

REGISTERED CHARITY NUMBER: 205154

RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018

Bush & Co Limited
Chartered Accountants
2 Barnfield Crescent
Exeter
EX1 1QT

RSPCA SOUTH EAST AND WEST DEVON BRANCH

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018
REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Name	RSPCA South East and West Devon Branch
Charity Number	205154
Address	Little Valley Animal Shelter Black Hat Lane Bakers Hill Exeter EX2 9TA
President	Vacant Position
Trustees	Mrs C B Allan (Chairman) Mrs W D Brookes (Secretary) (Retired May 2019) Mr P Brush (Treasurer) (Resigned March 2019) Mrs A Eyles Mrs B Gooding Mrs M Hardy Miss E McPhail Mrs E Mundy Mrs L Crowley-Stewart (Resigned Nov 2018) Ms J Westgate (Deceased) Mrs J Williams Mr T Byers (Co-opted February 2019) Miss C George (Co-opted February 2019) Ms B O'Sullivan (Co-opted March 2019, resigned April 2019)
Senior Staff	Miss M Wood (Branch and Finance Manager) (resigned September 2018) Miss J Evans (Animal Shelter Manager) Mr C Marshall (Area Retail Manager) Mrs S Pugh (Branch Manager) (Appointed Oct 2018, resigned April 2019)
Auditors	Bush & Co Limited Statutory Auditors 2 Barnfield Crescent Exeter EX1 1QT
Bankers	Nat West Bank Plc 59 High Street Exeter EX4 3DL
Investment Advisors	Barclays Bank Plc Bridgewater House Finzels Reach Bristol BS1 6BX
Other Names	Little Valley Animal Shelter

**RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees present their report and financial statements for the year ended 31 December 2018.

STRUCTURE AND GOVERNANCE

The Charity is constituted as an Unincorporated Association, which operates as an autonomous Branch of the National RSPCA and is subject to its Branch Rules. It is governed by a Board of Trustees, which is responsible for effective leadership and direction, and which meet monthly to make strategic decisions. Day to day management of the Branch is delegated to the Branch and Finance Manager, the Shelter Manager and the Area Retail Manager who report to the Committee.

Trustee Recruitment and Appointment

A Committee of Trustees is elected at each AGM by the Branch members to govern the charity. Trustees are recruited for their experience, empathy and knowledge of the Charity and to keep the skills and composition of the Trustee body balanced. Succession planning is regularly kept under review. All Trustees give their time voluntarily and receive no benefits from the Charity, although Trustees can claim expenses properly and necessarily incurred in the performance of their duties.

Trustee Induction and Training

New Trustees are given literature on the work of the Charity and are encouraged to attend induction training. Information provided includes the latest financial statements of the Branch and its Minutes, the Branch Rules and the RSPCA's Animal Welfare Policies. Trustees are encouraged to keep up to date with current issues relevant to their roles and to attend regular training.

Trustee Responsibilities

Trustees are legally required to prepare financial statements for each financial year, in accordance with the Charity's governing document, the Charities Act 2011 and with Accounting and Reporting by Charities: a Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 published October 2014. These financial statements must give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements the Trustees are required to:

- prepare accounts which give a true and fair view;
- select suitable accounting policies and apply them consistently;
- 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;
- prepare the statements on the going concern basis unless it is inappropriate to assume that the charity will continue to operate;
- observe the methods and principles in the applicable Charities SORP.

The Trustees are also responsible for maintaining proper accounting records which disclose, with reasonable accuracy, the financial position of the Charity, which will enable them to ensure that the financial statements comply with applicable law, regulations and the trust deed. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps to prevent fraud or other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

OBJECTIVES AND ACTIVITIES

The aims of the Charity are to promote kindness and to prevent cruelty to animals by all lawful means. This involves the rescue, rehabilitation and re-homing of mistreated, abandoned and unwanted animals, support for the RSPCA Inspectorate in the Branch area and promotion of the work and objects of the National Society.

**RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Trustees' objectives for the year are shaped by these strategic aims, with a view to obtaining income for the benefit of animal welfare in the area by raising funds through the nine charity shops, fundraising and maintaining and improving the value of the Charity's investments.

The Trustees have paid due regard to guidance by the Charity Commission in deciding what activities the Charity should undertake.

The main activities of the Charity during the year were the operation of the Little Valley Animal Shelter and the re-homing of unwanted animals. The activities also included the provision of veterinary care, micro-chipping, neutering and inoculations and the provision of financial assistance with the cost of veterinary care for the animals of eligible people on state benefits.

PUBLIC BENEFIT STATEMENT

All charities in England and Wales must have charitable aims that are based on providing public benefit and comply with section 4 of the Charities Act 2011. The Trustees have regard to the Charity Commission's guidance on public benefit. The RSPCA's founders identified the Society's primary aim as being to alter the moral feelings of the country and to promote humane sentiment in humans towards animals which gives moral benefit to the human community as a whole.

The following Branch activities during the year constitute clear benefit to the public:

- The Branch supports the local community and Inspectors by taking in mistreated or abandoned animals and those whose owners, through bereavement, disability, age, marriage break-up or other reasons, are unable or unwilling to keep them.
- Animals in the Branch's care receive veterinary treatment, vaccination, neutering, micro-chipping and, if necessary, treatment for behavioural problems, and are assessed for re-homing.
- The Branch re-homes the animals in its care at low cost to people willing and suitable to provide a home for them.
- The Branch provides financial help to members of the public on state benefits, living in the Branch area, to assist them in paying for veterinary bills. Financial help is also given towards veterinary bills for age-related illnesses to those who adopt older animals from the Shelter.
- The Branch provides free animal care advice to members of the public.
- The Branch supports the RSPCA's Petsafe Scheme by providing temporary shelter and care for animals belonging to people fleeing abusive relationships.

ACHIEVEMENTS AND PERFORMANCE

The total rebuild of the kennels remained the focus of the Branch's fundraising activities. The project should be completed by October 2019 and The Trustees would like to thank the shelter staff for their patience during the building work.

2018 was a difficult year for our shops, but they continue to receive a good number of donations and 2019 is showing an improvement in profits.

The Branch recognises the challenges on the high street and how overall trends are indicating a growing appetite towards online sales. 2018 saw an increase in online sales and, as this appears to be the way forward in retail, we will be looking at possible expansion of online selling platforms. We had to make the difficult decision to close St Marychurch shop at the end of 2018, as it had made no profit in its trading time. We also closed Paignton Shop, which, mainly because of its site, suffered from very low footfall and increasing losses. We would like to thank Cliff Marshall, Area Retail Manager, and all the staff and volunteers at the shops for their continuing commitment and hard work.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

The Branch recognises the challenges on the high street and how overall trends are indicating a growing appetite towards online sales. 2017 saw the launch of our first serious attempt towards entering the market of online sales.

The Shelter continues to operate well, in keeping with the objectives of the Branch. Along with all other RSPCA Animal Homes the Shelter receives 40% - 80% of incoming animals from the Inspectorate. Our Deputy Manager, Rachel Gibbs, moved on to a new post at the end of March 2019. Details of Animal Care Assistant changes are contained in the Shelter Manager's annual report. The Trustees welcome all new members of staff and would like to extend their thanks to the Shelter Manager, Joanne Evans, the Deputy Manager, Rachel Gibbs (formerly Sirdefield), and all staff and volunteers for their continued hard work and commitment.

The Friends of Little Valley continue to support the work of the Shelter with their generous donations and their help and support at Branch events. The Trustees would like to thank Mrs Jill Brush for her hard work and dedication as Membership Secretary.

We were very sorry to lose Phil Brush, our Treasurer, and Wendy Brookes, our Secretary, this year. Wendy has been involved with the Branch since Little Valley was built and has been very hardworking and efficient. Wendy indicated her wish to retire last year. Phil has been a Trustee for several years and has been invaluable to us in legal matters. Wendy is continuing to volunteer at Budleigh Shop and Phil will carry on helping his wife, Jill, with the Friends. We wish them both a long and healthy retirement.

