

Charity registration number 232253

RSPCA LANCASHIRE EAST BRANCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

RSPCA LANCASHIRE EAST BRANCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms A Corbishley Mr P Maguire Ms G A Miles Dr D M West
Charity number	232253
Independent examiner	Champion TLL Limited 7-9 Station Road Hesketh Bank Preston Lancashire PR4 6SN
Bankers	Barclays Bank plc 8-14 Darwen Street Ewood Blackburn Lancashire BB2 2BZ

RSPCA LANCASHIRE EAST BRANCH

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RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

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 the objectives are the operation of the Animal Centre at Altham near Accrington and an animal rehoming programme. 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.

Achievements and performance

Significant activities and achievements against objectives

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 charity'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.

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.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

To help raise the income needed to support these activities the Branch operated two charity shops in Burnley and Clitheroe during the year: it should be noted that the Clitheroe shop ceased trading in January 2023 in advance of the termination of the lease at the end of March.

During 2023 the Branch donated significant supplies of pet food to two local food banks to help support local pet owners who were struggling to feed their pets. In March the Branch donated pet food to the Church on the Street, Burnley and in September made a similar donation to the Downtown Community Grocery (part of The Message Trust), Burnley.

In addition the Branch is a supporter of the RSPCA's Food Bank appeal providing both donations of food to help pet owners across East Lancashire and the use of storage facilities at the animal centre.

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 at the Annual General Meeting), general animal care and socialisation in the kennel environment, dog walking, foster care, retail assistants (in both customer facing and stock sorting & 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

Overview

2023 continued to be a year of positive change building on the achievements of the previous year as the Trustees sought to expand the foster scheme and prepare the Branch to move back into local control.

Intake & Rehoming

The Branch now has 31 foster carers and whilst not all are active at any one time, their contribution has helped the Branch see yet another increase in animal throughput and rehoming. The development of the fostering scheme has been supported by the transfer of cats from the RSPCA Southport, Ormskirk & District Branch animal centre.

The operation of the rabbit unit was underwritten by an extremely generous grant from the RSPCA Liverpool Branch, which kindly agreed to meet the second year's operating costs. Having benefitted from direct financial support from two different partner branches since it reopened in early 2022 the Branch has now taken on the full operational costs of the rabbit unit.

This support and the hard work of the dedicated animal care team and the positive leadership demonstrated by Jeanette Ainscough (Animal Care Manager) saw the Branch increase the number of animals accepted into care from 92 animals (54 dogs, 13 cats & 25 rabbits) the previous year to 105 animals (41 dogs, 42 cats & 22 rabbits) in 2023, a 14.1% increase in the number of animals admitted.

Despite the complex nature of the animals for which the Branch is caring, last year saw a 39.1% increase in the number of animals rehomed, up from 56 animals (32 dogs, 7 cats & 17 rabbits) in 2023 to 92 animals (41 dogs, 31 cats & 20 rabbits) last year.

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.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Whilst financial pressures saw a 20% reduction in the number of kennels rented under the agreement (down from five to four kennels) staff at the centre cared for an additional 15 dogs (23 in 2022) under the terms of the Inter-Branch boarding agreement of which 15 (17) were rehomed.

Charity Shops

Last year was a difficult year for the Branch's charity shop network.

The Clitheroe shop closed at the end of January and was returned to the landlord following a major dilapidation programme at the end of the first quarter (no significant repairs or renewals had been undertaken during the previous 15 years of the lease).

The decision to close Clitheroe had been taken in late 2022 as the shop had reached the end of its lease and it was apparent that the combination of falling sales and rising prices meant it was no longer viable to continue operating from the location.

On a more positive note a decision was taken to renew the lease on the Burnley shop, which during 2022 saw positive development under the leadership of Sam Bowles (Charity Shop Manager) supported by her able deputy, Carole George.

However, like the Clitheroe premises the lack of investment in the shop over the previous 15 years of the lease meant it was necessary to undertake a significant programme of repairs and refurbishment to enhance the shop layout, improve working conditions for the staff & volunteer team and ensure the shop remained a safe and healthy place to work.

Unfortunately, the costs associated with the Clitheroe closure (staff redundancy payments and dilapidation costs) together with the need to address the under investment in repairs and refurbishment of the Burnley premises was a significant drain on resources in the last year and this is reflected in the annual accounts.

