



RSPCA South East Somerset Branch

Charity number: 264783

Trustees report and accounts

for the year ended 31 December 2022



1972 - 2022
50 YEARS AS A BRANCH

Two feral kittens were rescued from a hazardous yard on a very busy, main road. They were taken into care, checked over, blood tested and neutered. They were then kept in a cattery while looking for long-term home. When the time was right, they were soft released onto a farm where they are now living with an old farm cat, who is showing them the ropes. Both kittens are now being fed and well cared for and are becoming more socialised. They are now very happy and contented as you can see from the photo of one of them.

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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	Until October 2022
Peter Luscombe	
Shani Thomas	
Michele Westlake	

Welfare Officers Michele Westlake and Margaret Baker

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

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	Stella Allen
Yeovil Staff	
Deputy Manager	Toni Graham
Supervisor	Sheila Ackerley
Online	Linda Perry
Transport	Sharon Eglon
Warehouse Supervisor	Alana James

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The Branch Trustees wish to thank all who have helped in any way throughout yet another difficult year. With this support both financial or otherwise the Charity has been able to assist both animals and owners who have asked for support during the year. The support was not always financial, sometimes it was time to listen. We do not entirely limit this to our Branch area but extend to parts of Branches in West Dorset and North Somerset where they have the added responsibility of operating animal centres. If we are alerted to the problem in time this usually means a positive outcome for the animals and their owners. Above all our aim is to **PREVENT SUFFERING.**

From the volunteers, the staff, the donors, the customers, the Inspectorate team, the vets and our accountants many of whom are extremely patient with the questions fired at them, thank you from all the animals and owners that the South East Somerset Branch has assisted in 2022.

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REPORT FOR 2022

This has been another testing year with the Branch dealing with large numbers of welfare issues as a consequence of the Cost-of-Living Crisis and also coming out of the pandemic lockdowns. However, the Branch Trustees are pleased to submit their Annual Report and Financial Statements of the charity for the year ended 31st December 2022. 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 and Maggie 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.

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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

Once again, 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.

The Branch regularly supplied animal food to both Yeovil and Glastonbury/Street food banks, the recipients were amazed and very appreciative.

Our volunteer Welfare Officers have continued to "keep an eye out" for vulnerable people who need our support and continue to deliver that support on a daily basis.

Our Welfare Officers have dealt with a large number of distressed people during the year. This has included cases of neglect which are passed to the Inspectorate team. One instance was where an individual was buying and selling dogs with the intention that the Branch pay their costs. Fortunately, the vast majority of cases we deal with are genuine.

We implemented an extremely successful dog neutering campaign. Neutering costs had been down the previous two years because of covid and so the campaign became a priority. We covered all the post code areas of our Branch and over 200 dogs were neutered and micro-chips were provided where they were missing.

For more than 8 years now we have successfully partnered with St Giles Kennels who look after our cats and dogs before re-homing and 2022 was another busy year.

The Branch produced a "Vet Guide" enabling the local vets to access emergency finance from the Branch, not the main Society. It's quick and efficient and means that animals in need are likely to be seen immediately within working hours.

We celebrated the 50th Anniversary of the South East Somerset Branch! We have been going since 1972.

It has been a very good year for our retail shops and ebay sales, raising funds but also providing a much needed and valued service in the local community.

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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 and efficient way in which to engage with the public to promote animal welfare advice and support to the public. The line provides not only financial advice, but an increased number of calls regarding wildlife, how to manage their animals and how to find a new home where lack of finance for their animals is forcing this decision. Where possible we try to resolve the last with offers of food. Where appropriate calls are referred to the Inspectorate call centre on 0300 1234999.

2. ADVICE

We are often asked for advice covering a wide range of issues. Our welfare team is very experienced and have a strong network of professionals to contact.

