

REGISTERED CHARITY NUMBER: 205154

RSPCA DEVON BRANCH
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021

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

RSPCA DEVON BRANCH
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FOR THE YEAR ENDED 31 DECEMBER 2021

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RSPCA DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021
REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Name	RSPCA 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 E M Mundy (Secretary) Mr T Byers (Treasurer) Mrs A Eyles Mrs M Hardy Miss E McPhail Mrs J Williams Mrs Heather Shipp (Resigned February 2021) Mr Andrew Lofthouse (Appointed August 2021) Ms Katie Stewart (Appointed September 2021) Ms Julie Prince (Appointed January 2022)
Senior Staff	Mr H Lowson (CEO) Miss J Evans (Animal Shelter Manager) Miss M Holland (Community Fundraiser) (Resigned October 2021) Mr J Coles (Retail Development Manager) (Appointed August 2021) Mrs M Wood (Finance Manager) (Appointed March 2021)
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 DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees present their report and financial statements for the year ended 31 December 2021.

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 CEO, Finance Manager, Shelter Manager and the Retail Development 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 the guidance from the Charity Commission on the role of a trustee. 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.

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.

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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 six 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.

ACHIEVEMENTS AND PERFORMANCE

2021 was another challenging year due to COVID, but the Shelter continued to take in and rehome unwanted animals. Our shops were able to trade for longer periods of time and are doing well.

We have been fortunate that few of our staff have caught COVID; those who have have not been too unwell. Animal numbers at the Shelter have risen steadily.

Our biggest achievement in 2021 was our merger with North Devon RSPCA. This happened officially at the beginning of November and we now operate as RSPCA Devon Branch. This merger has given us another shop in Bideford and an Animal Welfare Officer. The North Devon area is very rural, and we will be looking at ways to improve animal welfare there, as well as in the rest of the county. We hope to work alongside other animal charities to further our aims.

We appointed a Retail Development Manager, John Coles, who joins us with a wealth of retail experience. His expertise in the retail sector is already giving excellent results, with all our shops increasing their profits.

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Our Community Fundraiser sadly left during the year, which led us to re-evaluate what personnel we actually needed in order to make us more efficient. In order to fundraise, our name needs to be well known, so trustees agreed to appoint a Marketing and Digital Communications Manager, who will make sure the Devon Branch has a high profile in the community and on social media. He will start work in May 2022.

We appointed an Animal Community Officer, who will be going into the community to collect animals, give advice and assist the public when appropriate. She is presently undergoing training for the role.

Our new meeting room has been used for training courses for Inspectors and is proving very useful. We intend to look into offering its use to outside groups, as another revenue stream.

We have taken the first steps towards improving our ICT. We now have a dedicated lease line providing high speed internet access and WiFi has now been installed to cover the whole are of the Shelter and it has certainly improved our operation. The next step is to secure the proper hardware and software.

We have had one of the exercise fields fenced, for the security of the dogs, and are looking into the possibility of renting it out to the public when it is not being used by Shelter staff.

We have been very fortunate to have recruited 3 new trustees, all of whom bring different skills and experience to the Board. I am sure they will bring a lot to the Branch.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- The long-term effects on our operations of the coronavirus pandemic
- 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 £812,445 (2020: £1,788,587) including legacies of £117,949 (2020: £1,106,939). Expenditure in the year was £1,006,163 (2020: £1,077,494). After gains on investments of £91,082 (2020: £32,477) the branch had a deficit of £102,636 (2020: surplus £743,570)

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.

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REPORT OF THE TRUSTEES
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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. Using the current year's total expenditure, this is between £1.41 million and £1.88 million.

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

- a) The Branch relies heavily on donations and legacies, both of which can fluctuate significantly from year to year.
- a) 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.
- b) 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 2021 were £6,390,882, comprising £774,500 (2020: £403,000) of designated funds, £998,596 of restricted funds and £4,579,053 of general funds. Of the general funds, £2,515,248 are held as tangible fixed assets and so not available to be spent. The remaining balance of £2,063,805 represents free reserves.

This is in excess of our reserves policy by £183,805. This excess will in part be used to help mitigate the financial impact of COVID-19 (mainly decreased investment income and fundraising income), and also be used to enhance our current range of animal welfare services as noted in our future plans on page 6.

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 2021 was £1.26 million (2020: £1.16 million). The total return on all managed investments was a surplus of 8.0% (2020: 4.2%).

FUTURE PLANS

To make best use of Little Valley by caring for our animals more proactively, professionally and creatively whilst at the same time making better use of our new, modern animal care facilities.
To make best use of the Little Valley site in terms of community engagement and our service offer per se.

