



RSPCA South East Somerset Branch

Charity number: 264783

Trustees report and accounts

for the year ended 31 December 2021



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Accounts for the year ended 31 December 2021

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Reference and administrative information

Reference and administrative information

Trustees

Lee Chapman	Chairperson (& paid bookkeeper)
Margaret Baker	Treasurer
Ken Comber	Secretary
Colin Baker	
Piers Farley	
Sarah Harris	
Peter Luscombe	
Shani Thomas	
Michele Westlake	

Welfare Officers Michelle Westlake, Margaret Baker, Paula Cullingford

Dog Fosterer/Rehabilitator Sarah Harris

Minute Secretary Ken Comber

Professional advisors

Accountants	Milsted Langdon LLP	Motivo House, Bluebell Road, Yeovil
Bankers	National Westminster	Westminster Street, Yeovil
	Co-operative Bank	Southway, Skelmersdale
	Lloyds	The Borough, Yeovil
Solicitor	Robin Weelen	Bartlett Gooden and Weelan, 57 High Street
	Andrew Cutland	Shepton Mallet BA4 5AQ

Charity address for all correspondence Dairy House Farm, Lufton, Yeovil, BA22 8SU

Branch email southeastsomerset.rspca@gmail.com

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Cattery Supervisor	Margaret Baker
Shop Teams	
Shops Area Manager	Paula Cullingford
Crewkerne Staff	
Supervisor	Kim Studley
Supervisor	Niki Crofts
Assistants	Alice Crofts and Alana James
Glastonbury Staff	
Deputy Manager	Lesley Phillips
Supervisor	Kirsten Chapman
Supervisor	Alison Walsh
Supervisor	Polly Taylor
Somerton Staff	
Deputy Manager	Colleen Wolski
Supervisor	Janice McHale
South Petherton Staff	
Supervisor	Sheila Allen
Supervisor	Alice Crofts
Yeovil Staff	
Deputy Manager	Toni Graham
Supervisor	Sheila Ackerley
Online	Linda Perry
Transport/Warehouse	
Supervisor	Sharon Eglon

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PAT testing

Colin, Robin and Paula are all qualified and test and certify all saleable items. Colin often is busy with this three or four evenings a week.

The branch Trustees wish to thank all contributors during the year. With this support, financial or otherwise, the Charity has been able to assist all animals and their owners that have asked for financial help during 2021 including a number just outside our branch area, working in partnership with other Branches, to ensure all animals could be offered prompt help. If we are alerted to the problem soon enough this usually means a satisfactory outcome. From the volunteers, the staff, the donors, the customers, the Inspectors, the vets and HQ staff, the premises that have our collecting boxes in place, our solicitors and accountants all of whom are extremely patient with all the questions fired at them and undertake more than we are charged for thank you from all the animals and owners that the South East Somerset Branch has assisted in 2021.

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REPORT FOR 2021

This has been another very testing year due to the covid pandemic severely affecting the work of the branch. However, the branch trustees are pleased to submit their Annual Report and Financial Statements of the charity for the year ended 31st December 2021. The South East Somerset Branch of the RSPCA is a separate registered charity governed by a constitution. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, 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 FRS 102 applicable in the UK and Republic of Ireland (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

The purpose of the charity is "To prevent cruelty and promote kindness". The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Our purposes are, by lawful means, to prevent cruelty, promote kindness and alleviate suffering to animals in the area of South East Somerset according to the rules and objectives of the Royal Society for the Prevention of Cruelty to Animals.

The branch carries out these purposes by: -

1. Providing support for the Inspectorate in their work. The priority of the branch is to support this work by providing funds for veterinary assistance to animals identified by the inspectorate as "in need" and when possible to accept animals for rehoming that are found neglected or cruelly ill-treated.
2. The branch will also identify animals with a similar need before they come to the attention of the Inspectorate thus attempting to reduce the work of the Inspectors in the field where possible.
3. Providing welfare assistance and neutering facilities for those on low incomes. Welfare officers Michele, Maggies and Paula are very experienced and always available to the public for help and advice. The branch has provided this support whenever possible to enable the Inspectorate to improve the lives of many animals in the area.
4. Rehoming animals accepted by us for this purpose after vaccinating, neutering and microchipping.
5. Providing advocacy, advice and information to members of the public on matters related to animal welfare.
6. Promoting the campaigning work of the RSPCA.
7. Presenting a welcoming and helpful shop window for the RSPCA.