3. COMPARISON OF ANIMAL WELFARE NUMBERS

Welfare numbers over the previous four years				
	2022	2021	2020	2019
Cats	332	323	401	421
Dogs	412	288	393	361
Rabbits	1	8	0	2
Misc mainly equines	19	88	38	39
Annual Total	764	707	832	823
Cost	£64,275	£48,409	£46,818	£67,354
Average per animal	£84.13	£68.47	£56.27	£81.84

Neutering numbers over four years				
	2022	2021	2020	2019
Cats	74	83	107	82
Dogs	253	39	106	95
Rabbits	0	5	0	13
Equines	3	1	1	5
Annual Total	330	128	214	195

Micro-chipping over four years				
	2022	2021	2020	2019
Cats	127	28	96	77
Dogs	21	25	58	45
Annual Total	148	53	122	122

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We are fortunate to work alongside Yeovil and District Cats Protection who carry out a neutering programme annually with co-operation from local vets using RSPCA micro-chips. Our use of micro-chips should show a greater number, but unfortunately the vets don't always notify us of use. All animals chipped are recorded on the Petlog database directly by the vets.

4. REHOMING

We took in 76 animals of which 27 were dogs and 49 were cats. We rehomed a total of 63 animals – 22 dogs and 41 cats.

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 again 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 Animal Centre as soon as possible.

FUND RAISING

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.

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 was a key priority for 2022 and professional advice was obtained to improve our social media presence and influence.

SHOPS

Coming out of COVID lockdown there was a high level of uncertainty regarding how the shops would perform. There were still reductions in rates in place on the shops, but the high street had become a very different place to trade. Fortunately with eBay already in place there was more than one outlet. The team pulled out all the stops and returned an impressive net income of £178,621, with grateful thanks due to both staff and customers.

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Crewkerne, Glastonbury and Somerton again remained the main income generators and Yeovil used for both eBay and the administrative centre. After re-opening the shops were buzzing with enthusiasm.

At the end of the year a review was underway for the South Petherton shop. New ideas were being considered and a business plan put together.

During the year as part of the lease agreement the Branch paid to replace all the windows, except the kitchen, in the Somerton shop at a cost of nearly £9,000. As a concession for this the lease was extended a further 14 years with no rent increase for a future 5 years.

INVESTMENT POLICY

The Trustees reviewed the investment policy during the year. The decision was made not to invest in shares due to the level of risk. Trustees chose to move an initial £100,000 into a Co-operative Bank 95 days account, earning a small dividend. By the end of 2022 a further £100,000 had been moved to this account.

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.

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RESERVES POLICY 2022

The Trustees reviewed the Reserve Policy at their January 2023 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 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 are £431,842 (2021 - £335,941) with a further restricted fund of £6,768 for Out of Area welfare. The Trustees consider this adequate and will further review this figure late in 2023 after completion of the 2022 accounts.

LEGAL INFORMATION

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

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.

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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.

- 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 ensured
- 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 work
 - o Appropriate protective equipment and clothing will be provided in order to minimise risks where these are 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 £3,360 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 21 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 and Alana James) and for Lee Chapman who is the branch's bookkeeper.

FINANCIAL REVIEW

Income

With effect from 1st April 2021 the Branch is now registered for VAT. Our HMRC Registration Number is 376532182.

The overall income was £576,173. This has increased from 2021's total of £444,603.

General fund raising, grants, donations and legacies totalled £65,659 which included "door to door" money raised by the national society and given back to the branches as a grant annually.

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Donations from rehoming cats and dogs totalled £7,680 (2021 - £3,880).

The total income from shops of £502,577 is broken down in note 4, with a detailed breakdown of shop expenditure totalling £323,956 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 £6,075 having purchased £8,038 in total. Both figures are exclusive of VAT. New items to the net value of £20,059 were sold in the shops.