Branch Administration & Management

Last February, following an approach from the Trustees of the RSPCA Southport, Ormskirk & District Branch, the Board took the decision to develop a new partnership, under which James Stevens (Chief Executive Officer) works in a CEO role across the two branches.

This has resulted in changes within the Branch management structure with David Lutkevitch appointed as Business & Administration Manager for Lancashire East. In this capacity he is responsible for reporting to the Trustees & CEO on financial issues, the preparation of the monthly management accounts and day-to-day support of the senior management team in all aspects of financial administration.

Thank You

The Trustees would like to thank all staff and volunteers for their hard work and dedication during 2023 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 2023

Financial review

Financial Position

The total incoming resources for the year amounted to £329,532 (2022: £561,584), including legacies and grants of £131,810 (£332,415). Expenditure in the year amounted to £518,377 (£399,702). After realised gains/(losses) of £nil (£nil) the Branch recorded a deficit for the year of £188,845 (surplus of £161,882).

Whilst income again exceeded budget predictions, legacies were over £200,000 down on the previous year and this drop together with the costs of the Clitheroe shop closure and the need to commit substantial funds to the repair and refurbishment of the Burnley shop meant the Branch moved from a positive surplus in 2022 to a large deficit in 2023.

However, the Trustees had recognised in late 2022 that a failure to address the ongoing problems within the retail network would simply have delayed and increased the financial impact on Branch resources and so in taking the decision to close Clitheroe and renew the Burnley lease they had anticipated and budgeted for the bulk of the foreseeable costs.

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 2023 expenditure levels of £518,377.

As at 31 December 2023 the Branch had cash reserves of £338,527 of which the Trustees had designated £85,459 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 Branch therefore had unrestricted/undesignated cash reserves of £253,068 or 5.9 months operating costs, based on the target reserve figure of £518,377. 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 2023

Future plans

Whilst recognising that the shop closure and the associated dilapidations, repairs and refurbishment programme have negatively impacted on Branch finances in the short-term the Board believes that it has now addressed the major financial challenges that faced the charity when they were appointed to the role of Temporary Trustees.

The initial priority of the Board is to see the return of the Branch to local Trusteeship, which it is hoped to achieve at the 2023 Branch AGM and then, subject to finances and the agreement of the newly appointed local Board, the development of a small cattery facility.

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 significant improvement in 2024.

Last year saw the launch of a new partnership with the RSPCA 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. This project remains in its infancy but offers exciting potential for the longer term development of both partners.

2023 also saw the launch of the new North West Animal Group (NWAG), an embryonic partnership between the eight RSPCA branches operating animal centres across the region; it is hoped that working together these branches might secure additional support from the national RSPCA.

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.

Objectives for 2024

To secure the appointment of a new Board of local Trustees at the AGM.

To help support and embed the new Trustee Board.

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 develop a small cattery facility and reopen mothballed kennels subject to suitable capital and revenue funding streams being in place.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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
Ms G A Miles
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.

RSPCA LANCASHIRE EAST BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Key Management Personnel

During the year, the Trustees, delegated the day-to-day responsibility for the running of the charity to the following Senior Management Team (SMT):

- James Stevens, Chief Executive Officer
- Jeanette Ainscough, Animal Centre Manager
- Sue Abraham, Fostering Coordinator
- Sam Bowles, Burnley Charity Shop Manager
- David Lutkevitch, Business & Administration Manager (appointed: 13 February 2023)
- Amanada Whipp, Clitheroe Charity Shop Manager (redundant: 27 January 2023)

The Trustees and SMT 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: 13/03/2024

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 2023.

