

Charity registration number 232253

RSPCA LANCASHIRE EAST BRANCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

RSPCA LANCASHIRE EAST BRANCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees (Temporary Trustees appointed by the RSPCA under Society Rule X1.28)

Ms A Corbishley

Mr P Maguire

(Appointed 8 December
2022)

Ms G A Miles

Dr D M West

Charlty number

232253

Independent examiner

P Buck FCA, DChA
Champion TLL Limited
7-9 Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SN

Bankers

Barclays Bank plc
8-14 Darwen Street
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RSPCA LANCASHIRE EAST BRANCH

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RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with RSPCA Branch Rules, 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

Aims and objectives

The RSPCA Lancashire East Branch is constituted as an unincorporated charitable association and a separately registered Branch of the Royal Society for the Prevention of Cruelty to Animals (the Society), subject to its Rules for Branches.

The objectives of the Branch are to promote the work and objects of the Society, to promote kindness and to prevent or suppress cruelty to animals, by all lawful means, with particular reference to the area of the Branch, in accordance with the policies of the Society.

General activities for achieving On occasion we may offer financial assistance towards the cost of veterinary treatment for companion animals where owners are unable to meet the full cost.

To help raise the income needed to support these objectives the Branch operated two charity shops in Burnley and Clitheroe during the year.

ACHIEVEMENTS AND PERFORMANCE

Review of Activities and Public Benefit

The Trustees have reviewed the outcomes and achievements for the year to ensure that they remain focused on our charitable aims and continue to benefit the public. We have complied with the duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Under the Charities Act 2011, the advancement of animal welfare is recognised as a distinct statutory charitable purpose. The legislation and the Animal Welfare Act of the same year indicate an acceptance by society that treating living creatures with compassion has a moral benefit for the public as a whole.

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

The Trustees have considered the Charity Commission guidance regarding public benefit and are satisfied that the charity has met the requirements as described within this report.

We support our local RSPCA Inspectorate officers by giving priority to accepting those animals most at risk and, following rehabilitation, finding them suitable homes. The Society's Inspectorate rescues animals in distress and enforces laws against the mistreatment of animals in England and Wales by bringing prosecutions. This work is key to the prevention or suppression of cruelty part of the RSPCA objects and promotes humane sentiments towards animals which involve moral benefit to humankind as a whole.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

All animals in our care receive veterinary support, vaccination, neutering and microchipping prior to rehoming. This reduces the incidence and spread of disease and helps to control companion animal populations.

We offer free advice on pet care to promote responsible pet ownership and educate the public.

We offer volunteering opportunities to people from all sectors of the community who wish to support our work in our animal centre and charity shops. Volunteer roles include trusteeship (the national appointed Trustees are seeking to move the Branch back into local control over the next couple of years), general animal care and socialisation in the kennel environment, dog walking, foster care, retail assistants (in both customer facing and stock sorting and distribution roles), volunteer drivers and fundraising roles.

Our volunteers make a significant contribution to the care of the animals, both through direct animal facing roles and by securing vital funds to support the overall operation of the Branch whether through the shops or other fundraising activities.

The Trustees, themselves all volunteers, are most appreciative of the time and dedication of volunteers working in all aspects of the Branch.

Summary of Achievements

2022 was a year of positive change at the centre following the animal centre restructure of the previous November which saw kennel capacity reduced from 28 to 14 kennels alongside the decision to move towards a mixed rehabilitation and rehoming model with animal care balanced between those rehabilitated at the centre and those placed in foster care.

Intake & Rehoming

The first quarter of the year saw the centre operating on the traditional centre based model whilst the Branch recruited to the new role of Foster Coordinator and mid February saw the successful appointment of Sue Abraham and her induction into the role.

The challenge was for Sue to move from an occasional animal fostered with staff to a network of foster carers with the ability to support a minimum of 14 animals in foster care (in effect replacing the lost animal centre capacity) by the end of year.

The rabbit unit, which was closed in August 2021 for financial reasons, was also reopened in late March/early April following an extremely generous grant from the RSPCA Crewe Nantwich & District Branch, the Trustees of which agreed to meet the full year's operating costs for the unit including the employment of two part-time animal care assistants.

