

Charity registration number: 232236

RSPCA Westmorland Branch

Annual Report and Financial Statements
for the Year Ended 31 December 2018

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

RSPCA Westmorland Branch

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RSPCA Westmorland Branch

Reference and Administrative Details

President	Mrs R Pedley
Trustees	Ms P Goodwin, Chair Mr J L Over, Treasurer (resigned 28 March 2018) Mrs J Kitchen, Dog Rehoming Coordinator Mrs D J Slack, Rehoming co-ordinator (resigned 27 June 2018) Mr A Green, Cat re-homing co-ordinator Ms A Miller Mr D Bennett, Treasurer Mrs C McKeefery, Secretary Mr J McKeefery (appointed 27 June 2018)
Branch Support Specialist	Mrs L Jones
Inspectorate	Mr R Melloy Chief Inspector
Senior Management Team	Mrs C Lowe, Branch Manager Mrs L Fisk, Shop Manager Mrs H Stephenson, 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 2018.

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

Branch Kennels and Cattery

2018 saw the Branch update its agreements with both the Cattery at Moss Lea and the Kennels at Milnthorpe in line with the Society Private Boarding agreements. This puts the Branch on a better footing and complies with current regulations.

RSPCA Westmorland Branch

Trustees' Report

Because of animals, especially dogs, arriving with more challenging needs than we perhaps experienced in the past we have decided to reduce the number of kennels to six at the moment but can increase to any number if and when required. This allows us to concentrate on getting them ready for rehoming quicker and reduce the number of returns. This approach includes their mental as well as physical health. To this end we have contracted John Edmondson as our behaviourist.

We rehomed an equal number of dogs and cats in 2018, 79 of each, which was a record for the cats.

Over the twelve months we have had some challenges and successes.

Roxy, a bull type girl came to us in September 2017. She had a failed placement that Christmas. Then she just stuck, no-one was interested in her. She wasn't perfect, but she had a lot to give to the right home. Then Trevor a similar type also stuck. Again a dog who would do well with the right owner. The pair got on Border TV as a Valentines article, but there was still no interest. These dogs on long stay can cost quite a bit. Roxy having stayed for over twelve months has cost us nearly £4000 in boarding costs alone. The good news is that both have recently found homes and seem to be settling well.



Roxy



Tyson

It doesn't always have good outcomes. We lost three dogs in the year. Probably the most upsetting was an elderly Collie Tess who had to have a dental. A week after she was found dead in her kennel. We also had to contend with an outbreak of Parvovirus. Because of the nature of our work this is always a risk and even with the biosecurity in place it can still take hold. We implemented our shutdown procedure and did a deep clean isolating those affected.

We didn't lose any in the outbreak but it took a while for the poorly dogs to recover and be rehomed as the virus takes a long time to leave. One such dog Toffee went to a lovely home with Cynthia who volunteers for us but also supports us with fundraising.

Winnie, a Patterdale arrived via Inspector Chris Towler with a de-gloved jaw. This dog had been used for badger baiting and this injury was as a result. The quote to make the repair to the jaw was over £6000. After some research, the vets at Oakhill offered to undertake the operation at a discount. We launched an appeal to help pay for it and her aftercare. The appeal raised just over £4000. Her operation has returned the jaw back to 60% coverage, so there is another due at some point but not soon. She is happily recuperating in a foster placement.



Winnie

In 2019 the Branch adopted a scheme originating from the Halifax Branch called the Elderly Animal Rehoming Scheme (EARS). This is where the Branch supports a placement for an elderly dog or cat paying for regular preventative treatment and an annual check up. The Branch would help if the owner had a change of circumstance, or had a hospital stay for example. It often suits those who are of an age where they don't want a young dog but worry what would happen to the dog or cat if they were no longer able to. Bailey, an elderly Patterdale but still a sprightly chap, is our first placement in that scheme.

RSPCA Westmorland Branch

Trustees' Report



Bailey

We had three little Pom Chi puppies come in abandoned by travellers. These were quickly booked but had to wait until they were old enough. Three very different characters!