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Greater volunteer participation and involvement in terms of the number of volunteers used within the organisation and more importantly increasing their range of responsibilities and duties.

Through better communication, marketing and awareness, helping even more animals in the Devon area that need our unique care and support – reaching out and being truly “caring countywide” whether that be through the shelter services, mobile services/ staff/volunteers or animal welfare, training or education events in the community.

Sustainability - making sure that we futureproof Little Valley in terms of income, reserves, staff, trustees, and governance.

Our plan for 2022

Raise sufficient funds through fundraising, retail and the shelter, to meet the running costs of both Little Valley animal shelter and our animal welfare community services.

To ensure that our profile is significantly improved throughout the Devon area and that both Little Valley and our community services are well known and respected.

To make better use of the Little Valley site by undertaking a refurbishment programme for our existing buildings and creation of new facilities or services on site to encourage more interaction with our community – this will cover the creation of a new tribute and sanctuary/reflections area (with a wildlife pond), training classes, education and welfare events etc.

To provide an outreach service, in the form of a custom fitted van, with a vet, to provide members of the public in more remote areas with advice and assistance.

Nurture, motivate and maximise the best from all our resources including our people, both staff and volunteers, together with our places – buildings, shops and any events that take place.

To continue to maximise profits from the Branch shops and gradually increase the number of shops.

To make much better use of ICT within both the shelter and our shops.

To research and develop strong and clear policies to provide a secure financial future for the Branch, and further the objectives of the Charity.

To maintain the high standards of animal welfare synonymous with Little Valley by ensuring ongoing up-to-date training is available to all staff. Use our Animal Behaviourist to train staff and support adopters.

Ensure that Little Valley is all it can be for both our community, our animals, our staff and our volunteers.

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 DEVON BRANCH

Opinion

We have audited the financial statements of RSPCA Devon Branch (the "Charity") for the year ended 31 December 2021 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 2021 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 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 been kept;
- the financial statements are in agreement with the accounting records and returns; or
- we have 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

Date:

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

RSPCA DEVON BRANCH
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:					
Donations and legacies	2	201,526	-	201,526	1,190,079
Charitable activities	3	39,917	-	39,917	34,639
Other trading activities	4	402,004	3,760	405,764	362,348
Investments	5	20,456	-	20,456	26,245
Other income	6	38,062	-	38,062	93,376
North Devon branch income		-	106,720	106,720	81,900
		-----	-----	-----	-----
TOTAL INCOME		701,965	110,480	812,445	1,788,587
		-----	-----	-----	-----
Expenditure on:					
Raising funds					
Costs of generating voluntary income	7	27,237	-	27,237	31,985
Fundraising trading costs shop purchases and expenses	8	322,072	-	322,072	375,018
Investment management costs		10,728	-	-	11,989
North Devon branch expenditure		-	67,987	67,987	131,574
Charitable Expenditure	9	574,379	3,760	578,139	526,928
		-----	-----	-----	-----
TOTAL EXPENDITURE		934,416	71,747	1,006,163	1,077,494
		-----	-----	-----	-----
Net gains on investments	15	91,082	-	91,082	32,477
		-----	-----	-----	-----
Net income/(expenditure)		(141,369)	38,733	(102,636)	743,570
Transfers		-	-	-	-
		-----	-----	-----	-----
Net Movement in Funds		(141,369)	38,733	(102,636)	743,570
		-----	-----	-----	-----
RECONCILIATION OF FUNDS					
Total Funds brought forward		5,494,922	998,596	6,493,518	5,749,948
		-----	-----	-----	-----
TOTAL FUNDS CARRIED FORWARD		5,353,553	1,037,329	6,390,882	6,493,518
		-----	-----	-----	-----

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 DEVON BRANCH

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	14		2,515,248		2,563,977
Investments	15		1,256,265		1,155,815
			3,671,063		3,719,792
CURRENT ASSETS					
Stocks for resale	16	37,812		42,837	
Debtors and prepayments	17	681,118		824,764	
Cash at bank and in hand		926,647		947,441	
North Devon net assets		1,037,329		998,596	
			2,682,906	2,813,638	
LIABILITIES: Amounts falling due within one year					
Creditors and accruals	18	63,537		39,912	
			2,619,369		2,773,726
NET CURRENT ASSETS			2,619,369		2,773,726
Total assets less current liabilities			6,390,882		6,493,518
THE FUNDS OF THE CHARITY:					
Unrestricted funds	19		5,353,553		5,494,922
Restricted funds			1,037,329		998,596
TOTAL CHARITY FUNDS			6,390,882		6,493,518

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

Mrs C B Allan
Trustee

The notes form part of these financial statements.

