
R Langridge - Treasurer
Mrs S Emms
Mrs S Bilby
Mrs R Gales
Ms S M Cusworth Woolford (appointed 8/11/2022)
G L Anderson (appointed 8/11/2022)
P M Browning (appointed 8/11/2022)

**ROYAL SOCIETY FOR THE PREVENTION OF
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Branch manager

Mrs J Eden

Bankers

Lloyds TSB Bank PLC
55 Preston Circus
Brighton
BN1 4LQ

Bank of Scotland PLC
Pentland House
8 Lochside Avenue
Edinburgh
EH12 9DJ

Barclays Bank PLC
1 Church Road
Burgess Hill
West Sussex
RH15 9BD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

**ROYAL SOCIETY FOR THE PREVENTION OF
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

Approved by order of the board of trustees on and signed on its behalf by:

.....
D Taylor - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
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Opinion

We have audited the financial statements of Royal Society For The Prevention Of Cruelty To Animals Sussex North & Brighton Branch (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 on the charity'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
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Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
ROYAL SOCIETY FOR THE PREVENTION OF
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Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks of material misstatement both at the financial statement level and at the assertion level.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

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 obtained an understanding of the legal and regulatory framework that the charity 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 charity from our professional and sector experience.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale
- We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity'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.

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 were indicative of a potential bias and tested significant transactions that were unusual or those outside the normal course of business.

We also

- discussed and reviewed the charity's business model and forward planning to assess going concern
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculated items such as depreciation

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH

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

Use of our report

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

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date:

Eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	733,331	-	733,331	855,782
Charitable activities	5				
Kennels and sanctuary		228,466	-	228,466	114,022
Other trading activities	3	49,076	-	49,076	37,242
Investment income	4	8,564	-	8,564	1,115
Other income	6	-	-	-	1,645
Total		<u>1,019,437</u>	<u>-</u>	<u>1,019,437</u>	<u>1,009,806</u>
EXPENDITURE ON					
Raising funds	7	3,800	-	3,800	-
Charitable activities	8				
Kennels and sanctuary		<u>1,133,198</u>	<u>-</u>	<u>1,133,198</u>	<u>864,481</u>
Total		<u>1,136,998</u>	<u>-</u>	<u>1,136,998</u>	<u>864,481</u>
NET INCOME/(EXPENDITURE)		(117,561)	-	(117,561)	145,325
RECONCILIATION OF FUNDS					
Total funds brought forward		4,314,374	-	4,314,374	4,169,049
TOTAL FUNDS CARRIED FORWARD		<u><u>4,196,813</u></u>	<u><u>-</u></u>	<u><u>4,196,813</u></u>	<u><u>4,314,374</u></u>

The notes form part of these financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**BALANCE SHEET
31 DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	15	1,791,246	-	1,791,246	1,392,780
CURRENT ASSETS					
Stocks	16	14,355	-	14,355	11,923
Debtors	17	207,098	-	207,098	791,270
Cash at bank and in hand		<u>2,289,822</u>	<u>-</u>	<u>2,289,822</u>	<u>2,172,950</u>
		2,511,275	-	2,511,275	2,976,143
CREDITORS					
Amounts falling due within one year	18	(105,708)	-	(105,708)	(54,549)
NET CURRENT ASSETS		<u>2,405,567</u>	<u>-</u>	<u>2,405,567</u>	<u>2,921,594</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,196,813	-	4,196,813	4,314,374
NET ASSETS		<u>4,196,813</u>	<u>-</u>	<u>4,196,813</u>	<u>4,314,374</u>
FUNDS	19				
Unrestricted funds				<u>4,196,813</u>	<u>4,314,374</u>
TOTAL FUNDS				<u>4,196,813</u>	<u>4,314,374</u>