The Trustees also wish to record their appreciation to Miranda Wood, the Branch and Finance Manager, who left her post in August to pursue further education. Miranda continues to prepare financial reports for the trustees, for which we are very grateful.

After Trustees acknowledged that the Branch was growing and needed professional leadership, Suzanne Pugh was appointed as General Manager in October 2018. This was a new post for the Branch and we learnt much from the experience. Unfortunately, Suzanne decided that the job was not as she had hoped it would be and resigned in April 2019. There have been consultations with senior staff, trustees and professional bodies about how next to proceed in order to run the Branch more efficiently, thus helping promote Animal Welfare in the Branch area.

During 2018 the Exmouth Supporters Group raised over £7,600 by organising social and fundraising events. The Group has many long term and hardworking volunteers who are very generous with their time and support. The Trustees would like to record their appreciation to all these volunteers, and to Dave Pollock and Margaret Hardy who share the responsibility of organising local fundraising events. We were very sorry to lose Gordon Gooding earlier this year. He had been a longstanding volunteer with the group and will be greatly missed.

The Trustees would also like to record their appreciation of The Ottery St Mary Auxiliary group. During 2018, the Auxiliary Secretary, Jackie Williams and her small group of loyal supporters raised £2,485. Mrs Williams is also responsible for the two very successful Branch raffles which are held each year.

The Trustees living in South Devon have continued to fundraise in the area with supermarket collections, coffee mornings and collecting boxes.

The commitment and dedication of all those involved in these fundraising efforts, which contribute towards the Branch being able to carry out its charitable purposes, are greatly appreciated by the Trustees.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Finally, the Trustees acknowledge that the Branch would be unable to operate effectively for any length of time without the commitment and energy of the many volunteers who donate their time and effort towards furthering the cause of animal welfare. The Trustees would like to extend their thanks to all of them.

PRINCIPLE RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the Charity is exposed and have identified three top-level risks:

- Damage to the Branch's reputation;
- The availability of finance to allow activities to continue; and
- The health, safety and welfare of volunteers and staff.

The Branch continues to take active steps to manage those risks.

FINANCIAL REVIEW

The total incoming resources for the year amounted to £1.35 million (2017: £1.41 million) including legacies of £705,435 (2017: £605,318). Expenditure in the year was £979,128 (2017: £962,751). After losses on investments of £82,148 (2016: gains of £74,064) the branch made a surplus of £289,569 (2017: £518,439)

RESERVES POLICY

Reserves are necessary to safeguard the Branch's future. Revenues can be unpredictable and reserves are important to assist in years where our expenditure exceeds revenue. In addition, the Branch has the responsibility to ensure it has reserves to fulfil capital commitments and meet any costs relating to unexpected emergency repairs to the animal shelter.

It is the policy of the Branch to hold free reserves (total reserves less fixed assets, designated and restricted reserves) at a level of between one and a half years' and two years' expenditure. This is considered to be between £1.47 million and £1.96 million. Designated funds comprise the Branch's capital commitments. Restricted funds are those funds which can only be used for the purposes prescribed by the donor and are not available for general charitable activities.

The levels of reserves are designed to support the following areas:

- a) The Branch relies heavily on donations and legacies, both of which can fluctuate significantly from year to year.
- b) Should the Branch see a long term pattern of declining revenues, there would be transition period whilst a strategy to adapt to a changing environment is achieved.
- c) If the Branch is faced with closure sufficient reserves would need to meet
 - i. the running costs of the animal shelter whilst animals are rehomed
 - ii. the cost of staff redundancies

The total reserves at 31 December 2018 were £4.39 million, comprising £nil (2017: £256,874) of restricted funds, £463,157 (2017: £745,000) of designated funds and £3.93 million of undesignated funds, of which £2.06 million represent free reserves.

**RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

INVESTMENT POLICY

The Charity holds investments in order that the service level provided for animal welfare is maintained should there be a reduction in incoming resources. The Trustees have prepared an investment policy, with the objective of investing in a low to medium risk portfolio which will maximise income, whilst protecting capital. Professional advice is provided by Barclays Wealth Management, who manage the portfolio on a discretionary basis. Meetings are held with them as and when required to review the performance of the portfolio. A combination of stock market investments, together with bank fixed term deposits, meet the requirement for the generation of both income and capital growth, whilst reducing the risk of investment losses in uncertain and volatile markets.

The Trustees have adopted an ethical investment policy that takes all reasonable steps not to hold investments in companies whose activities are not consistent with RSPCA animal welfare policies. In particular, investments are avoided that carry out any testing on animals

The value of the Charity's investments at 31 December 2018 was £1.23 million (2017: £1.29 million). The total return on all managed investments was a loss of 3.95% (2017: Surplus of 8.2%).

FUTURE PLANS

The Trustees have identified the following areas as the focus of their plans for 2019:

- To maintain the high standards of animal welfare synonymous with Little Valley by ensuring ongoing up-to-date training is available for all staff.
- To ensure the total rebuild of the ageing kennel blocks is completed in accordance within proposed timescales and the agreed quotation.
- To finalise the 'Shelter Manager' project for computerising the administration of animal record keeping etc.
- To continue to maximise profits from the Branch shops.
- To research and develop strong and clear policies in order to provide a secure financial future for the Branch and further the objectives of the Charity.

KEY MANAGEMENT PERSONNEL

The key management personnel are held to be all of the Trustees and the senior staff listed on the cover sheet.

The pay levels for key management personnel, who are not Trustees, are reviewed by the Trustees and benchmarked against other charities.

On behalf of the Board of Trustees

Mrs Carol B Allan (Honorary Chairman)

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RSPCA SOUTH EAST AND WEST DEVON BRANCH

Opinion

We have audited the financial statements of RSPCA South East and West Devon Branch (the "Charity") for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF RSPCA SOUTH EAST AND WEST DEVON BRANCH

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Bush & Co Limited
Statutory Auditors
2 Barnfield Crescent
Exeter
EX1 1QT

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

RSPCA SOUTH EAST AND WEST DEVON BRANCH
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Income and endowments from:					
Donations and legacies	2	732,155	12,188	744,343	739,965
Charitable activities	3	45,830	375	46,205	52,329
Other trading activities	4	520,492	5,205	525,697	582,810
Investments	5	34,570	-	34,570	32,022
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOME		1,333,047	17,768	1,350,815	1,407,126
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Raising funds					
Costs of generating voluntary income	6	28,062	-	28,062	21,295
Fundraising trading costs					
shop purchases and expenses	7	452,207	-	452,207	399,031
Investment management costs		11,555	-	11,555	11,029
Charitable Activities	8	481,864	5,440	487,304	531,396
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURE		973,688	5,440	979,128	962,751
		<hr/>	<hr/>	<hr/>	<hr/>
Net gains/(losses) on investment assets	14	(82,148)	-	(82,148)	74,064
		<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expenditure)		277,211	12,328	289,539	518,439
Transfers		269,202	(269,202)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds		546,413	(256,874)	289,539	518,439
		<hr/>	<hr/>	<hr/>	<hr/>
RECONCILIATION OF FUNDS					
Total Funds brought forward		3,846,394	256,874	4,103,268	3,584,829
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		4,392,807	-	4,392,807	4,103,268
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses in the year and, therefore, a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes form part of these financial statements

RSPCA SOUTH EAST AND WEST DEVON BRANCH

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		1,867,001		1,290,392
Investments	14		1,234,211		1,294,467
			<hr/>		<hr/>
			3,101,212		2,584,859
CURRENT ASSETS					
Stocks	15	50,776		68,230	
Debtors	16	531,969		280,216	
Cash at bank and in hand		843,221		1,216,713	
		<hr/>		<hr/>	
		1,425,966		1,565,159	
CREDITORS: Amounts falling due within one year	17	134,371		46,750	
		<hr/>		<hr/>	
NET CURRENT ASSETS			1,291,595		1,518,409
			<hr/>		<hr/>
Total assets less current liabilities			4,392,807		4,103,268
			<hr/>		<hr/>
THE FUNDS OF THE CHARITY:					
Unrestricted funds	19		4,392,807		3,846,394
Restricted funds			-		256,874
			<hr/>		<hr/>
TOTAL CHARITY FUNDS			4,392,807		4,103,268
			<hr/>		<hr/>