RSPCA DEVON BRANCH
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Net cash provided by (used in) operating activities	24	10,009	476,885
Cashflow from investing activities			
Dividends, interest and rents		20,456	26,245
Purchase of fixed assets		(41,710)	(265,477)
Purchase of investments		(611,683)	(352,685)
Sale of investments		525,199	682,007
		-----	-----
Net cash provided by (used in) financing activities		(107,738)	90,090
Cashflow from financing activities			
Repayment of borrowing		-	-
		-----	-----
Net cash provided by (used in) financing activities		-	-
Change in cash and cash in the reporting period		(97,729)	566,975
Cash and cash equivalents at the beginning of the reporting period	25	1,048,467	481,492
		-----	-----
Cash and cash equivalents at the year end	25	950,738	1,048,467
		=====	=====

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

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 DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

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 support 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 DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
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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

	2021	2020
	£	£
General donations	82,696	82,026
Collecting boxes	881	1,114
Legacies	117,949	1,106,939
	<hr/>	<hr/>
	201,526	1,190,079
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There was £nil (2020: £nil) restricted donations & legacies received in the year.

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

3. CHARITABLE ACTIVITIES

	2021	2020
	£	£
Adoptions	31,755	29,088
Boarding	5,125	3,869
Vet reimbursement	1,402	667
Membership fees	1,635	1,015
	<hr/>	<hr/>
	39,917	34,639
	<hr/>	<hr/>

There was £nil (2020: £nil) restricted income from charitable activities in the year.

4. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Friends of Little Valley Animal Shelter	8,780	11,284
Shop income (Note 23)	269,530	174,785
Online income (Note 23)	4,450	8,104
RSPCA House to House	48,268	50,387
Other events	10,231	11,131
Other income	64,505	655
Shops COVID grants (Note 23)	-	106,002
	<hr/>	<hr/>
	405,764	362,348
	<hr/>	<hr/>

There was £3,760 (2020: £3,975) restricted income from trading activities in the year.

5. INVESTMENT INCOME

	2021	2020
	£	£
Dividends and interest from portfolio	20,207	25,649
Bank interest	249	596
	<hr/>	<hr/>
	249	26,245
	<hr/>	<hr/>

There was £nil (2020: £nil) restricted income from investments in the year.

6. OTHER INCOME

	2021	2020
	£	£
Covid Job Retention Scheme Grant	38,062	93,376
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RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

7. COSTS OF GENERATING VOLUNTARY INCOME

	2021	2020
	£	£
Events expenditure	699	-
Legacy fee	5,664	18,262
Support costs	20,874	13,723
	<hr/>	<hr/>
	27,237	31,985
	<hr/>	<hr/>

There was £nil (2020: £nil) restricted expenditure from costs of generating voluntary income in the year.

8. FUNDRAISING COSTS
Shop Purchases and Expenses

	2021	2020
	£	£
Shop purchases	6,082	19,329
Shop consumables	580	412
Staff salaries	128,018	187,761
Rent	35,685	45,287
Rates	4,875	9,205
Light and heat	5,294	6,134
Telephone and internet	1,524	1,838
Insurance	2,737	1,700
Repairs and renewals	4,794	3,050
Cleaning and waste disposal	3,590	4,417
Premises expenses	557	2,735
Motor and travelling	6,698	4,230
Staff welfare	221	207
Sundries	1,488	1,263
Legal & professional	2,480	2,789
Postage, stationary & computer costs	3,095	2,559
Depreciation		
Shop equipment	2,406	776
Shop building	16,998	11,518
Motor vehicles	4,221	4,221
Shop card machine and gift aid tills	7,240	10,692
Support costs	83,489	54,895
	<hr/>	<hr/>
	322,072	375,018
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There was £nil (2020: £nil) restricted expenditure from fundraising costs in the year.

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES
Protection and rehoming of animals

	2021	2020
	£	£
Animal welfare	59,749	64,370
Staff salaries	259,933	248,297
Staff welfare & training	463	232
Rates	8,765	7,859
Light & heat	29,094	23,046
Telephone and internet	3,502	3,583
Insurance	4,066	4,002
Repairs and renewals	6,559	3,889
Premises expenses	3,756	2,755
Cleaning and waste disposal	14,670	14,877
Motor and travelling	2,021	2,374
Postage, stationery & computer costs	6,438	5,053
Bank Charges	45	298
Sundries	5,180	3,068
Legal & professional	4,021	3,297
Depreciation		
Buildings	49,104	65,243
Plant	16,410	6,068
Support costs	104,363	68,618
	<hr/>	<hr/>
	578,139	526,929
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There was £3,760 (2020: £3,975) of restricted expenditure used in charitable activities.

