

Charity registration number: 232236

RSPCA Westmorland Branch

Annual Report and Financial Statements

for the Year Ended 31 December 2020

RSPCA Westmorland Branch

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 7
Statement of Trustees' Responsibilities	8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 to 27

RSPCA Westmorland Branch

Reference and Administrative Details

Trustees	Ms A Cleasby (appointed 15 January 2020) Mr D Bennett, Treasurer Ms P Goodwin, Chair (resigned 15 January 2020) Mr A Green, Cat re-homing co-ordinator Mrs S Halsall-Williams (appointed 10 October 2020) Mrs J Kitchen, Dog Rehoming Coordinator and Secretary Ms A Miller Dr E Tuckey Mrs C McKeefery, Secretary (resigned 31 January 2020)
Branch Partnership Manager	Mrs D McCabe
Inspectorate	Mr R Melloy Chief Inspector
Senior Management Team	Mrs C Lowe, Branch Manager Mrs L Fisk, Shop Manager Mrs H Smallshaw, Deputy Shop Manager Ms C Charlton, Shop Assistant
Principal Office	112a Highgate Kendal Cumbria LA9 4HE
Charity Registration Number	232236
Bankers	Barclays Bank Highgate Branch 9 Highgate Kendal LA9 4DF
Independent Examiner	Stables Thompson & Briscoe Chartered Accountants & Business Advisors Lowther House Lowther Street Kendal LA9 4DX

RSPCA Westmorland Branch

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2020.

Objectives and activities

Objects and aims

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

Objectives, strategies and activities

The main aims of the Branch are:-

- ~ To support our local Inspectors by taking in, free of charge, mistreated or abandoned animals. Animals in our care receive veterinary treatment, vaccination, neutering, microchipping and are assessed for rehoming.
- ~ To provide subsidised veterinary treatment for animals which are sick or injured and belong to local people on low incomes.
- ~ To provide subsidised neutering and microchipping of companion animals for those in the Branch area on low incomes.
- ~ To respond to enquiries from the public (both direct and via the Society's national call centre) about animals locally and offer free animal care advice

Public benefit

The Trustees have reviewed the outcomes and achievements of our objectives and activities for the year, to ensure they remain focused on our charitable aims, and continue to deliver benefits to the public.

All Charities in England and Wales must have charitable aims that are for public benefit. Under the Charities Act 2011, the advancement of animal welfare is recognised as a distinct statutory charitable purpose. This legislation and the treating living creatures with compassion has a moral benefit for the public as a whole. Whilst this public benefit is clear, it is sometimes difficult to quantify and must be balanced against any detriment.

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

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The Committee would like to thank all volunteers: shop assistants, collectors, dog walkers, fundraisers, animal fosterers, home visitors etc. for all their hard work and support.

Achievements and performance

2020 was our annus horribilis as it was for many other people. The Trustees want to recognise the challenges and hardships and pain suffered by the many including our staff and volunteers and supporters. For our part the challenges were faced by our team with good humour and stoicism.

RSPCA Westmorland Branch

Trustees' Report

The beginning of the year got off to a good start. We employed a new member of staff Hayley who was to assist the Branch Manager and was to develop the Branch profile on social media and increase our fundraising activities. Then came lockdown. Our rehoming coordinators Jean and Alan swiftly sent out to their new homes all the animals that were reserved and fostered what they could.

Then we entered the strangest of times, intake from the Inspectorate virtually dried up. Throughout 2020 it never really recovered. Nevertheless we still took in 80 dogs and 118 cats and successfully rehomed 73 dogs and 105 cats. The figures on the cats look a little different from previous years figures because Hayley undertook a lot of TNR work (Trap, Neuter and Release) on her own and in collaboration with Animal Rescue for a large feral colony. So, in amongst some of those coming in, some were not well enough to be released or, had tested positive for FIV. It was in their best interests and that of the healthy colony animals to put them to sleep.

So we rehomed 94% of our intake 40% were dogs and 60% cats 3% died.

Cheagles

At the beginning of the year six young cheagles came in. None had been on a lead or socialised. They proved difficult to gain their confidence, but the staff worked wonders and all were eventually found good homes.

Troy

This poor retriever had been locked in the house when the owner died. He was in so long the other dog had passed away. He was showing signs of distress, dehydration, and malnutrition. After a bit of a bath and TLC, Chris and Stella, the kennel owners, fell in love with him and adopted him. What a different dog now!

