

**RSPCA NORTHUMBERLAND WEST BRANCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# RSPCA NORTHUMBERLAND WEST BRANCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	J Ormiston - Chairman R Duggan S Hogarth A Wakelam S Watkins B Hodgson
<b>Charity number</b>	232241
<b>Principal address</b>	4 Newman Row Battle Hill Hexham Northumberland NE46 1BB
<b>Independent examiner</b>	Anthony Dunn Stokoe Rodger LLP St Matthews House Haugh Lane Hexham NE46 3PU
<b>Bankers</b>	Barclays Bank Plc Priestpopple Hexham Northumberland NE46 1PE
<b>Investment advisors</b>	St James's Place Wealth Management One Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF

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# RSPCA NORTHUMBERLAND WEST BRANCH

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# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], 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**

The objects of the branch are to promote the work and objects of the National Society of the RSPCA

– to promote kindness or to suppress cruelty to animals by all lawful means

– with particular reference to the area of the Branch, in accordance with the policies of the Society.

The key aim is to find suitable new homes for as many animals as possible, and to provide proper care for those who have been mistreated or abandoned.

The Trustees have reviewed the outcomes and achievements of the Branch's objectives and activities for the year to ensure they remain focussed on the charity's aims and continue to deliver benefits to the public. The Trustees have complied with the duty under the Charities Act 1993 to have due regard to public benefit guidance published by the Charity Commission which can be illustrated as follows:

- The Branch supports the local Inspectors by taking in, free of charge, mistreated or abandoned animals including pets whose owners suffer ill health or financial difficulties or pass away.
- The Branch provides education, information and advice, benefiting the public by promoting compassionate human sentiments towards animals.
- The Branch provides subsidised veterinary treatment for animals which are sick or injured and belong to local people on low incomes. This is achieved through a voucher scheme. During 2020 six welfare vouchers were issued to the public with a value of £435.57 thus benefiting those on means tested benefits by giving financial help to obtain veterinary care for companion animals.
- The Branch offers subsidised neutering and micro-chipping of companion animals for owners on low incomes. This helps to control dog and cat populations and promotes responsible pet ownership. Animals in the care of the Branch receive veterinary treatment, vaccination, neutering, and micro-chipping and are assessed for rehoming.
- Free animal care advice is offered to pet owners, and talks are given by invitation to local groups about caring for pets. These activities benefit the public through the promotion of responsible pet ownership.
- RSPCA Northumberland West Branch provides volunteering opportunities for those who wish to support our work including trusteeship, homechecking, fundraising and retail work and some animal care via fostering. This benefits local people, by providing the possibility of doing work which is compassionate and rewarding.

The main activities to achieve this are the operation of an animal re-homing programme and the management and oversight of three charity shops. Our army of volunteers provides invaluable support. We estimate that our volunteers contributed some 7,500 hours of their free time during 2020.

# RSPCA NORTHUMBERLAND WEST BRANCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Achievements and performance**

*We started 2020 in buoyant mode. All three shops were performing well, we were over on the number of animals in kennels, but this was not unusual, and rehoming was going well. We had undertaken appraisals for the staff, the new van was not causing problems and we were about to make decisions about our fund raising programme for the year.*

*By the middle of March we were aware that we may be facing the same problems seen in Italy and the decision was made to keep the number of animals in kennels to our contracted number. Staff, volunteers and customers were becoming concerned about Covid-19 and customers tailed off. On 24 March we wrote to all staff to say that they would be furloughed until further notice as the shops would be closed and there would be no rehoming of animals. We had no income and bills to pay and we had no idea how long we would have to survive. We were concerned for the animals in kennels, as, despite having the most caring environment, kennels are not for the long term.*

*Our immediate course of action was to review all our costs and contact utilities to say that we were closed. Our rates were cancelled for the year and also waste removal costs were suspended until further notice. We had just paid our quarterly rent for two of the shops and the third was paid on a monthly basis. We then applied for any grants that we thought we may be entitled to and were delighted to receive monies from the County Council. This made a huge difference to us as it meant that we were confident that we could pay our kennel and vets fees. The door to door collection from Head Office was also a welcome surprise and this helped us survive financially during this very difficult period.*

*As time passed we were able to look at more imaginative ways of raising money. We were not receiving donations but we did have stock in the shops. In Rothbury the Trustees who lived nearby dressed the window and set up a click and collect form of shopping. In addition items were sold on ebay so that we were able to continue trading.*