In planning the branch activities, the Trustees have considered the Charity Commission guidance on public benefit. The value of owning an animal has become recognised to benefit the mental health of the owner and as such the branch feels it adds benefit to human life where possible. The trustees are pleased that the sections below report on the achievements and performance of the charity describe our main activities and demonstrate the benefit provided to the public.

The benefits of the charity's work are demonstrated by the branch undertaking as its prime purpose to assist the Inspectorate in accommodating and rehabilitating neglected or cruelly ill-treated animals. It is not the prime purpose of the branch to rehome unwanted animals and the branch does not always have the capacity to do so, but when there is the space it will try to help. As the branch has no animal centre we need to undertake our role to support the Inspectors work and local animal welfare in other ways.

A REVIEW OF OUR ACHIEVEMENTS AND PERFORMANCE: HOW OUR ACTIVITIES DELIVERED PUBLIC BENEFIT

More than ever this year the emphasis of the branch has been on welfare, not just the welfare of the animals but the welfare of their owners. Our welfare officers have spent hours every week listening to people's problems and concerns – bereavement, people going into hospital, health issues and increasing numbers of people not knowing how they will get through the day.

We have regularly provided items to local food banks to ensure that owners and their animals are fed. Our welfare officers have continued to "keep an eye out" for vulnerable people who need our support.

This has at times also caused a strain on the team, but it has not reduced the commitment and passion to help those who need it.

During 2021, as a result of the covid pandemic, shops were again shut for significant periods with a consequential reduction in income.

The branch took advantage of the Government's Job Retention scheme and put staff on furlough. The branch has received various Government Grants totalling £85,180.

Trustees identified the need to look for alternative streams of income and selling items via Ebay was a success throughout the year.

Trustees had to continue to adapt and be flexible and most meetings in the year were held virtually.

It is good to report that the second half of the year did see improved shop sales after the April re-opening and compared very favourably against local charity shop competition.

Some of the memorable events in 2021

- Assisted animal welfare in West Dorset, North Somerset and South Wiltshire
- Paid for strangles tests and worming for Inspectorate equines
- Successfully re-opened the shops in April with robust safeguards in place
- Provided worm treatment for a local volunteer managing 140 hedgehogs during the winter
- Supported an individual with PTSD and fostered his dog until he was well enough to look after the dog himself
- Provided lots of bedding for St Giles Animal Centre who rehome our animals
- Took in animals where the owner had died or had been taken into care
- Listened to and supported many distressed owners
- Said goodbye to Inspector Marie Griffiths with whom we have worked with for many years. We wish Marie a fantastic retirement after her years of dedicated service

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WELFARE SUPPORT

1. WELFARE AND NEUTERING

Michele, Paula and Maggie operate a dedicated, often 24/7, welfare line (07971 175491). Along with the branch web site www.rspca-eastsomerset.org.uk this is a prompt, cost effective and excellent way to promote animal welfare advice and support to the public. The line is busy with both requests for financial help and other advice. Requests relating to neglect or cruelty concerns were referred to the National Control Centre 0300 1234 999 from where they can be properly tasked to the Inspectors. There was also a steady stream of enquiries from the website that we either dealt with or forwarded to the control centre.

2. ADVICE

- We are often asked for advice as to which vet they should use. We are always very careful to identify the “closest” to the client unless it is an unusual species such as birds, tortoise or snake where we recognise the expertise at a specific practice. Even then we can only say “we understand has expertise above the basic.”

3. COMPARISON OF ANIMAL WELFARE NUMBERS

Welfare numbers over the previous three years			
	2021	2020	2019
Cats	323	401	421
Dogs	288	393	361
Rabbits	8	0	2
Misc mainly equines	88	38	39
Annual Total	707	832	823
Cost	£48,409	£46,818	£67,354
Average per animal	£68.47	£56.27	£81.84

Neutering numbers over three years			
	2021	2020	2019
Cats	83	107	82
Dogs	39	106	95
Rabbits	5	0	13
Equines	1	1	5
Annual Total	128	214	195

On the whole the branch commits a standard figure towards each animal neutered. There are exceptions when the owner cannot find the remainder and the animals life would be at risk. However when assisting the Inspectorate it is often necessary to pay the full cost. The overall neutering cost was £17,033 in 2019, £14,440 in 2020 and £8,894 in 2021.