Gizmo

Gizmo the Blue Staffordshire Bull Terrier pup was part of several dogs brought in by the Inspector from the same house. All the other dogs were returned to the owner. Gizmo had a deformity in his leg and the owner signed him over to be rehomed. Because he was so young and investigations needed doing, he went out to foster to continue his socialisation. We established he could either grow out of it or may need surgery/intervention later in life. By that time he had settled in his foster house and they decided to adopt him.

Taz and Creature

These two cats came in and were challenged in that Taz the older cat had recurring snuffles from cat flu and would be difficult to rehome Creature was quite shy. It was decided to try and home them together. Along came Pippa our chair from last year and took them home!

Kittens

With the strange year we didn't have as many kittens as usual, and the season was later.

Hayley also began a trial in responding to calls for wild animals and birds in distress in the Branch area. This had some success but again affected by the Lockdowns. She is now training to become an RSPCA wild animal rescue volunteer where she will get calls directly from the National Control room.

The Trustees would like to thank all of those involved in the rehoming work in this difficult year and especially our Kennels and Cattery owners who have had to face great challenges personally and financially and yet still managed to support us in our work. Thank You.

RSPCA Westmorland Branch

Trustees' Report

Legacies

You will see from the financial reports that it has been bolstered and supported this year by several legacies. The loss we would have shown without those would have been great and could have stopped us doing some of the work we do.

We would ask if you were contemplating writing your will in the near future to think of us. 2021 will see us not getting our portion of the door-to-door collections as they didn't happen in 2020 due to Covid. We must make up that shortfall of around £25,000 somehow. If you mention Westmorland Branch and our charity number 232236 it comes to us rather than the main society.

Charity Shop

The charity shop started the year strongly and it looked like it was going to be a bumper year. The first lockdown resulted in all staff being furloughed. During that time all the new procedures and risk assessments were done. On opening, the staff had to get used to the new ways of working. Linda pushed on with developing her Ebay and online sales. Hayley has helped her with this. When the second lockdown came it was an ideal opportunity to get central heating installed as the winter electric bill was astronomical. That lockdown also gave the opportunity for Linda to be part furloughed so she could run the click and collect that was allowed and her online sales. That proved helpful with the bottom line until we ran out of items suitable to sell online.

The volunteers have had a disrupted time this year. Some have decided to stand down for various reasons. The Trustees would like to thank all, past and present for their contribution. We could not do this without you. We do have volunteer vacancies at the shop if you know anyone who might be interested.

Future plans

This year saw major changes with the main society exacerbated by the impact of Covid. A shortfall of 40m plus led to many redundancies including front line staff and the loss of the animal collection officer role.

The Branch donated £10000 to a fund to support other Branches who were at risk of folding.

The Society started a process of review of their strategy and their relationship with the Branches. Because of this period of change the Branch felt it was appropriate to hold off on any major decisions until it was clear what the society had planned. The Branch recognises it also must look at its sustainability because of the losses suffered in 2020 that are likely to occur again in 2021. The objectives remain the same in that suitable premises are being sought to deliver the programmes and meet the needs of the community. The Branch hopes the 2021 will bring a clearer picture of the plans for the Branch in terms of sustainability and resilience.

Financial review

The charity's income in the year was bolstered by the receipt of several legacies. This meant that income increased to £421,429 in the year compared to £173,041 last year of which £263,675 was legacies and bequests. This hides the reduction in trading income down to £49,059 from £79,968 last year due to the pandemic.

Charitable expenditure increased from £185,063 last year to £212,886 this year. The overall movement in funds increased to £215,812 from the deficit of £2,262 last year.

Charity reserves therefore increased to £949,219, of which £135,000 is the investment property received in one of the legacies.

RSPCA Westmorland Branch

Trustees' Report

Policy on reserves

The Branch holds reserves in order that the levels of services provided for animal welfare may be maintained if there should be a reduction in incoming resources.

Reserves in this context mean funds that are available for the Branch's general purposes after all commitments have been met. Tangible fixed assets (buildings, vehicles, furniture and equipment) are not included within reserves but investment assets are. Investment assets (currently the M&G Charibond Charities Fixed Interest Common Investment Fund) are regarded as funds available to the branch and not a tangible fixed asset.

In addition to such "unrestricted reserves" the Branch may also hold additional "restricted reserves"; such reserves represent funds donated for a specific purpose, which cannot be used for anything other than the purpose for which they were donated.