These financial statements were approved by the Board of Trustees on their behalf by:

and were signed on

Mrs C B Allan
Trustee

Mr T Byers
Trustee

The notes form part of these financial statements.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		£	£
Net cash raised in operating activities	23	246,453	621,805
Cashflow from investing activities			
Interest and Dividends		34,570	32,022
Purchase of Property, Plant and Equipment		(632,623)	(23,475)
Purchase of Investments		(587,018)	(249,246)
Proceeds from Sale of Investments		567,138	219,984
		<hr/>	<hr/>
Net cash (outflow) from investing activities		(617,933)	(20,715)
Cashflow from financing activities			
Net cash provided by financing activities		-	-
		<hr/>	<hr/>
Change in cash and cash equivalents in year		(371,480)	601,090
Cash and cash equivalents brought forward	24	1,243,603	642,513
		<hr/>	<hr/>
Cash and cash equivalents carried forward	24	872,123	1,243,603
		<hr/> <hr/>	<hr/> <hr/>

RSPCA SOUTH EAST AND WET DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

Basis of Accounting

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 (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

Incoming Resources

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 income receivable can be measured reliably.

Donations, are recognised when the Trust 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 before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting 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. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income received as a result of generating funds is recognised when received.

Incoming resources from charitable activities are recognised on the accruals basis and are included net of any VAT that has been charged.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

Resources Expended

Resources expended are recognised in the period they are incurred and include VAT unless it is recoverable. Expenditure is either allocated on a direct or usage basis.

Expenditure that is directly attributable to raising funds is included in the costs of generating funds. This includes holding fundraising events, running charity shops and purchasing retail goods.

Expenditure attributable to meeting charitable objectives, including the support costs of the animal shelter, is included in charitable activities.

Costs associated with the general running of the charity which are not attributable to meeting charitable objects are classified as governance costs.

Allocation of Support Costs

Support costs have been allocated to each activity undertaken by the charity on the basis of an estimate of amount of the costs generated by each activity.

Tangible Fixed Assets

Fixed assets are recorded at cost, assets costing less than £500 are not capitalised. When an asset is received by way of donation it is recorded at its market value on the date of donation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over their expected useful lives on the following basis:

Freehold land	- not depreciated
Buildings	- straight line over 50 years
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost
Computers	- 25% on cost

Stocks

Donated stock is valued at the expected proceeds less the expected cost of sales in accordance with the SORP (FRS 102).

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Debtors

Grants receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Taxation

The charity is exempt from tax on its charitable activities.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes, expenditure that meets these criteria is charged to the fund.

Leasing and Hire Purchase Commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

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

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 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.

2. DONATIONS & LEGACIES

	2018	2017
	£	£
Gift Aid	900	1,000
General donations	35,690	130,967
Collecting boxes	2,318	2,680
Legacies	705,435	605,318
	<hr/>	<hr/>
	744,343	739,965
	<hr/> <hr/>	<hr/> <hr/>

There was £12,188 (2017: £104,958) restricted donations & legacies received in the year.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

3. CHARITABLE ACTIVITIES

	2018	2017
	£	£
Adoptions	30,900	34,458
Boarding	7,072	12,373
HQ Contributions	4,989	-
Vet reimbursement	1,662	4,333
Membership fees	1,582	1,165
	<hr/>	<hr/>
	46,205	52,329
	<hr/> <hr/>	<hr/> <hr/>

There was £375 (2017: £nil) restricted income from charitable activities in the year.

4. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Friends of Little Valley Animal Shelter	10,014	10,395
Shop income	417,951	476,612
Reception income	5,019	6,491
Online income	12,790	5,208
Flag days	904	1,625
RSPCA House to House	54,745	49,522
Supermarket collections	1,750	2,945
Other events	22,524	30,012
	<hr/>	<hr/>
	525,697	582,810
	<hr/> <hr/>	<hr/> <hr/>

There was £5,205 (2017: £4,205) restricted income from trading activities in the year.

5. INVESTMENT INCOME

	2018	2017
	£	£
Dividends	21,708	19,757
Portfolio interest	11,740	11,779
Bank interest	1,122	486
	<hr/>	<hr/>
	34,570	32,022
	<hr/> <hr/>	<hr/> <hr/>

There was £nil (2017: £nil) restricted income from investments in the year.

6. COSTS OF GENERATING VOLUNTARY INCOME

	2018	2017
	£	£
Events expenditure	1,010	1,437
Legacy fee	19,769	14,269
Support costs	7,283	5,589
	<hr/>	<hr/>
	28,062	21,295
	<hr/> <hr/>	<hr/> <hr/>

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

6. COSTS OF GENERATING VOLUNTARY INCOME (CONTINUED)

There was £nil (2017: £nil) restricted expenditure from costs of generating voluntary income in the year.

7. FUNDRAISING COSTS

Shop Purchases and Expenses

	2018	2017
	£	£
Shop purchases	26,484	14,522
Shop consumables	1,288	1,155
Staff salaries	213,964	195,414
Rent	94,669	95,185
Rates	13,739	13,791
Light and heat	8,005	13,238
Telephone and internet	2,160	2,275
Insurance	3,645	3,641
Repairs and renewals	4,849	2,200
Cleaning and waste disposal	6,587	7,768
Premises expenses	1,659	-
Motor and travelling	7,612	-
Staff welfare	510	-
Sundries	1,016	-
Legal & professional	3,529	-
Postage, stationary & computer costs	3,422	-
Depreciation of shop equipment	3,256	3,626
Depreciation of shop building	11,517	12,655
Depreciation of motor vehicles	4,221	-
Depreciation of plant	2,190	-
Shop card machine and gift aid tills	8,753	11,207
Support costs	29,132	22,354
	<hr/>	<hr/>
	452,207	399,031
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There was £nil (2017: £nil) restricted expenditure from fundraising costs in the year.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Protection and rehoming of animals

	2018	2017
	£	£
Animal welfare	70,100	83,268
Staff salaries	271,914	298,611
Staff welfare & training	929	5,494
Rates	7,315	6,060
Light & heat	18,098	15,317
Telephone and internet	4,225	3,974
Insurance	1,799	1,638
Repairs and renewals	83	7,287
Premises expenses	7,768	14,479
Cleaning and waste disposal	17,025	14,749
Motor and travelling	3,799	8,606
Postage, stationery & computer costs	7,775	11,493
Bank Charges	159	2,459
Sundries	5,069	1,981
Buildings depreciation	31,384	19,209
Motor vehicles depreciation	-	654
Plant depreciation	3,107	6,574
Computer equipment depreciation	339	1,600
Support costs	36,416	27,943
	<hr/>	<hr/>
	487,304	531,396
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There was £5,440 (2017: £5,181) of restricted expenditure used in charitable activities.

9. ALLOCATION OF SUPPORT COSTS

	Costs of Generating Voluntary Income	Fundraising Costs	Charitable Expenditure	2018	2017
	£	£	£	£	£
Staff salaries	5,684	22,736	28,421	56,841	38,689
Accountancy	972	3,889	4,861	9,722	8,071
Postage, stationery etc.	267	1,067	1,334	2,668	-
Bank charges	251	1,004	1,256	2,511	-
Legal and Professional	109	436	544	1,089	9,126
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,283	29,132	36,416	72,831	55,886
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

10. AUDITOR'S REMUNERATION

The auditor's remuneration consisted of an audit fee of £5,000 (2017: £5,000) and an additional fee for accounting services of £2,500 (2017: £2,300).