Crumpet was a funny little creature. He was white, rough coated and deaf and needed a special home. He now lives in a home with another dog who acts as his 'ears' and is very happy.

Gromit was brought up especially to us from Kent as a half way point on his way to a new home in Scotland. A bit of a handful but a nice nature, just bouncy. He went to Scotland and that placement failed. He now lives in the North East with a musician who needed a lot of patience in the early days!

Cats

What a busy year. We had mostly case cats and some that produced kittens. Well looked after by Bev at Moss Lea until ready to go to their new homes.

Cracker, a ginger cat was found as a stray with a broken jaw after an RTC. Normally without an owner he would have been put to sleep. Oakhill vets took him in and operated. After his recuperation he was rehomed in Windermere. He will need a little more surgery and Oakhill have said they will do that.



Cracker

Another ginger, Tim was found as a stray on Kirkbarrow. He had to be trapped. After neutering and testing the lady who first saw him took him in with her two cats.

The Branch has to extend its grateful thanks to the staff and teams at Moss Lea and Milnthorpe Kennels who often go above and beyond. Without their input the Branch would be much less effective.

Extended thanks go to the volunteers who turn up in all weathers and the volunteer drivers who take those needing to attend the vet surgery rather than be seen by the vet on their weekly visit on site.

And, Oakhill Vets, their help, support and advice helps us get the dogs and cats to a place where they are ready for adoption. Invaluable.

Animal welfare and neutering

Although we are still supporting people on benefits with their vet costs and neutering the figures are lower than the Branch would like. The aim is to increase awareness over the next year. The Branch are still neutering and releasing a regular number of feral and farm cats. Mostly in the Kirkby Stephen area.

Fundraising

The Branch held a number of events in 2018, most notably a coffee morning at Silverdale and a Garden Party at Heversham House. Thanks to all who organised and helped.

RSPCA Westmorland Branch

Trustees' Report

Charity Shop

After a few years of an absent landlord, a new owner took over just in time to negotiate a new lease. This is a ten year lease and the landlords are working on the much-needed repairs. The Branch has invested in upgrading some of the shop to give it a modern, fresh feel. A new shop sign was put up as well. The shop is producing a profit that goes directly to pay for the welfare costs.

Future plans

Now the shop lease has eventually been sorted, the Trustees put together a strategic committee to look at the ten year plan for the Branch. The first action was reliant upon getting the Boarding Contract in place at the kennels and cattery. The first change in direction from previous years was that it was agreed that unless the economic climate changed, or there was a shift in footfall in the high street, a second shop was not the preferred option.

The plan going forward is to look for a site located somewhere in South lakes where the programmes being run by the Society, such as Generation Kind, can be delivered locally. There are a raft of different initiatives around this that the Branch feel would benefit the community and reach people of all ages. Information on these can be found on the society website and our display at the AGM.

Financial review

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 2019 is calculated as follows:

Expenditure for 2017 £168,530
Expenditure for 2018 £190,052
Target reserves for 2019 £339,413

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.

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

RSPCA Westmorland Branch

Trustees' Report

Investment policy and objectives

As of 31 December 2018, 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, a Virgin Charity Deposit Account and the Cumberland Building Society 90 day 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 2018 was valued at £620,820.

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.

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.

RSPCA Westmorland Branch

Trustees' Report

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.

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 2018 which are set out on pages 10 to 25.