Expenditure

To highlight some of the costs:

- £139,976 (2021 - £80,666) was spent on direct animal welfare.
- £463 of veterinary and food spend is still held in stock as of December 31st.
- The cost of expenses for the van was £6,684 (2021 - £2,091).
- The cost of £3,360 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 £2,700 (2021 - £2,569).
- The branch spent £337 (2021 - £957) 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

The Trustees will continue to monitor the viability of the shops, look to increase ebay sales and explore other potential income streams. This has materialised into changing the South Petherton Shop into a Boutique Shop selling pre-loved clothing for prom events and other special occasions.

The Branch is looking to recruit new Trustees with specific areas of responsibility as it moves to becoming a Charitable Incorporated Organisation (CIO), inline with the Society's vision. Job Profiles have been written for these key posts in preparation. New Trustees with experience in legal matters and marketing are high priorities.

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 continue to increase its profile and its social media presence.

We will be piloting dog first aid courses and if successful will roll out the courses across our district.

The Branch will continue to play a very active role in the local community with welfare and safeguarding issues. This will include supporting local Food Banks and helping the vulnerable.

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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: 01/06/2023

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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 2022.

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

13/06/2023

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 £	2022 Total £	2021 Total £
Income and Endowments from:					
Donations and legacies	2	65,659	-	65,659	30,769
Charitable activities	3	7,680	-	7,680	3,880
Other trading activities	4	502,577	-	502,577	324,672
Government grants	5	-	-	-	85,180
Investment income	6	257	-	257	102
Total income		<u>576,173</u>	<u>-</u>	<u>576,173</u>	<u>444,603</u>
Expenditure on:					
Raising funds	7	323,956	-	323,956	263,902
Charitable activities	8	157,386	1,066	158,452	96,943
Total expenditure		<u>481,342</u>	<u>1,066</u>	<u>482,408</u>	<u>360,845</u>
Net income before gains and losses on investments		94,831	(1,066)	93,765	83,758
Net gains on investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>875</u>
Net income/(expenditure) and movement in funds		94,831	(1,066)	93,765	84,633
Total funds brought forward		339,365	7,834	347,199	262,566
Total funds carried forward	18	<u>434,196</u>	<u>6,768</u>	<u>440,964</u>	<u>347,199</u>

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Statement of financial position as at 31 December 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	13	2,354	3,424
Total fixed assets		2,354	3,424
Current assets			
Stocks	14	6,563	6,748
Debtors	15	6,696	12,395
Cash at bank and in hand		450,965	338,050
Total current assets		464,224	357,193
Creditors: amounts falling due within one year	16	(25,614)	(13,418)
Net current assets		438,610	343,775
Net assets		440,964	347,199
Funds of the charity:			
Unrestricted income funds			
General funds		431,652	334,456
Designated funds		2,544	4,909
Restricted income funds			
Equine Welfare		6,768	7,834
Total charity funds	18	440,964	347,199

The financial statements were approved by the trustees, and authorised for issue on 01/06/2023 and signed on their behalf by:

M A Baker
Treasurer

L Chapman
Trustee

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Statement of Cash Flows

	Note	Total Funds 2022 £	Total Funds 2021 £
Net cash generated in operating activities	20	112,620	86,169
Cash flows from investing activities:			
Proceeds from disposal of investments		-	5,598
Interest and dividends		<u>257</u>	<u>102</u>
Net cash generated in investing activities		257	5,700
Change in cash and cash equivalents in the year		<u>112,877</u>	<u>91,869</u>
Cash and cash equivalents brought forward		338,050	246,181
Cash and cash equivalents carried forward		<u><u>450,927</u></u>	<u><u>338,050</u></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 18.

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 2022 £	Total 2021 £
Legacies	33,592	-	33,592	1,000
Donations	1,775	-	1,775	4,433
Subscriptions	500	-	500	238
Door to door	23,108	-	23,108	24,024
Donated services	6,684	-	6,684	1,074
	<u>65,659</u>	<u>-</u>	<u>65,659</u>	<u>30,769</u>

Included in 2021 was £nil of restricted funds.