*In May, after two months of closure, we were told we would be able to reopen the shops on 15 June. We took the decision to open one shop at a time and as Rothbury was the most spacious shop we felt that we would open this first and use everything we had learned as a blueprint.*

*The biggest headache about reopening and the matter that the Trustees discussed the longest was the advice given suggesting we should have concerns over the lack of use of the toilets in each of the shops and the possibility of Legionnaire's Disease. This was something that had not even crossed our minds and we eventually had to contact an environmental health officer to solve the problem. Donations were also another concern. Whilst we were in desperate need of donations we felt we would be inundated if we returned to donations being accepted at any time on any day, added to which we had to quarantine all goods into the shop for 48 hours to avoid cross contamination. We needed a separate area where these goods could be stored which again posed problems as space is at a premium*

*After performing a risk assessment, purchasing copious amounts of hand sanitiser, disposable gloves, pinnies, hand towels, a screen and rearranging the shop our Rothbury store reopened on 19 June 2020. Trade was initially brisk but settled down over the next few days. We are very grateful to all staff and volunteers who worked so hard to get the shop up and running.*

# RSPCA NORTHUMBERLAND WEST BRANCH

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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*Our shop in Hexham was the next to open in mid-July followed by the Prudhoe shop in August. It is thanks to the dedication of staff and volunteers that we were able to re-open. Unfortunately some of our volunteers did not feel comfortable returning to the shop. Many had been told to self-isolate earlier in the year and were understandably being very careful when out in public. Our shops were opening for shorter periods of time in order to perform all the cleaning and sanitizing required to ensure the shops remained safe for volunteers and staff.*

*Because the staff had been furloughed from March it also meant that there was almost a full year of holiday to take in a six month period. Once again our staff were magnificent in taking holidays when we asked them to so that we could close the shop without providing cover.*

*In October Northumberland was placed in a higher tier and although the shops were allowed to remain open footfall fell and so did takings. November saw us in full lockdown but the reopening process did not take nearly so long as the first time and we were open as soon as we were legally permitted. December saw everyone doing their Christmas shopping, with many more shopping locally than previously but the end of December sees us in Lockdown once more and we must await the success of the highly promised vaccine.*

*We were unable to hold our usual Dog Show or tombolas this year so instead a virtual Dog Show was held which was very well supported and proved very popular. Sarah Loveland, a long time supporter of the Branch and photographer judged for us and the overall winner was from the best companion class which was most appropriate.*

*We have been extremely lucky to have such generous people thinking of the animals during this time and have received donations through our shop doors as well as in memory of relatives or, when people were able to meet, from small coffee gatherings.*

*Our volunteers and staff have worked hard behind the scenes, especially for the re-opening of the shops and the re-opening in December meant we didn't lose any trading days at all.*

*Rehoming has been very difficult during this time. Potential adopters were unable to view animals for adoption at the kennels initially which meant that the puppies who were awaiting homes, and had potential owners, stayed with us longer than we would have liked. In addition we have taken in animals from inspectors, often from multiple animal homes only to discover on their vet check that they are pregnant.*

*As restrictions eased our rehoming officer was able to meet potential adopters outside their homes and view photographs of interiors however this is not ideal. Despite the obstacles faced we have rehomed the following (2019 figures in brackets)*

*Dogs 59 (89)*

*Cats 63 (101)*

*Rabbits/small furries 30 (45)*

*Miscellaneous 55 (49)*

*Whilst we have not rehomed as many animals as in previous years we have continued throughout the year to provide help and advice on a daily basis to all those who contacted the Branch via the Branch phone line. It is a remarkable achievement and shows a huge amount of dedication.*

# RSPCA NORTHUMBERLAND WEST BRANCH

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Financial review

*None of the above would be possible without a steady flow of money and we are very dependent on our shops and subsequently customers for our income. Takings from the shops in 2020 totalled £116,881 which is a huge drop of £76,704 from 2019.*

*We made a small loss across all three shops of £4,717. However we did receive grants of over £60000 which more than made up for this loss. We are extremely grateful for the Government Aid we have received as this has helped ensure the survival of the Branch.*