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
D Taylor - Trustee

The notes form part of these financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>614,847</u>	<u>73,043</u>
Net cash provided by operating activities		<u>614,847</u>	<u>73,043</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(528,719)	(371,266)
Sale of tangible fixed assets		22,180	-
Interest received		<u>8,564</u>	<u>1,115</u>
Net cash used in investing activities		<u>(497,975)</u>	<u>(370,151)</u>
Change in cash and cash equivalents in the reporting period		116,872	(297,108)
Cash and cash equivalents at the beginning of the reporting period		<u>2,172,950</u>	<u>2,470,058</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,289,822</u></u>	<u><u>2,172,950</u></u>

The notes form part of these financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(117,561)	145,325
Adjustments for:		
Depreciation charges	119,800	95,897
Profit on disposal of fixed assets	(11,727)	-
Interest received	(8,564)	(1,115)
Increase in stocks	(2,432)	(8,171)
Decrease/(increase) in debtors	584,172	(184,665)
Increase in creditors	<u>51,159</u>	<u>25,772</u>
Net cash provided by operations	<u>614,847</u>	<u>73,043</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank and in hand	<u>2,172,950</u>	<u>116,872</u>	<u>2,289,822</u>
	<u>2,172,950</u>	<u>116,872</u>	<u>2,289,822</u>
Total	<u>2,172,950</u>	<u>116,872</u>	<u>2,289,822</u>

The notes form part of these financial statements

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The RSPCA Sussex Brighton and East Grinstead Branch is an unincorporated registered charity in England and Wales. The registered charity number and principal address are shown on page 7 of the trustee report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements are presented in Sterling and this is the functional currency of the charity. The financial statements are rounded to the nearest whole pound

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting judgements and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are in respect of the recognition of legacy income and fixed asset depreciation. See accounting policy notes below.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the income have been met; it is probable that the income will be received and the amount can be measured reliably.

Legacies

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Volunteers

The value of voluntary work is not included in the financial statements. There are 60 regular volunteers as well as many more who volunteer casually and sometimes for specific fund raising events. They help with a whole variety of tasks, including animal care, fundraising, dog walking, home visiting, and staffing the reception.

Grants

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. Those grants towards capital projects are then charged with depreciation each year.

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

Income

Donations and Fundraising

Donations are accounted for as received. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred until either those conditions are met in full, or their fulfilment is wholly within the control of the charity and it is probable that those conditions will be fulfilled by the reporting period. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

Government grants

Government grants are recognised under the performance model. The grant income is recognised upon performance conditions being satisfied (and should it be received in advance of satisfying the performance, recognition of the income is deferred as a liability) and where there are no specific future performance-related conditions then grants are recognised when proceeds are received or receivable.

Coronavirus Job Retention Scheme (CJRS)

The CJRS grant relates to government support for staff who have been furloughed due to Covid-19. These claims are recognised in the Statement of Financial Activities as part of Other Income.

Earned and other income

Income from shop sales, raffle and other activities are recognised as earned.

Income from investments is recognised on a receivable basis.

Income from sales of publications and training courses are recognised as earned.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes salaries expenses and overheads
- Expenditure on charitable activities includes salaries, expenses and overheads
- Other expenditure represents those items not falling into the categories above

Grants payable to third parties are within the charitable objectives Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and the staging of special events.

Costs of charitable activities comprise direct costs.

Support costs include those costs, such as auditor's remuneration, associated with constitutional and statutory requirements.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Fixed assets, except freehold land, are written off over their estimated useful lives by depreciation through the Statement of Financial Activities. Freehold land is not depreciated.

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

The rates of depreciation used are as follows :

Additions to Freehold Property: Over 20 years on a straight line basis.

Equipment and Motor Vehicles: Over 6 years on a straight line basis.

The charity has a de minimis policy in place whereby only items of £500 and over are capitalised.

Stocks

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

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable entity for UK Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

The charity has various types of funds for which it is responsible:

Unrestricted funds - these are for the use on the general charitable objectives of the charity.

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Donated goods

Donated goods and services have not been recognised in these financial statements as it is not practicable to do so as the cost outweighs the benefit.