Micro-chipping over three years			
	2021	2020	2019
Cats	28	96	77
Dogs	25	58	45
Annual Total	53	154	122

Microchipping is normally undertaken with Yeovil and District Cats Protection neutering programme annually with co-operation from the vets concerned using RSPCA chips. This did not take place in 2021 due to the pandemic. Now that puppies must be chipped prior to sale there are far less dogs needing chips.

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4. REHOMING

- We took in 58 animals of which 10 were dogs and 48 were cats.
- We rehomed a total of 52 animals.

VOLUNTEERS

We recognised that volunteers are a much-undervalued resource for any charity.

We have volunteers at our shops, providing animal welfare, providing transport for delivery stock, house clearances, trips to the recycling centre etc, PAT testing, trustees, etc. We believe this comes to approximately 20,000 hours in total. We cannot express our thanks sufficiently to all these people.

CATTERY

The cattery has been decidedly less occupied this year with only the main pens in emergency use for the Inspectors. Nothing has been turned away but they have been taken to St Giles as soon as possible.

FUNDRAISING

Our main efforts went into the promotion and income generation provided by the shops. We do have a small number of collection boxes in shops and cafes but due to COVID19 and the low levels of income received we have reduced these.

SOCIAL MEDIA

The branch operates a web site www.rspca-eastsomerset.org.uk. We also have Facebook and Twitter sites and "followers" are continuing to increase. The marketing and promotion of the Branch is a key priority for 2022 and plans for improvement have started to be implemented.

SHOPS

The shops under the care of our Area Shops Manager have continued to generate funding for the welfare work undertaken. Each shop has a team that will on occasion cover another site. We have a really dedicated team of paid and voluntary staff without whom we could not operate.

Crewkerne, Glastonbury and Somerton shops remained the key sources of funding. The South Petherton and Yeovil Shops have not achieved the levels of income originally hoped for and the Trustees will continue to monitor the viability of all the shops. It should be noted, however, that the Ebay sales and books and DVD recycling at Yeovil make the premises overall profitable.

The good news is that when the shops re-opened after the lockdown we saw a brisk trade in all of our shops and a very successful second half of the year.

INVESTMENT POLICY

The trustees reviewed the investment policy in 2020 and due to the financial uncertainty during the pandemic decided it would not be appropriate to invest any cash holding. The branch will further review investments in 2022.

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RISK MANAGEMENT

The branch carried out a risk assessment and identified the following risks:-

- o Loss of income through fraud or theft
- o Damage to reputation through fraud
- o Damage to reputation through adverse publicity
- o Risk of activities of RSPCA the main Society
- o Risk of reputation of RSPCA, the main Society
- o Loss of income through outside forces, including severe inclement weather
- o Risk of pandemic
- o Insufficient trustees to continue
- o Insufficient funds to continue
- o Managing risk for succession
- o Insufficient volunteers to fundraise
- o Severe changes in trading
- o Risk of claims against volunteers
- o Health, Safety and Welfare of volunteers and staff
- o Risk of claims by volunteers or the public
- o Risk of non-compliance with such as GDPR

Having identified these risks, the charity continued to take active steps to manage them and to reduce both the likelihood of incidents occurring and to minimise the impact should an incident occur. It is the opinion of the trustees that the branch's procedures, policies and controls are adequate to mitigate financial loss and damage to reputation through error or fraud and to maintain the future financial viability of the branch.

RESERVES POLICY 2022

The trustees reviewed the Reserve Policy at their November 2021 meeting. This included consideration of the committed costs of the shops' leases and their respective break clauses. Trustees also considered salary costs, animal welfare and potential loss of income if shops closed again due to further pandemic. They took reputational damage into consideration also.

The Reserves Policy is reviewed on an annual basis.

The branch has no animal centre and animal welfare support could be temporarily reduced. The staff consideration would be those employed at the shops. Therefore, the trustees would be responsible for redundancy payments, the ongoing rents and winding up costs for these properties. The branch is responsible currently for five shops. Somerton, Crewkerne, Glastonbury, South Petherton and Yeovil. The shops are a liability for up to five years maximum according to the terms of our leases. It may be possible but unlikely to sub-let should it be necessary to close prior to the end of the lease. However, trustees are required to consider the total length of the lease when considering branch liabilities.