3 Income from charitable activities

	Unrestricted fund £	Restricted fund £	Total 2022 £	Total 2021 £
Rehoming income	7,680	-	7,680	3,880
	<u>7,680</u>	<u>-</u>	<u>7,680</u>	<u>3,880</u>

Included in 2021 was £nil of restricted funds.

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4 Other trading activities	Unrestricted fund £	Restricted fund £	Total 2022 £	Total 2021 £
Shop income by RSPCA branch shops				
Crewkerne	110,719	-	110,719	71,624
Glastonbury	148,838	-	148,838	93,748
Somerton	122,958	-	122,958	82,523
South Petherton	39,410	-	39,410	20,751
Yeovil	33,357	-	33,357	18,889
Recycling and online	47,295	-	47,295	37,137
	<u>502,577</u>	<u>-</u>	<u>502,577</u>	<u>324,672</u>

Included in 2021 was £nil of restricted funds.

5 Government grants	Unrestricted fund £	Restricted fund £	Total 2022 £	Total 2021 £
Coronavirus business support grants	-	-	-	52,343
Coronavirus job retention scheme	-	-	-	32,837
	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,180</u>

Included in 2021 was £nil of restricted funds.

6 Investment income	Unrestricted fund £	Restricted fund £	Total 2022 £	Total 2021 £
Interest receivable and similar income				
Bank interest	257	-	257	6
Dividend income	-	-	-	96
	<u>257</u>	<u>-</u>	<u>257</u>	<u>102</u>

Included in 2021 was £nil of restricted funds.

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7 Individual shop costs

	South						
	Crewkerne	Glastonbury	Somerton	Petherton	Yeovil	Other	Total
2022	£	£	£	£	£	£	£
Rent	15,051	17,976	13,566	7,186	6,226	2,284	62,289
Rates and water	849	1,027	1,214	173	535	272	4,070
Electricity	2,006	1,726	1,521	1,567	1,358	219	8,397
Telephone	162	157	140	336	126	339	1,260
Wages	37,849	58,339	32,427	28,049	29,473	19,888	206,025
Repairs	2,819	751	3,711	228	321	191	8,021
Other	3,541	3,767	4,442	1,774	3,149	8,562	25,235
Goods for resale	2,690	3,236	1,192	1,070	1,000	(529)	8,659
	64,967	86,979	58,213	40,383	42,188	31,226	323,956

	South						
	Crewkerne	Glastonbury	Somerton	Petherton	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

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8 Costs of charitable activities	Unrestricted fund £	Restricted fund £	Total 2022 £	Total 2021 £
Neutering	45,051	250	45,301	8,894
Veterinary welfare	63,459	816	64,275	48,409
Kennels	28,956	-	28,956	23,175
Microchips	935	-	935	188
Cattery consumables	509	-	509	-
Vehicle costs	6,684	-	6,684	2,091
Advertising	1,418	-	1,418	232
Insurance	932	-	932	681
Printing, stationery and office supplies	337	-	337	957
Postage, carriage and telephone	187	-	187	-
Other expenses	816	-	816	72
Depreciation	1,032	-	1,032	4,590
Loss on disposal of fixed assets	38	-	38	-
RSPCA Headquarters Donation	-	-	-	1,000
	<u>150,354</u>	<u>1,066</u>	<u>151,420</u>	<u>90,289</u>
Governance and support costs	<u>7,032</u>	<u>-</u>	<u>7,032</u>	<u>6,654</u>
	<u>157,386</u>	<u>1,066</u>	<u>158,452</u>	<u>96,943</u>

Included in 2021 was £620 of restricted funds.