Financial instruments

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments" of FRS 102 to all its financial statements. Financial instruments are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets and liabilities (debtors and creditors)

Basic financial assets and liabilities, which include debtors, creditors and bank loans are recognised at transaction price unless the arrangement constitutes a financing transaction. Financial assets and liabilities classified as payable within one year are not amortised.

Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with bank, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**ROYAL SOCIETY FOR THE PREVENTION OF
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

Financial instruments

Trade Creditors

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified at current liabilities if payment is due within one year or less. Otherwise they are presented as non current liabilities.

Vat

All incoming resources and resources expended are stated net of VAT where applicable. Irrecoverable VAT is included within resources expended.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations, subscriptions and sundry income	88,618	50,073
Legacies	234,958	772,922
Grants	23,218	24,134
Friends of Brighton	15,532	8,653
Transfer of assets from Sussex North branch	<u>371,005</u>	<u>-</u>
	<u>733,331</u>	<u>855,782</u>

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

	2022	2021
	£	£
RSPCA - Door to Door Grant	<u>23,218</u>	<u>24,134</u>

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising	3,349	2,393
Private boarding	<u>45,727</u>	<u>34,849</u>
	<u>49,076</u>	<u>37,242</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>8,564</u>	<u>1,115</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Boarding fees and shop sales	Kennels and sanctuary	141,337	35,927
Animal fees	Kennels and sanctuary	81,009	76,281
Charitable neutering	Kennels and sanctuary	<u>6,120</u>	<u>1,814</u>
		<u>228,466</u>	<u>114,022</u>

6. OTHER INCOME

Other income represents government grants received for furlough claims made under the Coronavirus Job Retention Scheme.

7. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Fundraising expenses	<u>3,800</u>	<u>-</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Grant funding of activities (see note 10)	Support costs (see note 11)	Totals
	£	£	£	£
Kennels and sanctuary	<u>1,075,691</u>	<u>16,828</u>	<u>40,679</u>	<u>1,133,198</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Wages and salaries	536,854	382,317
Food and welfare	16,081	20,052
Rates, light, heat and telephone	73,257	26,107
Repairs and maintenance	93,994	61,714
Printing, postage and stationery	7,336	3,971
Vets fees and drugs	188,135	86,826
Charitable neutering	-	15,419
Shop stock	22,928	7,044
Cleaning materials	11,853	7,366
Transport and travel costs	6,823	4,198
Uniforms	2,786	2,354
Friends of Brighton Projects	6,292	13,689
Irrecoverable VAT	1,279	3,108
Settlement fees	-	22,500
Depreciation	119,800	95,897
Loss on sale of assets	(11,727)	-
	<u>1,075,691</u>	<u>752,562</u>

10. GRANTS PAYABLE

	2022	2021
	£	£
Kennels and sanctuary	<u>16,828</u>	<u>78,943</u>
The total grants paid to institutions during the year was as follows:		
	2022	2021
	£	£
Covid 19 Branch Support	-	(5,557)
Hillingdon, Slough, Windsor, Kingston and District Branch	-	24,000
Canterbury & District Branch Grant	16,500	55,500
Thanet Branch - Cockerels	-	5,000
Leeds & Bradford Branch	<u>328</u>	<u>-</u>
	<u>16,828</u>	<u>78,943</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. SUPPORT COSTS

	Governance costs £
Kennels and sanctuary	<u>40,679</u>

Support costs, included in the above, are as follows:

Governance costs

	2022 Kennels and sanctuary £	2021 Total activities £
Auditors' remuneration	5,000	4,450
Professional fees and insurances	30,408	25,886
Sundry expenses and bank charges	<u>5,271</u>	<u>2,640</u>
	<u>40,679</u>	<u>32,976</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

No Committee Member received any emoluments from the charity (2021 £nil).

Trustees' expenses

One Committee Member received reimbursed expenses during the year totalling £206 this was for branch supplies.(2021: 3 Members received £769 expenses reimbursed).