These changes, accompanied by an extremely positive and dedicated animal care team led by the Animal Care Manager, Jeanette Ainscough, saw the Branch increase the number of animals accepted into care to 92 animals (54 dogs, 13 cats & 25 rabbits) in 2022 from 73 animals (59 dogs & 14 rabbits) the previous year.

Unfortunately, due to the continued complex nature of the animals for which the Branch is caring we rehomed slightly fewer animals during the year with 55 animals (32 dogs, 6 cats & 17 rabbits) rehomed in 2022 compared to 68 animals (52 dogs & 16 rabbits) the previous year.

To tackle such complex cases we not only utilise the knowledge, expertise and experience of our own staff but also work closely with the RSPCA Regional Clinical Animal Behaviourist.

The Branch continues to have a boarding contract with the neighbouring RSPCA Keighley, Craven & Upper Wharfedale Branch and the Lancashire East Trustees are grateful for the contribution this provides towards the operating costs of the animal centre. Under the inter-Branch boarding contract we cared for an additional 23 dogs (18 in 2021) of which 17 (12) were rehomed.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Animal Centre Development

The difficult decision to reduce capacity at the centre from 28 to 14 kennels has been vindicated as the new hybrid model adopted by the Branch (a mix of centre and foster based rehabilitation and rehoming) proved every bit as successful as the previous centre based model.

More animals have been rehabilitated at significantly lower cost and these savings, together with the generosity of colleagues at the RSPCA Crewe, Nantwich & District Branch meant we were able to reopen the rabbit unit after just 8 months.

This has enabled us to welcome some new members to the team and together with their longer serving colleagues the Branch and the animals in our care have benefitted from the high levels of commitment, dedication and compassion demonstrated throughout the animal centre team.

Charity Shops

The shops continued to provide valuable funds for the Branch throughout 2022 despite trading in a far more competitive charity retail environment.

Sadly, towards the end of the year a decision was taken to close the Clitheroe shop, it had reached the end of its lease and the Trustees took the opportunity to close the store when it became apparent that the combination of falling sales and rising prices meant it was no longer viable to continue operating from this location.

The shop closed at the end of January 2023 and the Trustees wished to take this opportunity to thank those staff who, having contributed to the Branch over many years, sadly left us following the store's closure.

However, on a more positive note the Burnley shop, under the new management team of Sam Bowles and Carole George, has gone from strength to strength.

Their dynamism has not only driven up sales and attracted many new volunteers but also led to many positive changes throughout the shop: whether in the layout, the cleaner, brighter more welcoming atmosphere or the striking themed window displays that have generated favourable comments both from customers and social media commentators alike.

The Trustees have sought to build on this positive future by committing the Branch to a further lease on the shop which will see us continuing to trade from our prominent high street position in the town for many years to come.

Thank You

The Trustees would like to thank all staff and volunteers for their hard work and dedication during 2022 without whom the Branch would not have been able to provide its much needed animal welfare services.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW

Financial Position

The total incoming resources for the year amounted to £561,584 (2021: £348,879), including legacies and grants of £332,415 (£165,288). Expenditure in the year amounted to £399,702 (£439,206). After realised gains/(losses) of £nil (£nil) the Branch recorded a surplus for the year of £161,882 (deficit of £90,327).

Whilst last year proved far more financially positive than had been anticipated, with income up and spending down against both the previous year and internal budget forecasts, the Trustees are concerned that the current cost of living crisis will impact on the Branch's ability to raise funds in the months ahead.

The Trustees continue to carefully manage funds and the past year has seen changes introduced to further improve financial reporting across the Branch and ensure the Trustees and senior management are better able to make informed decisions before committing to future spending.

Investment Policy and Objectives

The Branch does not hold sufficient reserves to risk investing in equities. Any surplus reserves are held in a premium account.

Reserves Policy

The Branch holds reserves in order that its animal welfare services can be maintained should there be a reduction in incoming resources. Reserves are those funds that are freely available for general purposes and are uncommitted.

The Trustees have established a policy of holding unrestricted funds equivalent to at least 12 months of expenditure: based on 2022 charitable expenditure levels of £361,370 and allowing a 10% contingency for rising costs this is approx. £400,000.