The target level for reserves is calculated as the total expenditure for the two previous accounting periods. This should ensure at least two years of operations following a drastic financial downturn. The target level for the year 2020 is calculated as follows:

Expenditure for 2019 £185,063
Expenditure for 2020 £212,886
Target reserves for 2020 £397,949

The branch currently has no restricted reserves. In December 2014, the Trustees designated £300,000 of branch reserves for the purpose of purchasing new branch premises for use as a shop, office and meeting room in the centre of Kendal. Premises were sought in 2017 without success and the trustees have reviewed this business plan and amended it to extend to the whole of the South Lakes and not necessarily to include a shop, but to include a training room to allow the Branch to deliver the current programmes of the Society. This reserve was increased to £500,000 in 2021.

It is the opinion of the Trustees that the existing reserves are sufficient to meet any reduction in incoming resources.

Investment policy and objectives

As of 31 December 2020, the Branch investment policy was to retain some funds on a cash basis, held in a range of deposit and savings accounts whilst sourcing a property to purchase with some of the invested funds.

The Branch continues to have quick and easy access to its funds in Barclays Bank current accounts, a Barclays Bank deposit account and a Virgin Charity Deposit Account. This allows for sufficient cash to meet the ongoing day to day needs of the branch.

The branch has invested in the M&G Charibond Charities Fixed Interest Common Investment Fund which generates substantial quarterly dividends. The value of the fund is dependent on stock market fluctuations and, at the 31 December 2020 was valued at £637,849, £7,269 more than last year.

The Trustees recognise that this policy should be reviewed on an annual basis following the publication of the audited annual accounts for the previous year, and whenever reserve levels are reviewed.

RSPCA Westmorland Branch

Trustees' Report

Structure, governance and management

Nature of governing document

The Society for the Prevention of Cruelty to Animals was founded on the 16 June 1824 and was granted the "Royal" prefix in 1840. The current constitution of the Royal Society for the Prevention of Cruelty to Animals, (the Society), was created with the adoption of the Royal Society for the Prevention of Cruelty to Animals Act 1932. The work of the Society is governed by the RSPCA Act and by the rules of the Society. Membership of the Society is by subscription and may be on a life, annual, ex-officio or junior basis.

An elected Council who, subject to the rules, control the affairs, funds, property and proceedings of the Society manages the Society. They are assisted in the administration of the Society by a central organisation, headquarters and branches.

The RSPCA Westmorland Branch (the Branch), is an unincorporated charitable association and a separately registered Branch of the Society. The charity operates as an autonomous branch of the National RSPCA subject to its rules for Branches.

Recruitment and appointment of trustees

Trustees are sourced from current members and the wider community. A non member has to be a member for three months before they can be elected as a Trustee. A vetting process takes place including confirming their willingness to act and establishing they are not barred from acting.

Induction and training of trustees

A new Trustee who is not already a volunteer would complete the volunteer induction process and then continue into following the guidance notes for Trustees.

Arrangements for setting key management personnel remuneration

The branch manager is the key management personnel. The trustees set remuneration for all staff, including key management, at Branch meetings.

Organisational structure

The Branch is governed by a Committee, who are Trustees of the Branch, elected at the AGM. They have individual and collective "responsibility" for the management of the Branch and its funds. The Trustees hold meetings which are minuted, at least every two months at which decisions are made. The day to day running of the Branch is delegated to the Branch Manager.

Financial instruments

Objectives and policies

The Charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The charity does not use derivative financial instruments.

Cash flow risk

The Charity's activities expose it primarily to the financial risks of changes in economic activity and interest rates. The charity investments are held in M&G Charibonds to minimise investment risk.

RSPCA Westmorland Branch

Trustees' Report

Credit risk

The Charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on and signed on its behalf by:

.....
Mr D Bennett
Trustee

RSPCA Westmorland Branch

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial 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 that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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 that disclose with reasonable accuracy at any time the financial position of the charity and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on and signed on its behalf by:

.....
Mr D Bennett
Trustee

RSPCA Westmorland Branch

Independent Examiner's Report to the trustees of RSPCA Westmorland Branch

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 10 to 27.

Respective responsibilities of trustees and examiner

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

I report in respect of my examination of the RSPCA Westmorland Branch's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

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 RSPCA Westmorland Branch as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

.....
Chloe Chapman-Hastwell ACA
ICAEW

Chartered Accountants & Business Advisors
Lowther House
Lowther Street
Kendal
LA9 4DX

Date:.....