*Rothbury and Hexham shops managed to produce a small profit at the end of the year whereas there was a loss at Prudhoe. We believe the loss at Prudhoe is due to a sharp fall in footfall since reopening after lockdown. The High Street where the shop is located is noticeably quieter because of shop closures and there has been a new shopping area opened away from the High Street in Prudhoe. After doing a fantastic job encouraging volunteers into the shop some have not returned after lockdown and this has caused problems with cover in the shop. We will continue to monitor the situation at Prudhoe next year.*

*A card machine had been introduced to the shop in Rothbury during 2019 but now all three shops have them to enable contactless payment.*

*Our total shop expenses in 2020 approximately £6000 less than 2019 as would be expected however money has been spent on Covid essential items such as hand sanitiser, paper towels etc. The phone bill was higher than last year but this was due to the fact that we received a rebate in 2019. Staff wages have remained fairly constant year on year although we are aware there will be a wage increase in 2021.*

*Legacies and donations totalled £25,145 and the Branch would like to express its' gratitude to everyone for their generosity and thoughtfulness. The Branch continued to work closely with Scott Mitchell and Associates and many other vets in the area. Total veterinary expenditure was £32,953 which is a drop on the previous year but we saw a fall in the number of animals rehomed so this is only to be expected. It should be noted that this is not a conscious effort on the part of the Trustees to reduce vets fees as we never turn away an animal because of the cost of vet treatment. It is more related to the fact that the animals coming to us are in better physical condition than previously. Our animal boarding costs have fallen by £20000 from an all-time high in 2019. During lock down we had fewer cats in kennels but more rabbits and guinea pig. In total the branch spent £113,166 on all associated animal rehoming costs. The Trustees made a concerted effort to ensure that costs are kept to a minimum so that funds raised are spent on the animals in our care. The reserves have again remained at an acceptable level and with the guidelines of the Charity Commission.*

*The Branch took the necessary steps to be enable it to sustain the amount of animal welfare undertaken during 2020 this and it is hoped that in 2021 we will be able to continue this . The Northumberland West Branch is aware that it is essential to plan for the future and to demonstrate responsible financial management whilst balancing the needs of the current situation and identifying the likely challenges and opportunities that the Branch may face in the medium to long term. In an increasingly complex and changing funding environment the Branch considers the need to be able to absorb setbacks and take advantage of change and opportunity. For this reason they endeavour to set aside capital as a reserve to ensure the long term future of the branch. At the end of 2020 the charity had freely available unrestricted reserves of £316k (excluding tangible fixed assets). These reserves represent 13 months' estimated total operating expenditure. It is the opinion of the Trustees that the existing reserves are sufficient to meet any reduction in incoming resources. The charity aims to maintain free reserves of between 1 and 2 years operating expenditure and this policy is reviewed annually.*

*The current investment policy aim is: -that all fixed-interest investments currently held should be retained until maturity when they should be reinvested with the guidance of the branch financial advisor. Currently investments are valued at £242k.*

*Risk management The RSPCA Northumberland West Branch performs a wide range of activities, all of which give rise to some level of risk. It is fully committed to regularly identifying and assessing these risks and taking appropriate action to prevent or minimise their impact on service delivery. In this way the Branch will better achieve its corporate objectives and enhance the value of the services it provides.*

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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By definition risk management is:-

'The identification, analysis and control, primarily economic, of those risks which can impact on the society's ability to deliver its priorities and objectives'.

The objectives of the Branch's risk management strategy are to:

- embed risk management into the culture and operations of the Branch.
- adopt a systematic approach to risk management as an integral element of service planning and performance management.
- manage risk in accordance with best practice.
- anticipate and respond to changing social, environmental and legislative requirements.
- make sure that sections have clear accountability for both the ownership and cost of risk and the tools to effectively reduce it.

These objectives will be achieved by:

- establishing clear roles and responsibilities and reporting lines for risk management within the Society.
- incorporating risk management in the Society's decision-making, business planning and performance management processes.
- monitoring risk management and internal control arrangements on a regular basis.
- reinforcing the importance of effective risk management through training and providing opportunities for shared learning.
- providing suitable insurance or other arrangements to manage the impact of unavoidable risks.

#### **Plans for the future**

*Plans for the future The trustees' plans for 2021 are aimed at moving forward positively, planning for the new ventures and consolidating the good work they had already put in place.*

*Our only aim for 2021 is to continue funding our work during the pandemic.*



# RSPCA NORTHUMBERLAND WEST BRANCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The charity is an unincorporated charitable association and a branch of (and thus dependent upon) the Royal Society for the prevention of Cruelty to Animals. The society was incorporated by the RSPCA Animals Act 1932. The branch is subject to the Society's rules, policies and guidance and to the branch rules.