Taking all these points into consideration the free reserves stood at £335,941 at the end of 2021 (£241,375 - 2020) with a further restricted fund of £7,834 for Out of Area welfare.

The trustees consider this adequate and will further review this figure late in 2022 after completion of the 2021 accounts.

LEGAL INFORMATION

The charity was registered with the Charity Commission on the 24th November 1972.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The current constitution of the Royal Society for the Prevention of Cruelty to Animals (the Society) was created under the Parliamentary Act 1932. The work of the Society is governed by this act and the accompanying rules.

The Society is governed by an elected Council, which is assisted by staff and branches.

A committee that is elected annually by the branch members governs the South East Somerset branch. Committee members are members of and trustees of the branch. They have individual and collective responsibility for the management of the branch and its funds. The committee controls and monitors all fundraising and animal welfare initiatives subject of the overall approval and rules of the Society.

The branch is an independent charity but may be considered a “franchise” of the main society in order to use the logo and benefit from the expertise and purchasing power of the main society. However the branch must raise its own funds. The branch is guided by the main society and expected to undertake work locally in a variety of ways to support the work of the Inspectorate.

HEALTH AND SAFETY POLICY

Staff undertake training for H&S on line via our insurers’ web site. They are expected to renew this on a regular basis. All staff hold First Aid certificates. These were renewed during the year. Staff kindly came together on a Sunday to undertake or renew these as a group.

- a. The RSPCA South East Somerset branch will ensure so far as is reasonably practicable, the health and safety of volunteers and staff and also exercise its duty of care in respect of the health and safety of all persons visiting branch premises or events (e.g., volunteers, members of the public, staff and contractors). The branch requires the full co-operation of members of staff and others in meeting these objectives. Risk assessments are undertaken as necessary and held by the trustee responsible for the event or at the premises concerned. In return it is expected that all persons will behave in a responsible manner in order that the health and safety of everyone is
- b. The branch will comply with all relevant regulations, which are designed to ensure good standards of health and safety at work
- c. The branch will ensure so far as is reasonably practicable
 - o Safe and healthy work conditions
 - o Safe plant and equipment and systems of workAppropriate protective equipment and clothing will be provided in order to minimise risks where these are
- o unavoidable. The branch will provide such information, undertake training and supervision as are necessary to ensure compliance with current legislation
- d. A trustee is appointed as a “competent” person who is responsible for advising on health and safety matters within the branch. Day to day management of health and safety in the workplace lies with the staff and volunteers themselves

TRUSTEES INDUCTION AND TRAINING

Every prospective trustee is provided with information about the work of the branch and invited to attend one or more trustee meetings as an observer. Training is offered as appropriate to trustees; however with many volunteers working full or part time, requests for take up tends to be low. The newsletters from the Charity Commission are distributed to Trustees to assist in their role. The Treasurer and Trustee/book keeper hold qualifications suitable for their roles and undertake regular training.

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BRANCH POLICIES

The branch is registered for Data Protection and the following policies were either complete or completed during the year.

Safeguarding
Privacy Policy.
Data Protection
Code of Conduct
Health and Safety
Volunteering
Young persons
Equality and Diversity
Conflict of interest
Trustee Recruitment
Shop Staff/ Volunteer Purchasing Policy
Coronavirus Policy
Dogs at work Policy

KEY MANAGEMENT AND PERSONNEL REMUNERATION

The trustees consider that the board of trustees comprise the key management personnel of the charity in charge of the directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year except for;

- Lee Chapman who was paid £3,600 for undertaking preparation of the monthly accounts and wages.
- Piers Farley kindly donated time last year undertaking various maintenance at the shops and Maggie Baker donated any costs she incurred.

Details of trustee expenses and related party transactions are disclosed in notes 11 and 22 to the accounts. Trustees are required to disclose all relevant interests and register them and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises. Where there is a conflict of interest a waiver will be obtained through the Regional Board. This is the case for Piers Farley who will undertake a limited amount of maintenance (related to Paula Cullingford an employee) and for Lee Chapman who is the branch's bookkeeper.

FINANCIAL REVIEW

Income

The overall income was £444,603. This has increased from 2020's total of £335,193.

General fund raising, grants, donations and legacies totalled £30,769 which included "door to door" money raised by the national society and given back to the branches as a grant annually.

We were notified of one legacy in 2021, totalling £1,000.