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

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 2018

	Note	Unrestricted funds £	Total 2018 £	Total 2017 £
Income and Endowments from:				
Donations and legacies	2	74,086	74,086	46,925
Charitable activities	3	22,517	22,517	19,404
Other trading activities	4	73,180	73,180	69,360
Investment income	5	16,909	16,909	23,447
Total Income		<u>186,692</u>	<u>186,692</u>	<u>159,136</u>
Expenditure on:				
Raising funds	6	(60,752)	(60,752)	(54,696)
Charitable activities	7	(129,300)	(129,300)	(113,834)
Total Expenditure		<u>(190,052)</u>	<u>(190,052)</u>	<u>(168,530)</u>
Gains/losses on investment assets		<u>(24,146)</u>	<u>(24,146)</u>	<u>(10,522)</u>
Net movement in funds		(27,506)	(27,506)	(19,916)
Reconciliation of funds				
Total funds brought forward		<u>763,175</u>	<u>763,175</u>	<u>783,091</u>
Total funds carried forward	19	<u><u>735,669</u></u>	<u><u>735,669</u></u>	<u><u>763,175</u></u>

All the charity's activities in 2016 and 2017 were unrestricted.

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

The funds breakdown for 2017 is shown in note 19.

RSPCA Westmorland Branch
(Registration number: 232236)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	27,460	51,923
Investments	15	<u>620,820</u>	<u>644,965</u>
		<u>648,280</u>	<u>696,888</u>
Current assets			
Stocks	16	25	551
Debtors	17	4,514	5,047
Cash at bank and in hand		<u>85,383</u>	<u>71,091</u>
		89,922	76,689
Creditors: Amounts falling due within one year	18	<u>(2,533)</u>	<u>(10,402)</u>
Net current assets		<u>87,389</u>	<u>66,287</u>
Net assets		<u>735,669</u>	<u>763,175</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>735,669</u>	<u>763,175</u>
Total funds	19	<u>735,669</u>	<u>763,175</u>

The financial statements on pages 10 to 25 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 2018

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 2015) - (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 £.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

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.

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 2018

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.

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:

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

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

Impairment of fixed assets

The kennel arrangement was reviewed in the year and following extensive investigations a different legal arrangement was put in place for boarding dogs. This has been reflected by an impairment in the asset value in the accounts.

Research and development

Research and development expenditure is written off as incurred.

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.

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

Trade creditors

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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.

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 2018

2 Income from donations and legacies

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Donations and legacies;			
Collections, appeals and donations	42,185	42,185	37,644
Legacies and bequests	21,836	21,836	1,000
Gift aid reclaimed	9,839	9,839	7,845
Subscriptions	131	131	436
Donated services and facilities	95	95	-
	<u>74,086</u>	<u>74,086</u>	<u>46,925</u>

3 Income from charitable activities

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Animal adoptions	18,577	18,577	15,260
Case charge	3,703	3,703	3,707
Other	237	237	437
	<u>22,517</u>	<u>22,517</u>	<u>19,404</u>

4 Income from other trading activities

	Unrestricted funds	Total 2018	Total 2017
	General £	£	£
Trading income - RSPCA shop;			
Sales of donated goods under gift aid	27,157	27,157	26,903
Sales of donated goods	41,567	41,567	40,632
Sales of goods and services	732	732	354
Other trading income	1,070	1,070	519
Events and other support income;			
Events	2,654	2,654	932
Pet Insurance Commission	-	-	20
	<u>73,180</u>	<u>73,180</u>	<u>69,360</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

5 Investment income

	Unrestricted funds	Total 2018	Total 2017
	General		
	£	£	£
Interest receivable on bank deposits	388	388	64
Other income from fixed asset investments	16,521	16,521	23,383
	16,909	16,909	23,447

6 Expenditure on raising funds

a) Costs of generating donations and legacies

		Unrestricted funds	Total 2018	Total 2017
	Note	General		
		£	£	£
Marketing and publicity		2,033	2,033	1,669

b) Costs of trading activities

		Unrestricted funds	Total 2018	Total 2017
	Note	General		
		£	£	£
Costs of goods sold		216	216	802
Commission		520	520	435
Allocated support costs	8	57,983	57,983	51,790
		58,719	58,719	53,027