13. STAFF COSTS

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	488,740	352,943
Social security cost	34,685	20,273
Pension costs	<u>13,429</u>	<u>9,100</u>
	<u>536,855</u>	<u>382,316</u>

The average number of employees, including 5 part time staff, is 28 (2021: 22).

No employee received remuneration in excess of £60,000 (2021: none).

The charity considers its key management personnel comprise the trustees, the manageress and heads of department. The total employment benefits to its key management personnel including pension contributions and employers national insurance contributions were £149,324 (2021: £123,674).

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	855,782	-	855,782
Charitable activities			
Kennels and sanctuary	114,022	-	114,022
Other trading activities	37,242	-	37,242
Investment income	1,115	-	1,115
Other income	<u>1,645</u>	<u>-</u>	<u>1,645</u>
Total	<u>1,009,806</u>	<u>-</u>	<u>1,009,806</u>
EXPENDITURE ON			
Charitable activities			
Kennels and sanctuary	<u>864,481</u>	<u>-</u>	<u>864,481</u>
NET INCOME	145,325	-	145,325
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>4,169,049</u>	<u>-</u>	<u>4,169,049</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>4,314,374</u></u>	<u><u>-</u></u>	<u><u>4,314,374</u></u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2022	2,976,084	85,003	50,413	3,111,500
Additions	490,982	17,037	20,700	528,719
Disposals	-	-	(31,361)	(31,361)
At 31 December 2022	<u>3,467,066</u>	<u>102,040</u>	<u>39,752</u>	<u>3,608,858</u>
DEPRECIATION				
At 1 January 2022	1,629,090	53,203	36,427	1,718,720
Charge for year	106,620	8,997	4,183	119,800
Eliminated on disposal	-	-	(20,908)	(20,908)
At 31 December 2022	<u>1,735,710</u>	<u>62,200</u>	<u>19,702</u>	<u>1,817,612</u>
NET BOOK VALUE				
At 31 December 2022	<u>1,731,356</u>	<u>39,840</u>	<u>20,050</u>	<u>1,791,246</u>
At 31 December 2021	<u>1,346,994</u>	<u>31,800</u>	<u>13,986</u>	<u>1,392,780</u>

16. STOCKS

	2022 £	2021 £
Stocks	<u>14,355</u>	<u>11,923</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	45,265	19,183
Other debtors	80,760	755,071
VAT	51,356	12,774
Prepayments and accrued income	7,721	2,423
Prepayments	<u>21,996</u>	<u>1,819</u>
	<u>207,098</u>	<u>791,270</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	58,383	23,942
Taxation and social security	3,055	-
Other creditors	44,270	30,607
	<u>105,708</u>	<u>54,549</u>

19. MOVEMENT IN FUNDS

	At 1/1/22 £	Net movement in funds £	Transfers between funds £	At 31/12/22 £
Unrestricted funds				
General fund	2,252,324	401,489	(100,000)	2,553,813
Further rebuild (designated fund)	250,000	(250,000)	-	-
Neutering (designated fund)	40,000	-	-	40,000
Microchipping (designated fund)	3,000	-	-	3,000
Closure provision (designated fund)	750,000	-	-	750,000
Support for other RSPCA Branches (designated fund)	19,050	(19,050)	-	-
Upgrade of Animal Housing (designated fund)	<u>1,000,000</u>	<u>(250,000)</u>	<u>100,000</u>	<u>850,000</u>
	<u>4,314,374</u>	<u>(117,561)</u>	<u>-</u>	<u>4,196,813</u>
TOTAL FUNDS	<u>4,314,374</u>	<u>(117,561)</u>	<u>-</u>	<u>4,196,813</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,019,437	(617,948)	401,489
Further rebuild (designated fund)	-	(250,000)	(250,000)
Support for other RSPCA Branches (designated fund)	-	(19,050)	(19,050)
Upgrade of Animal Housing (designated fund)	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>
	<u>1,019,437</u>	<u>(1,136,998)</u>	<u>(117,561)</u>
TOTAL FUNDS	<u>1,019,437</u>	<u>(1,136,998)</u>	<u>(117,561)</u>