As at 31 December 2022 the Branch had cash reserves of £528,688 of which the Trustees had designated £180,000 to cover potential liabilities which would arise if the Branch were to cease operating: such liabilities include staff redundancy costs, charity shop lease and dilapidation costs and other long-term commitments. The Trustees also designate the fund equivalent to the net book value of fixed assets, since this element of the reserves doesn't relate to liquid resources, but rather amounts that have already been spent, and capitalized.

The Branch therefore had unrestricted/undesignated cash reserves of £348,688 and unrestricted/undesignated funds of £377,850. This equates to approximately 11 months' operating costs, based on the target level of £400,000. The Trustees regularly review this policy to ensure there are sufficient reserves to meet all liabilities.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

FUTURE PLANS

The Trustees have welcomed the positive strides forward made in 2022 as the Branch refocused operational activity towards the new hybrid model for rehoming and rehabilitation. Longer term the Trustees would like to reopen a small cattery facility but remain conscious of the significant increase in running costs that this would entail.

Plans for the redevelopment of the Huncoat area (the local authority's "Huncoat Master Plan") are still in the early stages, but if agreed by the Council will have a long term impact on the Branch and the Trustees continue to monitor the situation and take professional advice on the matter.

In addition to the Branch's animal welfare focus the Trustees continue to monitor income generation including the performance of the Branch retail network and the development of fundraising activities and it is hoped that both will show further improvement in 2023.

Early 2023 also saw the launch of a new partnership with the Southport, Ormskirk & District Branch, the longer term aim of which is that the two Branches will share knowledge and experience whilst reducing long term costs through shared initiatives and costs including the potential benefits of jointly employing specialist staff such as animal behaviourists, fundraisers or even vets that one Branch alone simply could not afford to recruit. This project is in its infancy but offers exciting potential for the longer term development of both partners.

Objectives for 2023

To continue to monitor the sustainability of the Branch, to implement those changes necessary to maintain a positive impact on local animal welfare provision, and to develop closer partnership working with other RSPCA branches and external organisations.

To actively recruit local Trustees so beginning the process of returning the Branch to local control

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is controlled by its governing document, the RSPCA Branch Rules 2012 (including subsequent amendments), and is an unincorporated charity.

Charity Constitution

The Society for the Prevention of Cruelty to Animals was founded in 1824 and granted the "Royal" prefix by Queen Victoria in 1840. The current constitution of the RSPCA was created with the adoption of the Royal Society for the Prevention of Cruelty to Animals Act 1932. The work of the Society is governed by the RSPCA Act and by the Rules of the Society. Membership of the Society is by subscription. There have been no changes in the objectives of the Charity since the last annual report.

Organisational Structure

The Branch is governed by temporary Trustees appointed by the RSPCA under Society Rule X1.28. They have individual and collective responsibility for the management of the Branch and its funds and, subject to overall supervision of the Society, the Trustees control and monitor all operational matters.

The Trustees hold regular meetings at which decisions regarding the Branch are made. The day to day running of the Branch is overseen by the Chief Executive and Senior Management Team with support from the RSPCA's Branch Partnerships Manager.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Ms A Corbishley

Mr P Maguire

(Appointed 8 December 2022)

Ms G A Miles

Mr M L Seddon

(Retired 8 December 2022)

Dr D M West

Risk Management

Trustees have a duty to identify and review the risks to which the Branch is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees actively examine the major risks which the branch faces on a regular basis. These cover operational and financial reviews to ensure systems are in place to mitigate and manage exposure to significant risks.

Key Management Personnel

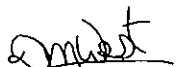
During the year, the Trustees, delegated the day-to-day responsibility for the running of the charity to the senior management team:

- James Stevens, Chief Executive Officer
- Jeanette Ainscough, Animal Centre Manager
- Sue Abraham, Fostering Coordinator (appointed: 15 February 2022)
- Adrienne Ashley, Burnley Charity Shop Manager (resigned: 5 April 2022)
- Sam Bowles, Burnley Charity Shop Manager (appointed: 1 April 2022)
- Amanada Whipp, Clitheroe Charity Shop Manager

The Trustees and senior management team were supported by the following branch support staff from the National Society:

- Denise McCabe, Branch Partnership Manager

The Trustees' Report was approved by the Board of Trustees.