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

	2018	2017
	£	£
Shop costs:		
Wages and salaries	37,406	33,629
Employers pension contributions	375	-
Staff training	-	391
Rent	11,215	8,106
Rates and waste	2,294	2,708
Water rates	319	354
Light, heat and power	1,702	1,586
Insurance	673	673
Equipment repairs and renewals	1,570	1,564
Hire of equipment	804	900
Telephone and fax	943	608
Printing, postage and stationery	331	211
Motor expenses	-	-
Travel and subsistence	-	-
Depreciation of plant and machinery	60	60
Depreciation of fixtures and fittings	200	582
Sundry expenses	91	418
	57,983	51,790
	57,983	51,790

	Direct costs	Allocated support costs	Total 2018	Total 2017
	£	£	£	£
Costs of generating donations and legacies	2,033	-	2,033	1,669
Costs of trading activities	736	57,983	58,719	53,027
	2,769	57,983	60,752	54,696
	2,769	57,983	60,752	54,696

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

7 Expenditure on charitable activities

	Unrestricted funds		Total	Total
	General		2018	2017
	£		£	£
Neutering (Exc homing)	1,100		1,100	3,257
Veterinary supplies	6,595		6,595	5,447
Veterinary costs (Exc homing)	3,101		3,101	2,232
Veterinary costs (homing)	10,029		10,029	8,901
Boarding cats	11,413		11,413	8,074
Boarding dogs	33,264		33,264	39,026
Support costs	59,028		59,028	42,861
Governance costs	4,770		4,770	4,036
	<u>129,300</u>		<u>129,300</u>	<u>113,834</u>
	Activity undertaken directly	Activity support costs	Total 2018	Total 2017
	£	£	£	£
Neutering (Exc homing)	1,100	-	1,100	3,257
Veterinary supplies	6,595	-	6,595	5,447
Veterinary costs (Exc homing)	3,101	-	3,101	2,232
Veterinary costs (homing)	10,029	-	10,029	8,901
Boarding cats	11,413	-	11,413	8,074
Boarding dogs	33,264	-	33,264	39,026
Support costs	<u>23,475</u>	<u>35,553</u>	<u>59,028</u>	<u>42,861</u>
	<u><u>88,977</u></u>	<u><u>35,553</u></u>	<u><u>124,530</u></u>	<u><u>109,798</u></u>

£129,300 (2017 - £113,834) of the above expenditure was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £4,770 (2017 - £4,036) which relate directly to charitable activities. See note 8 for further details.

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Analysis of governance and support costs

	2018	2017
	£	£
Animal Welfare costs:		
Insurance	-	-
Repairs and renewals	-	1,750
Printing, postage and stationery	17	159
Telephone costs	97	639
Motor expenses	663	2,065
Travel and subsistence	1,479	2,135
Depreciation of short leasehold property	20,180	1,847
Depreciation of motor vehicles	1,039	1,039
Depreciation of plant and machinery	-	27
	23,475	9,661
Other Support Costs:		
Wages and salaries	18,289	21,531
Staff training	-	99
Rates and waste	273	537
Water rates	77	145
Light, heat and power	677	768
Insurance	138	283
Branch Office repairs	-	-
Repairs and renewals	1,415	510
Telephone and fax	749	699
Printing, postage and stationery	1,299	1,059
Branch contribution	6,500	3,500
Motor expenses	165	-
Travel and subsistence	177	550
Bank charges	-	3
VAT Annual Adjustment	1,712	296
Sundry expenses	349	300
Depreciation of freehold property	420	420
Depreciation of plant and machinery	726	976
Depreciation of fixtures and fittings	1,524	1,524
Loss on disposal of tangible assets held for charity's own use	1,064	-
	35,553	33,200

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

Governance costs

	Unrestricted funds	Total 2018	Total 2017
	General	2018	2017
	£	£	£
Independent examiner fees			
Examination of the financial statements and preparation of accounts	1,795	1,795	1,500
Legal fees	2,711	2,711	2,536
Other governance costs	264	264	-
	<u>4,770</u>	<u>4,770</u>	<u>4,036</u>

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2018	2017
	£	£
Loss on disposal of fixed assets held for the charity's own use	1,064	-
Depreciation of fixed assets	<u>3,709</u>	<u>3,959</u>

10 Trustees remuneration and expenses

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

Mr A Green

£706 (2017: £105) of expenses were reimbursed to Mr A Green during the year.