RSPCA Westmorland Branch

Statement of Financial Activities for the Year Ended 31 December 2020

	Note	Unrestricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:				
Donations and legacies	2	324,948	324,948	58,660
Charitable activities	3	21,012	21,012	19,587
Other trading activities	4	49,059	49,059	79,968
Investment income	5	<u>26,410</u>	<u>26,410</u>	<u>14,826</u>
Total Income		<u>421,429</u>	<u>421,429</u>	<u>173,041</u>
Expenditure on:				
Raising funds	6	(85,087)	(85,087)	(75,824)
Charitable activities	7	<u>(127,799)</u>	<u>(127,799)</u>	<u>(109,239)</u>
Total Expenditure		<u>(212,886)</u>	<u>(212,886)</u>	<u>(185,063)</u>
Gains/losses on investment assets		<u>7,269</u>	<u>7,269</u>	<u>9,760</u>
Net movement in funds		215,812	215,812	(2,262)
Reconciliation of funds				
Total funds brought forward		<u>733,407</u>	<u>733,407</u>	<u>735,669</u>
Total funds carried forward	20	<u><u>949,219</u></u>	<u><u>949,219</u></u>	<u><u>733,407</u></u>

All the charity's activities in both years were unrestricted.

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 20.

RSPCA Westmorland Branch

(Registration number: 232236) Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	30,435	31,064
Investments	15	<u>772,849</u>	<u>630,580</u>
		<u>803,284</u>	<u>661,644</u>
Current assets			
Stocks	16	120	121
Debtors	17	7,517	4,288
Cash at bank and in hand	18	<u>143,687</u>	<u>70,022</u>
		151,324	74,431
Creditors: Amounts falling due within one year	19	<u>(5,389)</u>	<u>(2,668)</u>
Net current assets		<u>145,935</u>	<u>71,763</u>
Net assets		<u>949,219</u>	<u>733,407</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>949,219</u>	<u>733,407</u>
Total funds	20	<u>949,219</u>	<u>733,407</u>

The financial statements on pages 10 to 27 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
Mr D Bennett
Trustee

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

RSPCA Westmorland Branch meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling and rounded to the nearest £.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Where services or facilities are provided to the Charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All 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.

Raising funds

These are 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.

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 attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 £250.00 or more are initially recorded at 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:

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

Asset class	Depreciation method and rate
Land and buildings	2% straight line
Short leasehold property	4% straight line
Shop fittings	20% straight line
Office fixtures and fittings	15% straight line
Plant and machinery	15% straight line
Branch van	20% straight line

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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).

Donated goods are not valued for inclusion in stock due to the difficulty of attributing a fair value. Instead donated goods are recorded as income once sold.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Donations and legacies;			
Collections, appeals and donations	33,693	33,693	41,182
Legacies and bequests	263,675	263,675	7,556
Gift aid reclaimed	3,941	3,941	9,884
Grants, including capital grants;			
Government grants	23,210	23,210	-
Subscriptions	429	429	8
Donated services and facilities	-	-	30
	<u>324,948</u>	<u>324,948</u>	<u>58,660</u>

3 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Animal adoptions	18,252	18,252	17,708
Case charge	2,760	2,760	1,031
Other	-	-	848
	<u>21,012</u>	<u>21,012</u>	<u>19,587</u>

4 Income from other trading activities

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Trading income - RSPCA shop;			
Sales of donated goods under gift aid	18,868	18,868	31,602
Sales of donated goods	27,883	27,883	42,787
Sales of goods and services	419	419	438
Other trading income	1,224	1,224	2,303
Events and other support income;			
Events	-	-	2,795
Pet Insurance Commission	665	665	43
	<u>49,059</u>	<u>49,059</u>	<u>79,968</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

5 Investment income

	Unrestricted funds	Total 2020	Total 2019
	General		
	£	£	£
Interest receivable on bank deposits	360	360	593
Other income from fixed asset investments	15,250	15,250	14,233
Income from rents	10,800	10,800	-
	<u>26,410</u>	<u>26,410</u>	<u>14,826</u>

6 Expenditure on raising funds

a) Costs of generating donations and legacies

		Unrestricted funds	Total 2020	Total 2019
	Note	General		
		£	£	£
Marketing and publicity		<u>2,347</u>	<u>2,347</u>	<u>3,086</u>

b) Costs of trading activities

		Unrestricted funds	Total 2020	Total 2019
	Note	General		
		£	£	£
Costs of goods sold		821	821	744
Depreciation, amortisation and other similar costs		310	310	-
Commission		1,926	1,926	2,012
Allocated support costs	8	<u>78,792</u>	<u>78,792</u>	<u>69,982</u>
		<u>81,849</u>	<u>81,849</u>	<u>72,738</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