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	2,781,049	145,325	(674,050)	2,252,324
Further rebuild (designated fund)	350,000	-	(100,000)	250,000
Neutering (designated fund)	40,000	-	-	40,000
Microchipping (designated fund)	3,000	-	-	3,000
Matched Funding MNC (designated fund)	100,000	-	(100,000)	-
Closure provision (designated fund)	550,000	-	200,000	750,000
Purchase of dog walking area near shelter (designated fund)	345,000	-	(345,000)	-
Support for other RSPCA Branches (designated fund)	-	-	19,050	19,050
Upgrade of Animal Housing (designated fund)	-	-	1,000,000	1,000,000
	<u>4,169,049</u>	<u>145,325</u>	<u>-</u>	<u>4,314,374</u>
TOTAL FUNDS	<u>4,169,049</u>	<u>145,325</u>	<u>-</u>	<u>4,314,374</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,009,806	(864,481)	145,325
	<u>1,009,806</u>	<u>(864,481)</u>	<u>145,325</u>
TOTAL FUNDS	<u>1,009,806</u>	<u>(864,481)</u>	<u>145,325</u>

20. RELATED PARTY DISCLOSURES

- Three members of staff including two of the Key Management Personnel have job related accommodation on site to carry out their duties.
- The charity received a 'Door to Door' grant from National RSPCA of £23,218 (2021 £24,134) during the year.
- Grants to other branches - see Note 10.

21. CAPITAL COMMITMENTS

During the year the trustees committed to £1 million in capital expenditure of which £483,000 was spent in 2022 leaving a balance of £517,000 to be spent post year end.

**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations, subscriptions and sundry income	88,618	50,073
Legacies	234,958	772,922
Grants	23,218	24,134
Friends of Brighton	15,532	8,653
Transfer of assets from Sussex North branch	<u>371,005</u>	<u>-</u>
	733,331	855,782
Other trading activities		
Fundraising	3,349	2,393
Private boarding	<u>45,727</u>	<u>34,849</u>
	49,076	37,242
Investment income		
Deposit account interest	8,564	1,115
Charitable activities		
Boarding fees and shop sales	141,337	35,927
Animal fees	81,009	76,281
Charitable neutering	<u>6,120</u>	<u>1,814</u>
	228,466	114,022
Other income		
Furlough grant	<u>-</u>	<u>1,645</u>
Total incoming resources	1,019,437	1,009,806
EXPENDITURE		
Raising donations and legacies		
Fundraising expenses	3,800	-
Charitable activities		
Wages and salaries	536,854	382,317
Food and welfare	16,081	20,052
Rates, light, heat and telephone	73,257	26,107
Repairs and maintenance	93,994	61,714
Printing, postage and stationery	7,336	3,971
Vets fees and drugs	188,135	86,826
Carried forward	915,657	580,987

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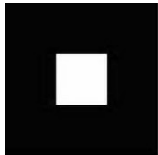
**ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS SUSSEX NORTH
& BRIGHTON BRANCH**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Charitable activities		
Brought forward	915,657	580,987
Charitable neutering	-	15,419
Shop stock	22,928	7,044
Cleaning materials	11,853	7,366
Transport and travel costs	6,823	4,198
Uniforms	2,786	2,354
Friends of Brighton Projects	6,292	13,689
Irrecoverable VAT	1,279	3,108
Settlement fees	-	22,500
Depreciation freehold property	106,620	82,867
Depreciation fixtures and fittings	8,997	6,642
Depreciation motor vehicles	4,183	6,388
Profit on sale of tangible fixed assets	(11,727)	-
Grants to institutions	<u>16,828</u>	<u>78,943</u>
	1,092,519	831,505
Support costs		
Governance costs		
Auditors' remuneration	5,000	4,450
Professional fees and insurances	30,408	25,886
Sundry expenses and bank charges	<u>5,271</u>	<u>2,640</u>
	<u>40,679</u>	<u>32,976</u>
Total resources expended	<u>1,136,998</u>	<u>864,481</u>
Net (expenditure)/income	<u>(117,561)</u>	<u>145,325</u>