Donations from rehoming cats and dogs totalled £3,880 (£4,540 - 2020).

The total income from shops of £324,672 is broken down in note 4, with a detailed breakdown of shop expenditure totalling £263,902 in note 7.

The shops income includes the recycling of bric a brac, clothes etc through an external merchant. The branch currently holds new stock to the value of £5,465 having purchased £2,039 in total. Both figures are exclusive of VAT. New items to the net value of £9,454 were sold in the shops.

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Expenditure

To highlight some of the costs:

- £80,666 (£88,065 - 2020) was spent on direct animal welfare.
- £1,177 of veterinary and food spend is still held in stock as of December 31st.
- The cost of expenses for the van was £2,091.
- The cost of £3,600 for book keeping services for the year includes the cost of salary administration.
- The branch is required to have the accounts independently examined which cost a further £2,569 (£3,456 - 2020) including VAT some of which is reclaimable.
- The branch spent £957 (£1,757 - 2020) on postage, website maintenance, printing and computer supplies.

Unfortunately, as governance takes a more prominent role these items will escalate. All efforts are made to keep these to a minimum.

FUTURE PLANS

With vets on emergency work only for most of 2021 the trustees agreed to conduct a free dog neutering campaign across the branch area in 2022. This will be available for most people on benefits or very low income.

The trustees will continue to monitor the viability of the shops, look to increase ebay sales and explore other potential income streams.

The branch is also keen to further promote the excellent service that it continues to deliver for local animals in the local community. It recognises it needs to increase its profile and its social media presence.

The branch is looking to recruit new trustees for succession planning and to fill the current skill gaps. This will also add to the knowledge, skills and experience of the existing Board. Priority areas include new trustees with PR & marketing and social media knowledge.

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Statement of trustee's responsibilities

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

The trustees are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved and signed on behalf of the trustees by;

M A Baker
Treasurer

L Chapman
Trustee

Date: 16/05/2022

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Independent examiner's report to the trustees of RSPCA South East Somerset Branch

I report to the trustees on my examination of the accounts of RSPCA South East Somerset Branch for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under section 144(2) of the 2011 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 and in carrying out my examination I have followed 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 the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 Charities Act 2011; or
2. the accounts do not accord with those records; or
3. the accounts 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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 accounts to be reached.

Gill Freeman ACA

Date

19/05/2022

Milsted Langdon LLP
Chartered Accountants
Motivo House
Alvington
Yeovil
Somerset, BA20 2FG

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Statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Income and Endowments from:					
Donations and legacies	2	30,769	-	30,769	34,765
Charitable activities	3	3,880	-	3,880	4,540
Other trading activities	4	324,672	-	324,672	213,783
Government Grants	5	85,180	-	85,180	82,024
Investment income	6	102	-	102	81
Total income		<u>444,603</u>	<u>-</u>	<u>444,603</u>	<u>335,193</u>
Expenditure on:					
Raising funds	7	263,902	-	263,902	260,769
Charitable activities	8	96,323	620	96,943	109,312
Total expenditure		<u>360,225</u>	<u>620</u>	<u>360,845</u>	<u>370,081</u>
Net income before gains and losses on investments		84,378	(620)	83,758	(34,888)
Net gains/(losses) on investments	14	<u>875</u>	<u>-</u>	<u>875</u>	<u>(1,080)</u>
Net income/(expenditure) and movement in funds		85,253	(620)	84,633	(35,968)
Total funds brought forward		254,112	8,454	262,566	298,534
Total funds carried forward	19	<u>339,365</u>	<u>7,834</u>	<u>347,199</u>	<u>262,566</u>

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Statement of financial position as at 31 December 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		3,424		8,014
Investments	14		-		4,723
Total fixed assets			<u>3,424</u>		<u>12,737</u>
Current assets					
Stocks	15	6,748		4,515	
Debtors	16	12,395		12,149	
Cash at bank and in hand		<u>338,050</u>		<u>246,181</u>	
Total current assets		<u>357,193</u>		<u>262,845</u>	
Creditors: amounts falling due within one year	17	<u>(13,418)</u>		<u>(13,016)</u>	
Net current assets			343,775		249,829
Net assets			<u><u>347,199</u></u>		<u><u>262,566</u></u>
Funds of the charity:					
Unrestricted income funds					
General funds			334,456		245,116
Designated funds			4,909		8,996
Restricted income funds					
Equine Welfare			<u>7,834</u>		<u>8,454</u>
Total charity funds	19		<u><u>347,199</u></u>		<u><u>262,566</u></u>