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

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Hesketh Bank

Preston

Lancashire

PR4 6SN

Dated: 13/3/2024

RSPCA LANCASHIRE EAST BRANCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £
Income and endowments from:					
Donations and legacies	3	172,149	-	172,149	369,399
Charitable activities	4	80,966	-	80,966	57,075
Other trading activities	5	71,740	-	71,740	134,754
Investments	6	4,337	-	4,337	356
Other income	7	340	-	340	-
Total income		<u>329,532</u>	<u>-</u>	<u>329,532</u>	<u>561,584</u>
Expenditure on:					
Raising funds	8	27,811	-	27,811	38,332
Charitable activities	9	490,566	-	490,566	361,370
Total expenditure		<u>518,377</u>	<u>-</u>	<u>518,377</u>	<u>399,702</u>
Net income/(expenditure)		<u>(188,845)</u>	<u>-</u>	<u>(188,845)</u>	<u>161,882</u>
Transfers between funds		90,648	(90,648)	-	-
Net movement in funds		<u>(98,197)</u>	<u>(90,648)</u>	<u>(188,845)</u>	<u>161,882</u>
Reconciliation of funds:					
Fund balances at 1 January 2023		377,850	432,319	810,169	648,287
Fund balances at 31 December 2023		<u>279,653</u>	<u>341,671</u>	<u>621,324</u>	<u>810,169</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 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	14		256,212		252,319
Current assets					
Debtors	15	67,355		33,986	
Cash at bank and in hand		338,527		529,245	
		<u>405,882</u>		<u>563,231</u>	
Creditors: amounts falling due within one year	16	<u>40,770</u>		<u>5,381</u>	
Net current assets			365,112		557,850
Total assets less current liabilities			<u>621,324</u>		<u>810,169</u>
The funds of the charity					
Unrestricted funds - general			279,653		810,169
Unrestricted funds - designated	17		341,671		-
			<u>621,324</u>		<u>810,169</u>

The financial statements were approved by the Trustees on 13/03/2024



Dr D M West
Trustee

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 or grantors 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 2023

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 2023

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 2023

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	40,339	36,984
Legacies receivable	72,847	273,114
Grants	58,963	59,301
	<u>172,149</u>	<u>369,399</u>
Grants receivable for core activities		
RSPCA HQ	22,984	23,218
Retail support	-	36,083
Liverpool branch	35,000	-
RSPCA Regional Board	979	-
	<u>58,963</u>	<u>59,301</u>

4 Income from charitable activities

	Animal centre 2023 £	Animal centre 2022 £
Pet insurance commission	3,901	11,721
Adoptions, boarding, grazing and livery rent	75,405	42,626
Charitable rental income	1,660	2,728
	<u>80,966</u>	<u>57,075</u>
Analysis by fund		
Unrestricted funds - general	<u>80,966</u>	<u>57,075</u>

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising events	4,439	4,372
Shop income	67,301	130,382
	<u>71,740</u>	<u>134,754</u>
Other trading activities	<u>71,740</u>	<u>134,754</u>

6 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	<u>4,337</u>	<u>356</u>

7 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	<u>340</u>	<u>-</u>

8 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Trading costs		
Operating charity shops	<u>27,811</u>	<u>38,332</u>

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Expenditure on charitable activities

	Animal care 2023 £	Animal care 2022 £
Direct costs		
Staff costs	300,111	260,752
Depreciation and impairment	12,892	9,236
Animal food	7,747	10,100
Insurance	5,173	3,769
Light and heat	10,299	12,336
Telephone	1,928	2,285
Postage and stationery	2,433	3,472
Van expenses	3,374	3,395
Sundries	7,031	4,383
Travel expenses	2,041	749
Cleaning and pest control	13,074	9,608
Repairs	93,183	4,472
Vet fees	15,615	12,507
Rates and water	1,875	4,104
Bank charges and interest	1,545	(9)
	<u>478,321</u>	<u>341,159</u>
Share of support and governance costs (see note 10)		
Governance	12,245	20,211
	<u>490,566</u>	<u>361,370</u>
Analysis by fund		
Unrestricted funds - general	<u>490,566</u>	<u>361,370</u>

10 Support costs allocated to activities

	Animal care 2023 £	Total 2022 £
Governance	<u>12,245</u>	<u>20,211</u>
Governance costs comprise:	2023 £	2022 £
Legal and professional	6,886	15,021
Independent examiners' fee	3,245	2,950
Bookkeeping	2,114	2,240
	<u>12,245</u>	<u>20,211</u>

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11 Trustees

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

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	19	16
	<u> </u>	<u> </u>
Employment costs	2023	2022
	£	£
Wages and salaries	294,925	256,371
Other pension costs	5,186	4,381
	<u> </u>	<u> </u>
	<u>300,111</u>	<u>260,752</u>