Dr D M West

Trustee

Date: 12/04/2023

RSPCA LANCASHIRE EAST BRANCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF RSPCA LANCASHIRE EAST BRANCH

I report to the Trustees on my examination of the financial statements of RSPCA Lancashire East Branch (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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 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.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Champion TLL Limited

P Buck FCA DChA

7-9 Station Road

Hesketh Bank

Preston

Lancashire

PR4 6SN

Dated: 27/4/23

RSPCA LANCASHIRE EAST BRANCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Unrestricted funds 2022 £ | Unrestricted funds 2021 £ |
|---|-------|---------------------------------|---------------------------------|
| | Notes | | |
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 369,399 | 198,723 |
| Animal centre | 4 | 57,075 | 52,080 |
| Other trading activities | 5 | 134,754 | 98,046 |
| Investments | 6 | 356 | 30 |
| Total Income | | <u>561,584</u> | <u>348,879</u> |
| <u>Expenditure on:</u> | | | |
| Raising funds | 7 | <u>38,332</u> | <u>46,462</u> |
| Charitable activities | 8 | <u>361,370</u> | <u>392,744</u> |
| Total expenditure | | <u>399,702</u> | <u>439,206</u> |
| Net income/(expenditure) for the year/ Net movement in funds | | 161,882 | (90,327) |
| Fund balances at 1 January 2022 | | <u>648,287</u> | <u>738,614</u> |
| Fund balances at 31 December 2022 | | <u><u>810,169</u></u> | <u><u>648,287</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 LANCASHIRE EAST BRANCH

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 252,319 | | 261,555 |
| Current assets | | | | | |
| Debtors | 13 | 33,986 | | 57,246 | |
| Cash at bank and in hand | | 529,245 | | 337,403 | |
| | | <u>563,231</u> | | <u>394,649</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(5,381)</u> | | <u>(7,917)</u> | |
| Net current assets | | | 557,850 | | 386,732 |
| Total assets less current liabilities | | | <u>810,169</u> | | <u>648,287</u> |
| Income funds | | | | | |
| <u>Unrestricted funds - general</u> | | | | | |
| Designated funds: | | | | | |
| Designated - Fixed assets | | 252,319 | | 261,555 | |
| Designated fund | | <u>180,000</u> | | <u>179,600</u> | |
| | 15 | <u>432,319</u> | | <u>441,155</u> | |
| General unrestricted funds | | <u>377,850</u> | | <u>207,132</u> | |
| | | | 810,169 | | 648,287 |
| | | | <u>810,169</u> | | <u>648,287</u> |

The financial statements were approved by the Trustees on12/04/2023



Dr D M West
Trustee

RSPCA LANCASHIRE EAST BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|-----------|---------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 18 | | 191,486 | | (42,881) |
| Investing activities | | | | | |
| Investment income received | | 356 | | 30 | |
| Net cash generated from investing activities | | | 356 | | 30 |
| Net cash used in financing activities | | | - | | - |
| Net Increase/(decrease) in cash and cash equivalents | | | 191,842 | | (42,851) |
| Cash and cash equivalents at beginning of year | | | 337,403 | | 380,254 |
| Cash and cash equivalents at end of year | | | 529,245 | | 337,403 |

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

RSPCA Lancashire East Branch is a local branch of the national RSPCA organisation. It is controlled by its governing document which is the RSPCA branch rules and is an unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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. If the amount is not known, the legacy is treated as a contingent asset.

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Support costs

Since the majority of activities/costs relate to the sole charitable activity heading all support costs have been allocated to the charitable activity and as such a separate analysis or allocation basis for support costs is not required.

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.

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

| | |
|-----------------------------|----------------------|
| Freehold land and buildings | 2% on cost |
| Fixtures and fittings | 10% on cost |
| Computers | 25% 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 the statement of financial activities.

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).

1.8 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.

1.9 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.

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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.

1.10 Taxation

The Charity is exempt from tax on its charitable activities.