This page does not form part of the statutory financial statements

Chartered Accountants
& Registered Auditors



The Trustees
RSPCA Sussex North and Brighton Branch

Chariot House

Dear Sirs

Our Ref: MP/SW/RSP101

RSPCA Sussex North and Brighton Branch Year ended 31 December 2022

In accordance with our normal practices we are writing to draw your attention to any matters which arose during the course of our audit, in this case in respect of the charity's financial statements for the year ended .

1. **Significant qualitative aspects of the entities accounting practices and financial reporting**
We have no comments to make concerning the qualitative aspects of accounting practices and financial reporting.
2. **Significant difficulties encountered during the audit**
We did not encounter any significant difficulties during the course of our audit work. We were provided with every assistance by Rob Langridge, Jenny Eden and Tori Privett and would like to thank them for their efforts.
3. **Unadjusted misstatements**
There is one unadjusted journal relating to a prior year vat balance which should be written off in the current year. The adjustment would not be material to the accounts.
4. **Material weaknesses in accounting and internal control systems**
As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation, upon which we have based our assessment of the accounts.

Our audit tests raised various issues which we have detailed in the attached appendix
5. **Letter of representation**
A draft of our proposed letter of representation has been sent to you. . In addition to the paragraphs included in the letter in respect of routine matters on which we seek the trustees' formal confirmation, we would bring to your attention the confirmations regarding going concern.
6. **Expected modifications to the auditors' report**
There are currently no expected modifications to the auditors' report.
7. **Other matters of governance interest arising from the audit**
 - 7.1 Internal controls - the Charity Commission recommends that charities carry out an annual review of their internal controls.
 - 7.2 Response to auditors' management letter - it is good practice for the trustees to respond in writing to the management letter points raised by the auditors.

8. Other matters of interest for charities

- 8.1 Fraud– the Charity Commission continue to emphasise the need for charities to be aware of the risks of fraud and to ensure that they have taken steps to minimise the risk of fraud both within the charity and from outside it. This message has been reemphasised during the Covid-19 crisis.
- 8.2 Cybercrime - Given remote working in many areas, of key importance is the possibility of on-line or cybercrime and all organisations should take steps to ensure they have safeguarded their systems and data. The National Cyber Security Centre has a guide specifically for small charities to help them assess and improve their security which can be found using the link below;

<https://www.ncsc.gov.uk/collection/charity>

The purpose of the audit was to enable us to express an opinion on the financial statements.

The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters attached are limited to those deficiencies that the auditors have identified during the audit and that the auditors have concluded are of sufficient importance to merit being reported to those charged with governance.

If we can be of any further assistance or you would like to discuss the matters raised with us, please contact Mark Partridge.

Yours faithfully

Mark Partridge FCA

Director

VAT – claim for input vat on capital/refurbishments costs

As discussed, we continue to have concerns about the 100% recovery of input vat on the refurbishment works. We have been unable to reach a definitive conclusion as to whether the partial exemption calculation would apply to this expenditure, and acknowledge that the expenditure could be deemed a direct input in relation to both 0% and standard rated income.

As we are unable at this point to quantify with any certainty what might be overclaimed, if indeed there is any, we have not made any adjustments to the accounts, nor disclosed any uncertainty in the notes to the accounts.

We have recommended that this initial input vat claim is reviewed before any further works are carried out and an expert opinion obtained to support the 100% claim for this work, and what might apply to any future works.

Audit trail documentation

We were advised the boarding booking forms for that year have been shredded and we are therefore unable to complete our testing on the completeness of this income. The amount does not appear unreasonable or out of line with comparative figures and we have concluded that it is unlikely that there is a material misstatement.