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

J Ormiston - Chairman

R Duggan

S Hogarth

A Wakelam

S Watkins

J Ball

(Resigned 30 June 2020)

B Hodgson

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity appoints locally elected trustees recruited from the branch membership. Northumberland West Branch welcomes all applications to join the committee and looks for people from all backgrounds. A wide diversity creates interesting debate and new ideas. An induction and training programme is available to all potential and existing trustees.

The board of trustees meet once a month. The day to day operations of the charity, together with all staff and volunteers, are managed by the Trustees, with the re-homing office co-ordinating the re-homing activities and a shop manager in each of the three shops.

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

.....  
**J Ormiston - Chairman**

Trustee

Dated: .....

# **RSPCA NORTHUMBERLAND WEST BRANCH**

## **INDEPENDENT EXAMINER'S REPORT**

### **TO THE TRUSTEES OF RSPCA NORTHUMBERLAND WEST BRANCH**

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I report on the financial statements of the charity for the year ended 31 December 2020, which are set out on pages 8 to 18.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

#### **Independent examiner's statement**

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

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
  - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Anthony Dunn  
Stokoe Rodger LLP

St Matthews House  
Haugh Lane  
Hexham  
Northumberland  
NE46 3PU  
Dated: .....

# RSPCA NORTHUMBERLAND WEST BRANCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b><u>Income from:</u></b>			
Donations and legacies	3	111,344	90,216
Charitable activities	4	2,292	3,130
Shop income	5	116,881	193,585
Investment income	6	50	168
Other income	7	780	840
<b>Total income and endowments</b>		<u>231,347</u>	<u>287,939</u>
<b><u>Expenditure on:</u></b>			
Shop expenses and fundraising costs	8	<u>129,884</u>	<u>136,698</u>
Boarding, rehoming and care of animals	9	<u>123,755</u>	<u>158,631</u>
<b>Total resources expended</b>		<u>253,639</u>	<u>295,329</u>
Net gains on investments		<u>(2,476)</u>	<u>28,606</u>
<b>Net movement in funds</b>		<u>(24,768)</u>	<u>21,216</u>
Fund balances at 1 January 2020		<u>350,058</u>	<u>328,842</u>
<b>Fund balances at 31 December 2020</b>		<u><u>325,290</u></u>	<u><u>350,058</u></u>

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

All income and expenditure derive from continuing activities.

# RSPCA NORTHUMBERLAND WEST BRANCH

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	13		9,637		12,392
Investments	14		241,609		244,085
			<u>251,246</u>		<u>256,477</u>
<b>Current assets</b>					
Stocks	15	187		187	
Debtors	16	16,023		18,740	
Cash at bank and in hand		64,980		91,417	
		<u>81,190</u>		<u>110,344</u>	
<b>Creditors: amounts falling due within one year</b>	17	(7,146)		(16,763)	
Net current assets			74,044		93,581
<b>Total assets less current liabilities</b>			<u>325,290</u>		<u>350,058</u>
<b>Income funds</b>					
Unrestricted funds			325,290		350,058
			<u>325,290</u>		<u>350,058</u>

The accounts were approved by the Trustees on .....

.....  
J Ormiston - Chairman  
Trustee

.....  
A Wakelam  
Trustee

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Charity information**

The charity is an unincorporated charitable association and a branch of (and thus dependent upon) the Royal Society for the prevention of Cruelty to Animals. The society was incorporated by the RSPCA Animals Act 1932. The branch is subject to the Society's rules, policies and guidance and to the branch rules.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's [governing document], 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

#### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

**(Continued)**

#### **1.5 Resources expended**

These are included in the statement of financial activities on an accruals basis, inclusive of any irrecoverable VAT.

Most expenditure is directly attributable to specific activities and has been included in those costs categories. Where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds, comprises of all costs which are directly attributable to fundraising activities and the shop trading.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Corporate governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fee, costs linked to the strategic management of the charity and a proportion of the support costs.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. All other support costs, including irrecoverable VAT, are allocated equally between the activities of the charity, including governance costs.

#### **1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets costing £100 or more are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	20% reducing balance
Fixtures & fittings	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### **1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

**(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.8 Stocks**

Stocks are stated at the lower of cost and net realisable value. Stock consists entirely of purchased goods for resale. Stocks of donated goods carry no value in the accounts.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, 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.