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

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2023	345,032	59,189	15,632	21,103	440,956
Additions	-	399	692	15,700	16,791
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	<u>345,032</u>	<u>59,588</u>	<u>16,324</u>	<u>36,803</u>	<u>457,747</u>
Depreciation and impairment					
At 1 January 2023	98,353	55,139	15,313	19,838	188,643
Depreciation charged in the year	6,890	1,506	310	4,186	12,892
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	<u>105,243</u>	<u>56,645</u>	<u>15,623</u>	<u>24,024</u>	<u>201,535</u>
Carrying amount					
At 31 December 2023	<u>239,789</u>	<u>2,943</u>	<u>701</u>	<u>12,779</u>	<u>256,212</u>
At 31 December 2022	<u>246,679</u>	<u>4,056</u>	<u>541</u>	<u>1,043</u>	<u>252,319</u>

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

15 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	11,682	2,749
Other debtors	11,928	2,832
Prepayments and accrued income	43,745	28,405
	<u>67,355</u>	<u>33,986</u>

16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	8,403	2,389
Other creditors	2,924	192
Accruals and deferred income	29,443	2,800
	<u>40,770</u>	<u>5,381</u>

17 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities.

	At 1 January 2023	Transfers	At 31 December 2023
	£	£	£
Designated funds	180,000	(94,541)	85,459
Fixed Assets	252,319	3,893	256,212
	<u>432,319</u>	<u>(90,648)</u>	<u>341,671</u>

Funds transfers represent amounts spent from General Funds during the year that relate to the Designated Funds.

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Designated fixed assets	252,319	-	-	3,893	256,212
Designated fund	180,000	-	-	(94,541)	85,459
General funds	377,850	329,532	(518,377)	90,648	279,653
	<u>810,169</u>	<u>329,532</u>	<u>(518,377)</u>	<u>-</u>	<u>621,324</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	At 31 December 2022
	£	£	£	£	£
Designated fixed assets	261,555	-	(9,236)	-	252,319
Designated fund	179,600	-	-	400	180,000
General funds	207,132	561,584	(390,466)	(400)	377,850
	<u>648,287</u>	<u>561,584</u>	<u>(399,702)</u>	<u>-</u>	<u>810,169</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 £85,459 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.

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Analysis of net assets between funds

	Unrestricted funds general 2023 £	Unrestricted funds [description] 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:			
Tangible assets	-	256,212	256,212
Current assets/(liabilities)	279,653	85,459	365,112
	<u>279,653</u>	<u>341,671</u>	<u>621,324</u>
	Unrestricted funds general 2022 £	Unrestricted funds [description] 2022 £	Total 2022 £
Fund balances at 31 December 2022 are represented by:			
Tangible assets	-	252,319	252,319
Current assets/(liabilities)	377,850	180,000	557,850
	<u>377,850</u>	<u>432,319</u>	<u>810,169</u>
<i>Per balance sheet</i>	810,169	-	810,169
<i>Balance to allocate</i>	432,319	(432,319)	-

20 Related party transactions

RSPCA LANCASHIRE EAST BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Related party transactions

(Continued)

Transactions with related parties

The branch is a member of the RSPCA National legacy scheme under which the national society administer 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 £72,847 (2022: £273,114).

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 amount to £38,391 (2022: £13,502). The balance outstanding at the year end is £2,145 (2022: £1,011) and is shown in Trade Debtors.

The branch purchase items of medical equipment and other items from the national society. The amount charged by the national society in the year amounted to £6,619. The balance owing at the year end is £3,914 (2022: £19) and is shown in Trade Creditors.

During the year the branch also invoiced the RSPCA Keighley, Craven & Upper Wharfedale Branch for boarding services. The amounts invoiced in the year amounted to £21,900. The balance outstanding at the year end is £6,587 and is shown in Trade Debtors.

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

During the period 1 January to 31 December, 2023 the following related party transactions were received by the Branch.

The RSPCA National Society

- £22,984 - Door-to-Door Fundraising Grant

The RSPCA North West Regional Board

- £979 - Rabbit Grant

The RSPCA Liverpool Branch

- £35,000 - General support