10. ALLOCATION OF SUPPORT COSTS

	Costs of Generating Voluntary Income	Fundraising Costs	Charitable Expenditure	2021	2020
	£	£	£	£	£
Staff salaries	17,011	68,042	85,053	170,106	112,460
Accountancy	1,627	6,508	8,134	16,270	10,819
Postage, stationery & computer costs	809	3,234	4,043	8,086	6,033
Legal and Professional	1,076	4,303	5,378	10,758	4,977
Bank charges	296	1,182	1,478	2,955	2,712
Repairs & renewals	3	12	15	30	-
Cleaning and Waste disposal	9	36	45	90	-
Motor expenses	43	172	217	432	234
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	20,874	83,489	104,363	208,727	137,235
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

11. AUDITOR'S REMUNERATION

The auditor's remuneration consisted of an audit fee of £5,700 (2020: £5,700) and an additional fee for accounting services of £3,100 (2020: £3,100).

12. TRUSTEES' EXPENSES AND REMUNERATION

Trustees' Remuneration

During the year ended 31 December 2021, Miss M Wood, a trustee, received fees totalling £Nil (2020: £2,100), in respect of accounting services provided to the charity.

No trustee received remuneration during the year ended 31 December 2021.

Trustees' Expenses

No trustees' expenses were reimbursed for the year ended 31 December 2021 nor for the year ended 31 December 2020.

13. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	527,978	522,456
Social security costs	30,079	26,062
	558,057	548,518
	558,057	548,518

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

	2021	2020
	£	£
Fundraising and shop	9	11
Charitable activities	18	18
Support staff	4	4
	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 £167,272 (2020: 131,265)

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

14. TANGIBLE FIXED ASSETS

	Freehold Property & Buildings £	Assets Under Construction £	Fixtures & Fittings £	Plant & Machinery £	Computer £	Motor Vehicles £	Total £
COST							
At 1 Jan 2021	3,289,357	-	37,818	96,713	7,190	33,446	3,464,524
Additions	18,869	-	-	22,841	-	-	41,710
Reclassification	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 Dec 2021	3,308,226	-	37,818	119,554	7,190	33,446	3,506,234
DEPRECIATION							
At 1 Jan 2021	750,039	-	35,413	79,982	5,889	29,224	900,547
Charge for year	66,102	-	2,405	16,410	1,301	4,221	90,439
Disposals	-	-	-	-	-	-	-
At 31 Dec 2021	816,141	-	37,818	96,392	7,190	33,445	990,986
NET BOOK VALUE							
At 31 Dec 2021	2,492,085	-	-	23,162	-	1	2,515,248
At 31 Dec 2020	2,539,318	-	2,405	16,731	1,301	4,222	2,563,977

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

15. FIXED ASSET INVESTMENT

	Investments £
Market value at 1 January 2021	1,054,608
Additions	611,683
Disposals	(525,199)
Revaluation	91,082
	1,232,174
Cash holdings	24,091
	1,256,265

There were no investment assets outside the UK.

The market value of investments is broken down between listed investments of £1,232,174 (2020: £1,054,789) and cash within the portfolio of £24,091 (2020: £101,026)

16. STOCKS

	2021 £	2020 £
Stock	37,812	42,837
	37,812	42,837

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,369	3,507
VAT recoverable	6,369	2,985
Tax refunds	3,322	3,806
Prepayments	11,600	11,581
Other debtors	658,458	802,885
	681,118	824,764
	681,118	824,764

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	36,130	21,064
PAYE and social security	18,991	10,216
Accruals	8,416	8,632
	63,537	39,912
	63,537	39,912

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the branch had commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2021	2020
	£	£
Amounts due in less than one year	30,850	49,080
Amounts due between two and five years	83,417	103,200
Amounts due in more than five years	-	-

The total of operating lease expenditure recognised in the statement of financial activities during the year was £35,472.