The financial statements were approved by the trustees, and authorised for issue on 16/05/2022 and signed on their behalf by:

M A Baker
Treasurer

L Chapman
Trustee

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Statement of Cash Flows

	Note	Total Funds 2021 £	Prior Year 2020 £
Net cash generated/(used) in operating activities	21	86,169	(21,086)
Cash flows from investing activities:			
Proceeds from disposal of investments		5,598	-
Acquisition of tangible fixed assets		-	(4,969)
Interest and dividends		102	81
Net cash generated/(used) in investing activities		5,700	(4,888)
Change in cash and cash equivalents in the year		91,869	(25,974)
Cash and cash equivalents brought forward		246,181	272,155
Cash and cash equivalents carried forward		<u>338,050</u>	<u>246,181</u>

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Notes to the financial statements

1 Accounting policies

Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP 2015 (FRS 102) - effective 1 January 2019) and the Charities Act 2011.

RSPCA South East Somerset Branch meets the definition of a public benefit entity under FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Funds structure

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are those donated for use in a particular area or for specific purposes, the use which is restricted to that area or purpose by the donor. The restricted funds are specifically for the purpose of contributing to the cost of veterinary treatment and other fees associated with animals from outside of the RSPCA South East Somerset Branch area which for reasons of animal welfare and logistics are more conveniently handled by the branch.

Further details of each fund are disclosed in note 19.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Income from the sale of donated goods in the shops operated by the charity is recognised once sold due to there not being a practical method of valuing the goods being donated by the general public.

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Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Donated services and facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable settlement is required and the amount of the obligation can be measured reliably.

All expenditure is recognised on an accruals basis. All costs, including support costs and governance costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Cost of raising funds

The costs of generating funds consist of costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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 necessary to support them.

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Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to independent examination, strategic management and Trustee's meetings and reimbursed expenses.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £150 or more are capitalised and valued at historical cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Leasehold property improvements	over lease of the property
Fixtures, fittings and equipment	20% straight line
Cattery	10% straight line

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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Pensions

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Any annual contributions are charges to the Statement of Financial Activities.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Goods donated by the general public to be sold in the shops operated by the charity are not included in the value of stock due to there being no practical method of determining the value prior to sale.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows;

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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2 Income from donations and legacies

	Unrestricted fund £	Restricted fund £	Total 2021 £	Total 2020 £
Legacies	1,000	-	1,000	-
Donations	4,433	-	4,433	8,254
Subscriptions	238	-	238	433
Door to door	24,024	-	24,024	24,879
Donated services	1,074	-	1,074	1,199
	<u>30,769</u>	<u>-</u>	<u>30,769</u>	<u>34,765</u>

Included in 2020 was £5,000 of restricted funds.

3 Income from charitable activities

	Unrestricted fund £	Restricted fund £	Total 2021 £	Total 2020 £
Rehoming income	3,880	-	3,880	4,540
	<u>3,880</u>	<u>-</u>	<u>3,880</u>	<u>4,540</u>

Included in 2020 was £nil of restricted funds.

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4 Other trading activities	Unrestricted fund	Restricted fund	Total 2021	Total 2020
	£	£	£	£
Shop income by RSPCA branch shops				
Crewkerne	71,624	-	71,624	47,937
Glastonbury	93,748	-	93,748	56,369
Somerton	82,523	-	82,523	68,811
South Petherton	20,751	-	20,751	12,787
Street	-	-	-	8,508
Yeovil	18,889	-	18,889	7,097
Recycling and online	37,137	-	37,137	12,274
	<u>324,672</u>	<u>-</u>	<u>324,672</u>	<u>213,783</u>

Included in 2020 was £nil of restricted funds.

5 Government grants	Unrestricted fund	Restricted fund	Total 2021	Total 2020
	£	£	£	£
Coronavirus business support grants	52,343	-	52,343	46,670
Coronavirus job retention scheme	32,837	-	32,837	35,354
	<u>85,180</u>	<u>-</u>	<u>85,180</u>	<u>82,024</u>

Included in 2020 was £nil of restricted funds.