	2020	2019
	£	£
Shop costs:		
Wages and salaries	53,694	39,102
Employers pension contributions	1,525	1,072
Staff training	-	-
Rent	12,000	15,000
Rates and waste	1,453	2,671
Water rates	684	618
Light, heat and power	2,396	2,309
Insurance	245	830
Shop repairs and renewals	2,300	3,809
Hire of equipment	1,021	1,345
Telephone and fax	788	1,508
Printing, postage and stationery	349	264
Motor expenses	426	55
Professional fees	258	321
Depreciation of plant and machinery	186	218
Depreciation of fixtures and fittings	1,469	620
Sundry expenses	-	241
	78,793	69,982
	78,793	69,982

c) Investment management costs

	Unrestricted funds General £	Total 2020 £
Other investment management costs;	Note	
Maintenance charges		891
		891
		891

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

	Direct costs £	Allocated support costs £	Total 2020 £
Costs of generating donations and legacies	2,347	-	2,347
Costs of trading activities	3,057	78,792	81,849
Investment management costs	891	-	891
	<u>6,295</u>	<u>78,792</u>	<u>85,087</u>
	Direct costs £	Allocated support costs £	Total 2019 £
Costs of generating donations and legacies	3,086	-	3,086
Costs of trading activities	2,756	69,982	72,738
	<u>5,842</u>	<u>69,982</u>	<u>75,824</u>

7 Expenditure on charitable activities

	Unrestricted funds General £	Total 2020 £	Total 2019 £
Veterinary supplies	10,242	10,242	10,001
Veterinary costs (Exc homing)	8,430	8,430	5,850
Veterinary costs (homing)	11,352	11,352	9,500
Boarding cats	12,220	12,220	11,740
Boarding dogs	29,047	29,047	30,231
Support costs	54,689	54,689	38,355
Governance costs	1,819	1,819	3,562
	<u>127,799</u>	<u>127,799</u>	<u>109,239</u>

	Activity undertaken directly £	Activity support costs £	2020 £	2019 £
Veterinary supplies	10,242	-	10,242	10,001
Veterinary costs (Exc homing)	8,430	-	8,430	5,850
Veterinary costs (homing)	11,352	-	11,352	9,500
Boarding cats	12,220	-	12,220	11,740
Boarding dogs	29,047	-	29,047	30,231
Support costs	6,497	48,192	54,689	38,355
	<u>77,788</u>	<u>48,192</u>	<u>125,980</u>	<u>105,677</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

8 Analysis of governance and support costs

	2020	2019
	£	£
Animal Welfare costs:		
Professional fees	2,910	5,522
Repairs and renewals	652	122
Printing, postage and stationery	-	21
Telephone costs	-	-
Motor expenses	1,486	1,745
Travel and subsistence	45	387
Depreciation of short leasehold property	-	-
Depreciation of motor vehicles	1,239	1,549
Depreciation of plant and machinery	165	235
	6,497	9,581
Other Support Costs:		
Wages and salaries	20,861	19,412
Staff training	317	80
Rates and waste	457	477
Water rates	147	146
Light, heat and power	773	733
Insurance	1,216	276
Branch Office repairs	-	-
Repairs and renewals	2,247	1,857
Telephone and fax	1,973	840
Printing, postage and stationery	2,643	1,015
Branch contribution	13,520	-
Motor expenses	55	496
Travel and subsistence	100	234
Bank charges	-	-
VAT Annual Adjustment	1,241	114
Sundry expenses	17	-
Depreciation of freehold property	420	420
Depreciation of plant and machinery	262	301
Depreciation of fixtures and fittings	1,524	1,524
Loss on disposal of tangible assets held for charity's own use	418	848
	48,192	28,774

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

Governance costs

	Unrestricted		
	General	Total	Total
	£	2020	2019
		£	£
Independent examiner fees			
Examination of the financial statements and preparation of accounts	1,594	1,594	2,089
Legal fees	225	225	1,056
Other governance costs	-	-	417
	<u>1,819</u>	<u>1,819</u>	<u>3,562</u>

9 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2020	2019
	£	£
Loss on disposal of fixed assets held for the charity's own use	418	848
Depreciation of fixed assets	<u>5,575</u>	<u>4,867</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	73,979	57,993
Pension costs	2,101	1,594
Other staff costs	317	80
	<u>76,397</u>	<u>59,667</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Administration	1	1
Shop staff	3	2
	<u>4</u>	<u>3</u>

The average head count (number of staff employed) was 5 (2019 - 4) during the year.