20. MOVEMENT IN FUNDS

2021	Brought forward	Income	Expenditure	Gains/ Losses	Transfers	Carried Forward
	£	£	£	£	£	£
Unrestricted funds						
General funds	5,091,922	701,965	(889,416)	91,082	(416,500)	4,579,053
Designated funds						
Kennels	-	-	-	-	-	-
Committed	200,000	-	-	-	206,500	409,500
Organisational	203,000	-	(45,000)	-	210,000	365,000
Total unrestricted funds	5,494,922	705,725	(934,416)	-	-	5,252,989
Restricted funds						
Safe Haven Scheme	-	3,760	(3,760)	-	-	-
North Devon Branch	998,596	106,720	(67,987)	-	-	1,037,329
Total restricted funds	998,596	110,480	(71,747)	-	-	1,037,329
Total funds	6,493,518	812,445	(1,006,163)	-	-	6,390,882

As noted in the Future Plans section of the Trustees' Report, there are plans to invest in various aspects of the charity over the next year. The following amounts have been designated in order to fund these activities:

Committed Funds

- Onsite Coffee Shop & Reception - £360,000 (2020: £200,000);
- Car Park - £5,000;
- Behaviourist/Puppy Classes - £15,000;
- Vet Services/Pop-Up Clinic - £16,000;
- Rent-a-Room Kennel Block A - £4,000;
- Educational - £1,500; and
- Pet Grooming - £8,000.

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

20. MOVEMENT IN FUNDS (CONTINUED)

Organisational Funds

- Branding - £40,000 (2020: £50,000);
- Outreach Vehicle - £60,000 (2020: £53,000);
- Outreach Vehicle Running Costs - £60,000;
- Tribute Garden - £150,000;
- ICT Equipment - £35,000 (2020: £50,000); and
- Fence - £Nil (2020: £30,000)

Restricted Funds

During the year £3,760 (2020: £3,975) 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 (2020: all spent on running costs).

During the year, the North Devon branch of RSPCA was acquired by the RSPCA South, East and West branch, and all relevant income, expenditure and assets have been combined in these accounts, in accordance with the Charities Act 2011. All notes regarding the prior period have also been updated to include the amounts of the North Devon branch so that the comparative information shows a true and fair view.

2020	Brought forward	Income	Expenditure	Gains/ Losses	Transfers	Carried Forward
	£	£	£	£	£	£
Unrestricted funds						
General funds	4,594,049	1,702,712	(941,945)	32,477	(295,371)	5,091,922
Designated funds						
Kennels	107,629	-	-	-	(107,629)	-
Reception Redesign	-	-	-	-	403,000	403,000
Total unrestricted funds	4,701,678	1,702,712	(941,945)	32,477	-	5,494,922
Restricted funds						
Safe Haven Scheme	-	3,975	(3,975)	-	-	-
North Devon Branch	1,048,270	81,900	(131,574)	-	-	998,596
Total restricted funds	1,048,270	85,875	(135,549)	-	-	6,493,518
Total funds	5,749,948	1,788,587	(1,077,494)	32,477	-	6,493,518

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			2021	2020
	Undesignated Funds	Designated Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	£	£
Fixed assets	2,515,248	-	-	2,515,248	2,563,977
Investments	1,256,265	-	-	1,256,265	1,155,815
Current assets	871,077	774,500	1,037,329	2,682,906	2,813,638
Current liabilities	(63,537)	-	-	(63,537)	(39,912)
	<u>4,950,553</u>	<u>403,000</u>	<u>1,037,329</u>	<u>6,390,882</u>	<u>6,493,518</u>

22. 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 £48,268 (2020: £50,387) received from house to house collections.

The charity purchased animal food, drugs and sundries costing £27,809 (2020: £40,081) from the Head Office.

The charity received monies from the Head Office for boarding, veterinary fees and drugs rebate of £6,518 (2020: £4,526).

23. SURPLUS/(DEFICIT) ON SHOP ACTIVITY

	2021	2020
	£	£
Income from activities of generating funds (Note 4)	273,980	182,889
Shops COVID grants (Note 4)	-	106,002
Shop staff CJRS income (Note 6)	20,252	59,911
Shop purchases and expenses (Note 8)	(322,075)	(375,018)
	<u>(27,840)</u>	<u>(26,215)</u>

The shops have made a deficit in the period as a result of being closed for parts of the year due to lockdown restrictions.

RSPCA DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

24. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	(102,636)	793,244
Adjustments for:		
Depreciation and amortisation	90,439	88,027
Dividends, interest and rents	(20,456)	(26,245)
Gains on investments	(91,082)	(32,477)
Loss on sale of fixed assets	-	-
(Increase)/decrease in debtors	105,094	(342,271)
(Increase)/decrease in creditors	23,625	(12,854)
(Increase)/decrease in stock	5,025	9,461
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	10,009	476,885
	<hr/>	<hr/>

25. CASH AND CASH EQUIVALENTS IN STATEMENT OF CASHFLOWS

	2021	2020
	£	£
Cash at bank and in hand	926,647	947,441
Cash held in investment portfolio	24,091	101,026
	<hr/>	<hr/>
	950,738	1,048,467
	<hr/>	<hr/>