11. TRUSTEES' EXPENSES AND REMUNERATION

Trustees' Remuneration

No trustee received remuneration during the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' Expenses

No trustees' expenses were reimbursed for the year ended 31 December 2018 nor for the year ended 31 December 2017.

12. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	514,481	506,518
Social security costs	28,238	26,196
	542,719	532,714
	542,719	532,714

The average number of employees during the year was as follows:

	2018	2017
	£	£
Fundraising and shop	10	13
Charitable activities	17	17
Support staff	4	3
	31	33
	31	33

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

The aggregate emoluments of key management personnel for the year totalled £77,732 (2017: £68,632)

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

13. TANGIBLE FIXED ASSETS

	Freehold Property & Buildings £	Assets Under Construction £	Fixtures & Fittings £	Plant & Machinery £	Computer £	Motor Vehicles £	Total £
COST							
At 1 Jan 2018	1,813,576	18,580	45,989	84,820	8,529	26,696	1,998,190
Additions	-	614,966	300	-	472	16,885	632,623
Reclassification	365,442	(365,442)	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 Dec 2018	2,179,018	268,104	46,289	84,820	9,001	43,581	2,630,813
DEPRECIATION							
At 1 Jan 2018	567,032	-	36,129	69,830	8,111	26,696	707,798
Charge for year	42,901	-	3,256	5,297	339	4,221	56,014
Eliminated on disposal	-	-	-	-	-	-	-
At 31 Dec 2018	609,933	-	39,385	75,127	8,450	30,917	763,812
NET BOOK VALUE							
At 31 Dec 2018	1,569,085	268,104	6,904	9,693	551	12,664	1,867,001
At 31 Dec 2017	1,246,544	18,580	9,860	14,990	418	-	1,290,392

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

14. FIXED ASSET INVESTMENT

	Investments £
Market Value	
At 1 January 2018	1,267,577
Additions	587,018
Disposals	(567,138)
Revaluation	(82,148)
Cash holdings	28,902
	1,234,211
At 31 December 2018	1,234,211

There were no investment assets outside the UK.

The market value of investments is broken down between listed investments of £1,205,309 (2017: £1,267,577) and cash within the portfolio of £28,902 (2017: £26,890)

15. STOCKS

	2018 £	2017 £
Stock	50,776	68,230
	50,776	68,230

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	1,675	3,093
VAT recoverable	40,088	420
Tax refunds	14,257	2,034
Prepayments	17,050	21,321
Other debtors	458,899	253,348
	531,969	280,216
	531,969	280,216

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	109,533	18,680
PAYE and social security	-	596
Accruals	24,838	27,474
	134,371	46,750
	134,371	46,750

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the branch had commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2018	2017
	£	£
Amounts due in less than one year	80,280	80,648
Amounts due between two and five years	135,000	143,500
Amounts due in more than five years	26,000	-

The total of operating lease expenditure recognised in the statement of financial activities during the year was £83,669.

19. MOVEMENT IN FUNDS

2018	Brought forward	Income	Expenditure	Gains/ Losses	Transfers	Carried Forward
	£	£	£	£	£	£
Unrestricted funds						
General funds	3,101,394	1,333,047	(973,688)	(82,148)	551,045	3,929,650
Designated funds	745,000	-	-	-	(281,843)	463,157
Total unrestricted funds	<u>3,846,394</u>	<u>1,333,047</u>	<u>(973,688)</u>	<u>(82,148)</u>	<u>269,202</u>	<u>4,392,807</u>
Restricted funds						
Safe Haven Scheme	-	3,985	(3,985)	-	-	-
Kennel Construction	256,874	12,328	-	-	(269,202)	-
Specific animals	-	1,455	(1,455)	-	-	-
Total restricted funds	<u>256,874</u>	<u>17,768</u>	<u>(5,440)</u>	<u>-</u>	<u>(269,202)</u>	<u>-</u>
Total funds	<u><u>4,103,268</u></u>	<u><u>1,350,815</u></u>	<u><u>(979,128)</u></u>	<u><u>(82,148)</u></u>	<u><u>-</u></u>	<u><u>4,392,807</u></u>