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

12 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>1,594</u>	<u>2,089</u>

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2020	21,000	31,262	13,280	65,542
Additions	-	5,364	-	5,364
Disposals	-	(1,050)	-	(1,050)
At 31 December 2020	<u>21,000</u>	<u>35,576</u>	<u>13,280</u>	<u>69,856</u>
Depreciation				
At 1 January 2020	9,240	23,689	1,549	34,478
Charge for the year	420	3,606	1,549	5,575
Eliminated on disposals	-	(632)	-	(632)
At 31 December 2020	<u>9,660</u>	<u>26,663</u>	<u>3,098</u>	<u>39,421</u>
Net book value				
At 31 December 2020	<u>11,340</u>	<u>8,913</u>	<u>10,182</u>	<u>30,435</u>
At 31 December 2019	<u>11,760</u>	<u>7,573</u>	<u>11,731</u>	<u>31,064</u>

Included within the net book value of land and buildings above is £11,340 (2019 - £11,760) in respect of freehold land and buildings and £Nil (2019 - £Nil) in respect of leaseholds.

15 Fixed asset investments

	2020 £	2019 £
Investment properties	135,000	-
Other investments	637,849	630,580
	<u>772,849</u>	<u>630,580</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

Investment properties

	Investment properties £
Cost or Valuation	
Additions	135,000
Provision	
At 31 December 2020	-
Net book value	
At 31 December 2020	135,000

The property left to the charity was valued by Farrell Heyworth, Estate Agents, at £135,000 on an open market value basis.

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2020	630,580	630,580
Revaluation	7,269	7,269
At 31 December 2020	637,849	637,849
Net book value		
At 31 December 2020	637,849	637,849
At 31 December 2019	630,580	630,580

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Stock

	2020 £	2019 £
Stocks	120	121

17 Debtors

	2020 £	2019 £
Trade debtors	1,640	1,880
Prepayments	248	446
VAT recoverable	5,629	1,962
	<u>7,517</u>	<u>4,288</u>

18 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	7	18
Cash at bank	5,440	8,480
Short-term deposits	138,140	61,424
Other cash and cash equivalents	100	100
	<u>143,687</u>	<u>70,022</u>

19 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	4,149	1,485
Accruals	1,240	1,183
	<u>5,389</u>	<u>2,668</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

20 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds						
<i>General</i>						
General unrestricted funds	433,407	286,429	(212,886)	(200,000)	7,269	314,219
<i>Designated</i>						
Building fund	300,000	-	-	200,000	-	500,000
Investment property	-	135,000	-	-	-	135,000
	<u>300,000</u>	<u>135,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>635,000</u>
Total funds	<u><u>733,407</u></u>	<u><u>421,429</u></u>	<u><u>(212,886)</u></u>	<u><u>-</u></u>	<u><u>7,269</u></u>	<u><u>949,219</u></u>

The specific purposes for which the funds are to be applied are as follows:

The trustees have set aside £500,000 to find a suitable property to deliver future programmes and meet the needs of the community.

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2019 £
Unrestricted funds					
<i>General</i>					
General unrestricted funds	435,669	173,041	(185,063)	9,760	433,407
<i>Designated</i>					
Building fund	300,000	-	-	-	300,000
Total funds	<u><u>735,669</u></u>	<u><u>173,041</u></u>	<u><u>(185,063)</u></u>	<u><u>9,760</u></u>	<u><u>733,407</u></u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2020

21 Analysis of net assets between funds

	Unrestricted funds		Total funds at
	General	Designated	31 December
	£	£	2020
			£
Tangible fixed assets	30,435	-	30,435
Fixed asset investments	137,849	635,000	772,849
Current assets	151,324	-	151,324
Current liabilities	(5,389)	-	(5,389)
Total net assets	314,219	635,000	949,219
	Unrestricted funds		Total funds at
	General	Designated	31 December
	£	£	2019
			£
Tangible fixed assets	31,064	-	31,064
Fixed asset investments	330,580	300,000	630,580
Current assets	74,431	-	74,431
Current liabilities	(2,668)	-	(2,668)
Total net assets	433,407	300,000	733,407