Mrs J Kitchen

£113 (2017: £936) of expenses were reimbursed to Mrs J Kitchen during the year.

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

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

11 Independent examiner's remuneration

	2018	2017
	£	£
Examination of the financial statements	<u>1,795</u>	<u>1,500</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

12 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	55,379	54,964
Pension costs	691	196
Other staff costs	-	490
	<u>56,070</u>	<u>55,650</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:

	2018 No	2017 No
Administration	1	1
Shop staff	<u>2</u>	<u>2</u>
	<u>3</u>	<u>3</u>

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

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

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 2018

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2018	67,185	28,942	5,196	101,323
Additions	-	750	-	750
Disposals	-	(1,520)	-	(1,520)
At 31 December 2018	<u>67,185</u>	<u>28,172</u>	<u>5,196</u>	<u>100,553</u>
Depreciation				
At 1 January 2018	26,405	19,202	3,793	49,400
Charge for the year	20,600	2,510	1,039	24,149
Eliminated on disposals	-	(456)	-	(456)
At 31 December 2018	<u>47,005</u>	<u>21,256</u>	<u>4,832</u>	<u>73,093</u>
Net book value				
At 31 December 2018	<u>20,180</u>	<u>6,916</u>	<u>364</u>	<u>27,460</u>
At 31 December 2017	<u>40,780</u>	<u>9,740</u>	<u>1,403</u>	<u>51,923</u>

Included within the net book value of land and buildings above is £12,180 (2017 - £12,600) in respect of freehold land and buildings and £8,000 (2017 - £28,180) in respect of leaseholds.

15 Fixed asset investments

	2018 £	2017 £
Other investments	<u>620,820</u>	<u>644,965</u>

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2018	644,965	644,965
Revaluation	(24,145)	(24,145)
At 31 December 2018	<u>620,820</u>	<u>620,820</u>
Net book value		
At 31 December 2018	<u>620,820</u>	<u>620,820</u>
At 31 December 2017	<u>644,965</u>	<u>644,965</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

16 Stock

	2018 £	2017 £
Stocks	<u>25</u>	<u>551</u>

17 Debtors

	2018 £	2017 £
Trade debtors	204	-
Prepayments	2,365	134
VAT recoverable	<u>1,945</u>	<u>4,913</u>
	<u>4,514</u>	<u>5,047</u>

18 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	4,361
Other taxation and social security	1,407	1,780
Other creditors	-	1,056
Accruals	<u>1,126</u>	<u>3,205</u>
	<u>2,533</u>	<u>10,402</u>

RSPCA Westmorland Branch

Notes to the Financial Statements for the Year Ended 31 December 2018

19 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2018 £
Unrestricted funds					
<i>Unrestricted general funds</i>					
General unrestricted funds	463,175	186,692	(190,052)	(24,146)	435,669
<i>Unrestricted designated funds</i>					
Building fund	300,000	-	-	-	300,000
Total funds	<u>763,175</u>	<u>186,692</u>	<u>(190,052)</u>	<u>(24,146)</u>	<u>735,669</u>

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2017 £
Unrestricted funds					
<i>Unrestricted general funds</i>					
General unrestricted funds	483,091	159,136	(168,530)	(10,522)	463,175
<i>Unrestricted designated funds</i>					
Building fund	300,000	-	-	-	300,000
Total funds	<u>783,091</u>	<u>159,136</u>	<u>(168,530)</u>	<u>(10,522)</u>	<u>763,175</u>

20 Analysis of net assets between funds

	Unrestricted funds		Total funds £
	General £	Designated £	
Tangible fixed assets	27,460	-	27,460
Fixed asset investments	320,820	300,000	620,820
Current assets	89,922	-	89,922
Current liabilities	(2,533)	-	(2,533)
Total net assets	<u>435,669</u>	<u>300,000</u>	<u>735,669</u>