9 Governance and support costs

	Unrestricted fund £	Restricted fund £	Total 2022 £	Total 2021 £
Independent examiner's fees	2,700	-	2,700	2,340
Other accountancy fees	972	-	972	714
Bookkeeping	3,360	-	3,360	3,600
	<u>7,032</u>	<u>-</u>	<u>7,032</u>	<u>6,654</u>

Included in 2021 was £nil of restricted funds.

10 Net income/(expenditure)

Net income/(expenditure) for the year includes:		2022 £	2021 £
Independent examiner's fees	Independent examination	2,700	2,340
	Other	972	714
Depreciation of fixed assets		1,070	4,590
Operating leases		<u>62,289</u>	<u>57,273</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 (2021: £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 £6,684 (2021: £1,074) has been included in respect of the running costs of the vehicle and for shop insurance paid privately.

Lee Chapman

£3,360 (2021: £3,600) was paid to Lee Chapman during the year for bookkeeping services.

12 Staff costs

The aggregate payroll costs were as follows;

	2022	2021
	£	£
Wages and salaries	200,119	167,470
Social security costs	3,705	2,079
Pension contributions	2,201	1,540
	<u>206,025</u>	<u>171,089</u>

The monthly average number of persons (including senior management team) employed by the charity during the year is as follows:

	2022	2021
	No	No
Full time	3	3
Part time	13	13
	<u>16</u>	<u>16</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 2022	40,105	38,758	78,863
Disposals	(18,388)	(2,771)	(21,159)
At 31 December 2022	21,717	35,987	57,704
Depreciation			
At 1 January 2022	37,655	37,784	75,439
Charge for the year	613	419	1,032
Eliminated on disposal	(18,388)	(2,733)	(21,121)
At 31 December 2022	19,880	35,470	55,350
Net book value			
At 31 December 2022	1,837	517	2,354
At 31 December 2021	2,450	974	3,424

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14 Stock	2022	2021
	£	£
Stock held at shops	6,075	5,465
Veterinary stock	463	1,177
Stationery stock	25	106
	<u>6,563</u>	<u>6,748</u>

15 Debtors	2022	2021
	£	£
Trade debtors	443	639
Accrued income	-	1,000
Prepayments	3,459	6,981
VAT recoverable	2,794	3,775
	<u>6,696</u>	<u>12,395</u>

16 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	20,849	8,528
Pension creditor	434	381
Accruals	4,331	4,509
	<u>25,614</u>	<u>13,418</u>

17 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2022	2021
	£	£
Land and buildings		
Within one year	42,750	42,750
Between two and five years	80,917	122,167
Over five years	-	1,500
	<u>123,667</u>	<u>166,417</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 2022 would be £22,167 (2021: £45,167).

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18 Funds	Balance 1 January 2022 £	Income £	Expenditure £	Transfer £	Other recognised gains/(losses) £	Balance at 31 December 2022 £
Unrestricted funds						
General funds	334,456	576,173	(478,977)	-	-	431,652
Designated funds	4,909	-	(2,365)	-	-	2,544
Restricted funds						
Out of Area Welfare	7,834	-	(1,066)	-	-	6,768
Total funds	347,199	576,173	(482,408)	-	-	440,964
	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

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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19 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,354	-	2,354
Current assets	457,456	6,768	464,224
Current liabilities	(25,614)	-	(25,614)
Total net assets	<u>434,196</u>	<u>6,768</u>	<u>440,964</u>

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

	2022 £	2021 £
Net movement in funds	93,765	84,633
Removal of bank interest and dividends	(257)	(102)
Add back depreciation charge	1,032	4,590
(Remove gains)/add back losses in investments	-	(875)
Decrease/(increase) in stock	185	(2,233)
Decrease/(increase) in debtors	5,699	(246)
Increase in creditors	12,196	402
Net cash generated from operating activities	<u>112,620</u>	<u>86,169</u>

21 Related parties

Other than as detailed in note 11 of the accounts and on page 14 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 £10,408 (2021 - £5,845). Expenses totalling £nil (2021 - £nil) were reimbursed.



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