#### **1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.



# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	49,318	54,721
Legacies receivable	1,000	35,457
Grants received	61,026	38
	<u>111,344</u>	<u>90,216</u>

### 4 Charitable activities

	2020	2019
	£	£
Income from fundraising	<u>2,292</u>	<u>3,130</u>

### 5 Other trading activities

	2020	2019
	£	£
Shop income	<u>116,881</u>	<u>193,585</u>

### 6 Investments

	2020	2019
	£	£
Interest receivable	<u>50</u>	<u>168</u>

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Other income

	2020	2019
	£	£
Other income	780	840

### 8 Costs of generating funds

	2020	2019
	£	£
<u>Shop expenses</u>		
Shop trading costs	54,504	57,987
Staff costs	66,811	69,117
Depreciation and impairment	283	353
Support costs	3,176	3,144
Total shop expenses	124,774	130,601
<u>Other fundraising costs</u>		
Fundraising costs	5,110	6,097
	129,884	136,698

### 9 Charitable activities

	Boarding, rehoming and care of animals	Support costs	Total	Total
	2020	2020	2019	2018
	£	£	£	£
Staff costs	10,636	-	10,636	12,795
Depreciation and impairment	2,650	-	2,650	3,533
Activities undertaken directly	96,705	3,176	99,881	131,576
	109,991	3,176	113,167	147,904
Share of governance costs (see note 10)	10,588	-	10,588	10,727
	120,579	3,176	123,755	158,631

Governance costs includes £2,000 (2019-£2,000) with regard to independent examination and accountancy fees.

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Governance and share of support costs

	Governance costs £	2020 £	2019 £
Share of support costs			
Depreciation	75	75	836
Unrecoverable VAT on overheads	2,382	2,382	2,008
Other administrative expenses	794	794	1,136
Governance costs			
Accountancy	2,000	2,000	2,000
Donations to Headquarters etc	551	551	551
Professional fees	4,785	4,785	4,196
	<u>10,588</u>	<u>10,588</u>	<u>10,727</u>

### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but one of them was reimbursed a total of £53 travelling expenses.

### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>9</u>	<u>9</u>
Employment costs	2020 £	2019 £
Wages and salaries	76,653	80,611
Social security costs	-	394
Other pension costs	794	907
	<u>77,447</u>	<u>81,912</u>

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 13 Tangible fixed assets

	Office equipment £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2020	1,662	38,695	14,133	54,490
Additions	-	255	-	255
At 31 December 2020	1,662	38,950	14,133	54,745
<b>Depreciation and impairment</b>				
At 1 January 2020	1,284	37,282	3,533	42,099
Depreciation charged in the year	76	283	2,650	3,009
At 31 December 2020	1,360	37,565	6,183	45,108
<b>Carrying amount</b>				
At 31 December 2020	302	1,385	7,950	9,637
At 31 December 2019	378	1,414	10,600	12,392

#### 14 Fixed asset investments

	Listed investments £	Alternative investments £	Cash in portfolio £	Total £
<b>Cost or valuation</b>				
At 1 January 2019	193,829	34,026	16,230	244,085
Valuation changes	(1,056)	(1,420)	-	(2,476)
Movement	3,139	-	(3,139)	-
At 31 December 2020	195,912	32,606	13,091	241,609
<b>Carrying amount</b>				
At 31 December 2020	195,912	32,606	13,091	241,609
At 31 December 2019	193,829	34,026	16,230	244,085

#### 15 Stocks

	2020 £	2019 £
Finished goods and goods for resale	187	187

# RSPCA NORTHUMBERLAND WEST BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 16 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	174	41
Other debtors	10,249	13,099
Prepayments and accrued income	5,600	5,600
	<u>16,023</u>	<u>18,740</u>

### 17 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	1,753	2,098
Trade creditors	3,393	12,665
Accruals and deferred income	2,000	2,000
	<u>7,146</u>	<u>16,763</u>

### 18 Related party transactions

The charity operates as a branch of the Royal Society for the prevention of Cruelty to Animals (RSPCA). During the year a contribution of £551 (2019 £551) was paid to the RSPCA as a contribution towards their costs.

During the year contributions from head office were received by the branch in respect of Door to Door Donations of £25,173 (2019 £26,739).