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 LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|--|---|---|
| Donations and gifts | 36,984 | 33,435 |
| Legacies receivable | 273,114 | 101,722 |
| Grants | 59,301 | 63,566 |
| | <u>369,399</u> | <u>198,723</u> |
| Grants receivable for core activities | | |
| RSPCA HQ | 23,218 | 34,564 |
| Retail support | 36,083 | 29,002 |
| | <u>59,301</u> | <u>63,566</u> |

4 Animal centre

| | Animal centre 2022 £ | Animal centre 2021 £ |
|--|-------------------------------|-------------------------------|
| Pet insurance commission | 11,721 | 3,671 |
| Adoptions, boarding, grazing and livery rent | 42,626 | 48,409 |
| Charitable rental income | 2,728 | - |
| | <u>57,075</u> | <u>52,080</u> |

5 Other trading activities

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|--------------------------|---|---|
| Fundraising events | 4,372 | 1,478 |
| Shop income | 130,382 | 96,568 |
| Other trading activities | <u>134,754</u> | <u>98,046</u> |

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Investments

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|---------------------|---|---|
| Interest receivable | 356 | 30 |

7 Raising funds

| | Unrestricted funds general 2022 £ | Unrestricted funds general 2021 £ |
|-------------------------|---|---|
| <u>Trading costs</u> | | |
| Operating charity shops | 38,332 | 46,462 |
| | <u>38,332</u> | <u>46,462</u> |

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

| | Animal care 2022 £ | Animal care 2021 £ |
|--|--------------------------|--------------------------|
| Staff costs | 260,752 | 308,889 |
| Depreciation and impairment | 9,236 | 9,577 |
| Animal food | 10,100 | 10,996 |
| Insurance | 3,769 | 2,686 |
| Light and heat | 12,336 | 5,362 |
| Telephone | 2,285 | 1,332 |
| Postage and stationery | 3,472 | 2,529 |
| Van expenses | 3,395 | 2,764 |
| Sundries | 4,383 | 1,830 |
| Travel expenses | 749 | 417 |
| Cleaning and pest control | 9,608 | 9,847 |
| Repairs | 4,472 | 3,860 |
| Vet fees | 12,507 | 15,045 |
| Rates and water | 4,104 | 777 |
| Bank charges and interest | (9) | 1,028 |
| Equipment rental | - | 1,560 |
| | <u>341,159</u> | <u>378,499</u> |
| Share of governance costs (see note 9) | 20,211 | 14,245 |
| | <u>361,370</u> | <u>392,744</u> |

9 Support costs

| | Support costs £ | Governance costs £ | 2022 £ | 2021 £ |
|---|-----------------------|--------------------------|---------------|---------------|
| Legal and professional | - | 15,021 | 15,021 | 8,541 |
| Independent examiners fee | - | 2,950 | 2,950 | 2,800 |
| Bookkeeping | - | 2,240 | 2,240 | 2,904 |
| | <u>-</u> | <u>20,211</u> | <u>20,211</u> | <u>14,245</u> |
| Analysed between Charitable activities | - | 20,211 | 20,211 | 14,245 |

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

The average monthly number of employees during the year was:

| | 2022 Number | 2021 Number |
|-------------------------|----------------|----------------|
| | 16 | 25 |
| | <u>16</u> | <u>25</u> |
| Employment costs | 2022 | 2021 |
| | £ | £ |
| Wages and salaries | 256,371 | 304,120 |
| Other pension costs | 4,381 | 4,769 |
| | <u>260,752</u> | <u>308,889</u> |

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

12 Tangible fixed assets

| | Freehold land and buildings £ | Fixtures and fittings £ | Computers £ | Motor vehicles £ | Total £ |
|------------------------------------|-------------------------------------|-------------------------------|----------------|---------------------|----------------|
| Cost | | | | | |
| At 1 January 2022 | 345,032 | 59,189 | 15,632 | 21,103 | 440,956 |
| At 31 December 2022 | <u>345,032</u> | <u>59,189</u> | <u>15,632</u> | <u>21,103</u> | <u>440,956</u> |
| Depreciation and impairment | | | | | |
| At 1 January 2022 | 91,463 | 53,316 | 14,909 | 19,713 | 179,401 |
| Depreciation charged in the year | 6,890 | 1,817 | 182 | 347 | 9,236 |
| At 31 December 2022 | <u>98,353</u> | <u>55,133</u> | <u>15,091</u> | <u>20,060</u> | <u>188,637</u> |
| Carrying amount | | | | | |
| At 31 December 2022 | <u>246,679</u> | <u>4,056</u> | <u>541</u> | <u>1,043</u> | <u>252,319</u> |
| At 31 December 2021 | <u>253,569</u> | <u>5,873</u> | <u>501</u> | <u>1,612</u> | <u>261,555</u> |