In previous years the charity received restricted income for use in the construction of the new kennel facility including a grant of £100,000 from RSPCA North Devon Branch. During the year there were costs in excess of this towards this project that have been capitalised. During the year the charity received an additional £12,328 of restricted income. The restricted balance of £269,202 has been transferred to the unrestricted funds as the restriction has now been satisfied.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

19. MOVEMENT IN FUNDS (CONTINUED)

In previous years trustees designated £745,000 of funds to be used towards the same kennel facility project. The balance of additions on this project over what has been covered by the restricted fund, has been transferred from this designated fund to cover it. The remaining £463,157 will be carried forward to cover the remaining costs of the project which are expected to be in excess of this balance.

During the year £3,985 was received under the Safe Haven Scheme. This is restricted to use for supporting the running costs of the kennels. All the income was spent on kennel running costs during the year.

During the year £1,455 was raised for operations to carried out on two dogs. The income was restricted to this purpose and was spent on the operations during the year.

2017	Brought forward £	Income £	Expenditure £	Gains/ Losses £	Transfers £	Carried Forward £
Unrestricted funds						
General funds	2,811,937	1,297,963	(957,570)	74,064	(125,000)	3,101,394
Designated funds	620,000	-	-	-	125,000	745,000
Total unrestricted funds	3,431,937	1,297,963	(957,570)	74,064	-	3,846,394
Restricted funds						
Safe Haven Scheme	-	2,101	(2,101)	-	-	-
Kennel Construction	152,892	107,062	(3,080)	-	-	256,874
Total restricted funds	152,892	109,163	(5,181)	-	-	256,874
Total funds	3,584,829	1,407,126	(962,751)	74,064	-	4,103,268

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds £	2018	2017
	Undesignated Funds £	Designated Funds £		Total Funds £	Total Funds £
Fixed assets	1,867,001	-	-	1,867,001	1,290,392
Investments	1,234,211	-	-	1,234,211	1,294,467
Current assets	962,809	463,157	-	1,425,966	1,565,159
Current liabilities	(134,371)	-	-	(134,371)	(46,750)
	3,929,650	463,157	-	4,392,807	4,103,268

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

21. RELATED PARTY

During the year, the Branch received all of its legacies and some of its donations which were processed by the Head Office of the Royal Society for the Prevention to Cruelty to Animals. This included £54,745 (2017: £49,522) received from house to house collections.

The charity purchased animal food, drugs and sundries costing £40,521 (2017: £42,057) from the Head Office.

The charity received monies from the Head Office for boarding, veterinary fees and drugs rebate of £13,323 (2017: £15,686).

22. SURPLUS/(DEFICIT) ON SHOP ACTIVITY

	2018	2017
	£	£
Income from activities of generating funds (note 4)	435,760	488,311
Shop purchases and expenses (note 7)	452,207	399,031
	<hr/>	<hr/>
Surplus/(deficit) on shop activity	(16,447)	89,280
	<hr/>	<hr/>

The shops have made a deficit for the period. This is as a result of increase costs, the closure of two stores and worsening conditions in the retail sector.

23. NOTE TO THE STATEMENT OF CASHFLOWS

	2018	2017
	£	£
Net movement in funds	289,539	518,439
Add back depreciation charge	56,014	44,317
Deduct interest income shown in investment activities	(34,570)	(32,022)
Deduct gains/add back losses on investments	82,148	(80,359)
Decrease/(increase) in debtors	(251,753)	185,272
Increase/(decrease) in creditors	87,621	(14,971)
Decrease/(increase) in stock	17,454	1,129
	<hr/>	<hr/>
Net cash used in operating activities	246,453	621,805
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24. CASH AND CASH EQUIVALENTS IN STATEMENT OF CASHFLOWS

The cash and cash equivalents balance used in the Statement of cashflows contains the £843,255 (2017: £1,216,713) of cash at bank and in hand, and £28,902 (2017: £26,890) of cash held in the investment portfolio.

25. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £463,157 (2017: £985,217). This relates to the construction of the new kennels as detailed in note 19.