6 Investment income	Unrestricted fund	Restricted fund	Total 2021	Total 2020
	£	£	£	£
Interest receivable and similar income				
Bank interest	6	-	6	81
Dividend income	96	-	96	-
	<u>102</u>	<u>-</u>	<u>102</u>	<u>81</u>

Included in 2020 was £nil of restricted funds.

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7 Individual shop costs

	South							
	Crewkerne	Glastonbury	Somerton	Petherton	Street	Yeovil	Other	Total
2021	£	£	£	£	£	£	£	£
Rent	14,346	17,125	12,762	6,000	-	5,940	1,100	57,273
Rates and water	385	(108)	456	143	-	210	-	1,086
Electricity	618	594	434	343	-	902	-	2,891
Telephone	139	193	309	107	-	173	193	1,114
Wages	34,483	45,416	31,808	18,982	-	24,530	15,870	171,089
Repairs	1,820	564	6,048	52	-	504	-	8,988
Other	2,940	2,008	2,952	1,147	-	1,686	8,689	19,422
Goods for resale	919	941	104	41	-	34	-	2,039
	55,650	66,733	54,873	26,815	-	33,979	25,852	263,902

	South							
	Crewkerne	Glastonbury	Somerton	Petherton	Street	Yeovil	Other	Total
2020	£	£	£	£	£	£	£	£
Rent	13,716	16,037	12,780	5,000	5,875	5,293	600	59,301
Rates and water	319	401	234	610	113	130	-	1,807
Electricity	1,066	683	1,123	349	433	487	-	4,141
Telephone	113	149	178	202	73	265	340	1,320
Wages	52,315	38,935	22,344	12,491	9,869	13,058	4,266	153,278
Repairs	406	382	1,512	929	63	3,105	-	6,397
Other	3,852	2,732	5,435	5,196	863	3,284	3,672	25,034
Goods for resale	1,938	2,744	1,157	1,886	640	1,126	-	9,491
	73,725	62,063	44,763	26,663	17,929	26,748	8,878	260,769

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8 Costs of charitable activities	Unrestricted fund £	Restricted fund £	Total 2021 £	Total 2020 £
Neutering	8,894	-	8,894	14,440
Veterinary welfare	47,789	620	48,409	46,818
Kennels	23,175	-	23,175	26,345
Animal food	-	-	-	27
Microchips	188	-	188	25
Cattery consumables	-	-	-	410
Vehicle costs	2,091	-	2,091	1,884
Advertising	232	-	232	637
Insurance	681	-	681	645
Room hire	-	-	-	50
Printing, stationery and office supplies	957	-	957	1,391
Postage, carriage and telephone	-	-	-	254
Other expenses	72	-	72	147
Depreciation	4,590	-	4,590	4,903
RSPCA Headquarters Donation	1,000	-	1,000	5,000
	<u>89,669</u>	<u>620</u>	<u>90,289</u>	<u>102,976</u>
Governance and support costs	6,654	-	6,654	6,336
	<u>96,323</u>	<u>620</u>	<u>96,943</u>	<u>109,312</u>

Included in 2020 was £9,550 of restricted funds.

9 Governance and support costs

	Unrestricted fund £	Restricted fund £	Total 2021 £	Total 2020 £
Independent examiner's fees	2,340	-	2,340	1,925
Other accountancy fees	714	-	714	1,531
Bookkeeping	3,600	-	3,600	2,880
	<u>6,654</u>	<u>-</u>	<u>6,654</u>	<u>6,336</u>

Included in 2020 was £nil of restricted funds.

10 Net income/(expenditure)

Net income/(expenditure) for the year includes:		2021 £	2020 £
Independent examiner's fees	Independent examination	2,340	1,925
	Other	714	1,531
Depreciation of fixed assets		<u>4,590</u>	<u>4,903</u>

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11 Trustees remuneration and expenses

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil).

During the year, the charity made the following transactions with trustees:

Margaret Baker

Margaret Baker has made a van available to the charity. A donation in kind of £1,074 (2020: £1,199) has been included in respect of the running costs of the vehicle and for shop insurance paid privately.

Lee Chapman

£3,600 (2020: £2,880) was paid to Lee Chapman during the year for bookkeeping services.

Piers Farley

The charity paid £nil (2020 - £2,214) to Piers Farley in respect of property maintenance services to the South Petherton shop.