13 Debtors

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade debtors | 2,749 | - |
| Other debtors | 2,832 | 222 |
| Prepayments and accrued income | 28,405 | 57,024 |
| | <u>33,986</u> | <u>57,246</u> |

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------|--------------|--------------|
| Trade creditors | 2,389 | 4,857 |
| Other creditors | 192 | - |
| Accruals and deferred income | 2,800 | 3,060 |
| | <u>5,381</u> | <u>7,917</u> |

15 Designated funds

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

| | Balance at 1 January 2021 £ | Resources expended £ | Transfers £ | Balance at 1 January 2022 £ | Resources expended £ | Transfers £ | Balance at 31 December 2022 £ |
|----------------------------|--------------------------------------|----------------------------|----------------|--------------------------------------|----------------------------|----------------|---|
| Designated fixed assets | 271,132 | (9,577) | - | 261,555 | (9,236) | - | 252,319 |
| Designated fund | 65,000 | - | 114,600 | 179,600 | - | 400 | 180,000 |
| | <u>336,132</u> | <u>(9,577)</u> | <u>114,600</u> | <u>441,155</u> | <u>(9,236)</u> | <u>400</u> | <u>432,319</u> |

An unrestricted designated fund has been created to represent the net book value of the fixed assets (some of which are transferred from the restricted funds) which represents monies already spent but still showing as part of the fund balance (represented by fixed assets) due to the accounting treatment but not representing liquid funds that are available. The transfer between funds represents the movement of the net book value taken from general funds.

A further designated fund of £180,000 is held to cover the potential liabilities which would arise if the Branch were to cease operating: such liabilities include staff redundancy costs, charity shop lease and dilapidation costs, and other long-term commitments.

16 Events after the reporting date

Subsequent to the year end the Branch has made the decision to close 1 of the 2 shops that it was operating. The shop in Clitheroe closed in January 2023.

17 Related party transactions

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Related party transactions

(Continued)

Transactions with related parties

The branch is a member of the RSPCA National legacy scheme under which the national society administers the legacies left to the branch for a nominal fee of 2.5%. Legacies shown in these accounts are gross of the 2.5% deducted by the national society. The amount received through this scheme during the year was £273,114 (2021: £101,722).

The branch also transacts with the national society by providing boarding services to animals rescued by the national society in their region. The amount charged to RSPCA national for these services in the year amounted to £13,502 (2021: £23,575). The balance outstanding at the year end is £1,011 (2021: £NIL) and is shown in Trade Debtors.

The branch purchases items of medical equipment and other items from the national society. The amount charged by the national society in the year amounted to £1,164. The balance owing at the year end is £19 (2021: £NIL) and is shown in Trade Creditors.

The branch would also like to bring attention to the following amounts received in the year:

During the period 1 January to 31 December, 2022 the following related party transactions were received by the Branch.

The RSPCA National Society

- £23,218 Door-to-Door Fundraising Grant

The RSPCA North West Regional Board

- £10,310 Inspectorate Support Grant
- £1,009 Energy Grant
- £1,400 Rabbit Welfare Grant

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

| 18 | Cash generated from operations | 2022 £ | 2021 £ |
|----|---|----------------|-----------------|
| | Surplus/(deficit) for the year | 161,882 | (90,327) |
| | Adjustments for: | | |
| | Investment Income recognised in statement of financial activities | (356) | (30) |
| | Depreciation and Impairment of tangible fixed assets | 9,236 | 9,577 |
| | Movements in working capital: | | |
| | Decrease in debtors | 23,260 | 46,555 |
| | (Decrease) in creditors | (2,536) | (8,656) |
| | Cash generated from/(absorbed by) operations | <u>191,486</u> | <u>(42,881)</u> |
| 19 | Analysis of changes in net funds | | |
| | The charity had no debt during the year. | | |