However, this does raise the issue of staff awareness both of the necessity of retaining adequate records for the purpose of the audit, and the impact of GDPR in respect of managing of personal information and how this should be managed.

Stock figures

The initial figures provided did not include all “stock” held for resale at the year end including live animals such as reptiles. Care should be taken to ensure that all stock held at the year end is accounted for, particularly with the expansion of the number of shops.

In light of the omission, we recommend that formal stock takes should be undertaken at a minimum at the year end, but potentially more often i.e quarterly or every six months.

We would intend to attend several locations for stock takes at the end of next year.

Year-end adjustments

Some material adjustments were made for prepayments after we raised queries on several figures. Year end adjustments can have a significant impact on the annual financial statements and both prepayments and accruals should be carefully reviewed prior to providing final figures for audit.

Gift aid Small Donations Scheme

We note that you have claimed GASDS on some monthly recurring donations which are received via standing order direct to the bank accounts. We have some concerns as to whether these are valid amounts to include under this heading as these are not cash/card one-off donations by individuals that are not documented or identified.

We would recommend that in future any recurring standing orders for donations should be treated as normal gift aid donations and a declaration obtained from the donor allowing gift aid tax to be reclaimed in the normal way and not under GASDS

Additional ways in which QB can be used to improve audit trail. – update from 2021.

We continue to recommend various ways in which the application of QB can be improved to enhance reporting and the audit trail, which will in turn enable the audit to proceed more smoothly– these include

- Uploading/scanning of purchase invoices to QB to evidence expenditure and subsequent upload of approval documentation
- Connecting QB with bank feed to automatically update transactions

Consideration might be given in due course to the use of a digital authorisation system such as Approval Max, although other systems are available.

Land Registry – titles may need to be updated – update from 2021

We note that the charity has already taken steps to address this issue with the incorporation of the trustee body. However, our land registry checks showed one title still in the names of individual trustees, and a review of the new shop leases shows that some of these documents are in the “old” charity name before the merger and may need to be updated at some point.

Audit trail for changes in salaries – update from 2021

Although we did manage to trace contractual entitlements for the majority of our sample of employees, we were unable to obtain clear definitive evidence in the form of formal documentation for 3 out of our sample of 18. We cannot therefore provide absolute assurance to the trustees that salaries are all in accordance with the contractual entitlement.

The audit trail must be improved by ensuring that any change in contracts is evidenced by a formal document advising of the new salary rate and date of change. This documentation should be retained in the personnel file whether in digital form or hard copy.

Treasury Management – update on 2021

We note that although considerable sums continue to be held in a number of single accounts the significant funds reserve is held in Insignis which spreads the risk over up to 13 different financial institutions. This does provide a safety net, although we notes that at the year end most balances were £100k or more which is in excess of the £85k bank guarantee.

VAT - Update from 2021

QB continues to have a £2.5k additional amount in the debtor balance that does not appear to be recoverable and should be written off.

Retail sales recording

Our detailed testing of retail sales recording identified recurring discrepancies between the Z till report and the weekly shop takings. We would comment as follows;

- The majority of the discrepancies were addressed and clarified on the takings sheet and appear to be mainly due to human error.
- One week tested in July 2022 was incorrectly completed and no till receipt was provided to verify the takings
- Output vat was correctly accounted for on a sample of new goods sales tested

Other Minor issues from 2021– we would remind you to ensure that

- Payinslip numbers should be recorded on the summary sheets so that cash lodgements can be more easily traced – **we note that this now appears to be happening in most cases**
- It might also useful for a transaction number from QB to be noted on the summary sheet for cash expenses paid out. Again although these are quite low, the audit trail is not present
- Early summary sheets also included a section showing the analysis between cash, cheques and card amounts – we recommend reinstatement of this analysis, as the till receipts fade considerably over time and the breakdown will be lost
- Sign off of income summaries should be two signatories if possible