12 Staff costs

The aggregate payroll costs were as follows;

	2021	2020
	£	£
Wages and salaries	167,470	151,545
Social security costs	2,079	662
Pension contributions	1,540	1,071
	<u>171,089</u>	<u>153,278</u>

The monthly average number of persons (including senior management team) employed by the charity during the year as average head count with full time equivalent as additional optional disclosure as follows:

	2021	2020
	No	No
Full time	3	4
Part time	13	16
	<u>16</u>	<u>20</u>

No employee received emoluments of more than £60,000 during the year.

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13 Tangible fixed assets

	Leasehold property improvements	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2021	40,105	48,758	88,863
At 31 December 2021	40,105	48,758	88,863
Depreciation			
At 1 January 2021	34,929	45,920	80,849
Charge for the year	2,726	1,864	4,590
At 31 December 2021	37,655	47,784	85,439
Net book value			
At 31 December 2021	2,450	974	3,424
At 31 December 2020	5,176	2,838	8,014

14 Fixed asset investments

	Total £
Market value brought forward at 1 January 2021	4,723
Disposal	(4,723)
Market value as at 31 December 2021	-

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of the trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy sections of the Trustees' Annual Report.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment in markets subject to exchange controls or trading restrictions.

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15 Stock	2021	2020
	£	£
Stock held at shops	5,465	3,723
Veterinary stock	1,177	686
Stationery stock	106	106
	<u>6,748</u>	<u>4,515</u>

16 Debtors	2021	2020
	£	£
Trade debtors	639	436
Accrued income	1,000	-
Prepayments	6,981	7,654
VAT recoverable	3,775	4,059
	<u>12,395</u>	<u>12,149</u>

17 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	8,528	7,961
Pension creditor	381	252
Accruals	4,509	4,803
	<u>13,418</u>	<u>13,016</u>

18 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Land and buildings		
Within one year	42,750	42,750
Between two and five years	122,167	164,917
Over five years	1,500	1,500
	<u>166,417</u>	<u>209,167</u>

Each shop lease has a break clause as part of the agreement with the landlord. If the charity chose to initialise the break clauses currently in place the total future minimum lease payments at 31 December 2021 would be £45,167 (2020: £71,000).

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19 Funds	Balance 1 January 2021 £	Income £	Expenditure £	Transfer £	Other recognised gains/(losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General funds	245,116	444,603	(356,138)	-	875	334,456
Designated funds	8,996	-	(4,087)	-	-	4,909
Restricted funds						
Out of Area Welfare	8,454	-	(620)	-	-	7,834
Total funds	262,566	444,603	(360,845)	-	875	347,199
	Balance 1 January 2020 £	Income £	Expenditure £	Transfer £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds						
General funds	286,534	330,193	(360,531)	(10,000)	(1,080)	245,116
Designated funds	6,183	-	(7,187)	10,000	-	8,996
Restricted funds						
Out of Area Welfare	5,817	5,000	(2,363)	-	-	8,454
Total funds	298,534	335,193	(370,081)	-	(1,080)	262,566

The unrestricted funds are available to be used at the trustees discretion to further the objects of the charity.

The designated fund represents money trustees wish to spend directly on equine welfare.

The restricted funds were raised and donated specifically for the purpose of contributing to the cost of veterinary treatment and other fees associated with animals from outside of the RSPCA South East Somerset Branch area which for reasons of animal welfare and logistics are more conveniently handled by the branch.

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20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	3,424	-	3,424
Current assets	349,359	7,834	357,193
Current liabilities	(13,418)	-	(13,418)
Total net assets	<u>339,365</u>	<u>7,834</u>	<u>347,199</u>

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	84,633	(35,968)
Removal of bank interest and dividends	(102)	(81)
Add back depreciation charge	4,590	4,903
(Remove gains)/add back losses in investments	(875)	1,080
(Increase)/decrease in stock	(2,233)	3,075
Increase in debtors	(246)	(1,419)
(Decrease)/increase in creditors	402	7,324
Net cash generated/(used) from operating activities	<u>86,169</u>	<u>(21,086)</u>

22 Related parties

Other than as detailed in note 11 of the accounts and on page 12 in the trustees report the following related party transactions arose in the year.

The step-daughter of Mr P Farley, a trustee of the charity, was employed by the branch and her remuneration was £5,845 (2020 - £6,570). Expenses totalling £nil (2020 - £nil) were reimbursed.



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