

Charity registration number 205154

RSPCA DEVON BRANCH

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

RSPCA DEVON BRANCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs C Allan (Chairman) Mrs E Mundy (Secretary) Mrs J Williams Mrs M Hardy Ms J Prince Miss E McPhail Mrs A Eyles (Retired Jan 2024) Mrs S Cochrane (appointed October 2023)
Senior staff	Mr H Lowson (CEO) M E Mayer (Animal Shelter Manager) Mr J Coles (Retail Development Manager) Ms S Tolly (Finance Manager)
Charity number	205154
Principal address	Little Valley Animal Shelter Black Hat Lane Bakers Hill Exeter Devon EX2 9TA
Auditor	Bush & Co Limited 2 Barnfield Crescent Exeter EX1 1QT
Bankers	Nat West Bank PLC 59 High Street Exeter Devon EX4 3DL The Co-operative Bank 34 The Kingsway Swansea SA1 5LG

RSPCA DEVON BRANCH

LEGAL AND ADMINISTRATIVE INFORMATION

Investments advisors

Barclays Bank Plc
Bridgewater House
Finzels Reach
Bristol
Avon BS1 6BX

Milsted Langdon Financial Services
Winchester House
Deane Gate Avenue
Taunton
TA1 2UH

RSPCA DEVON BRANCH

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RSPCA DEVON BRANCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Structure, governance and management

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.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs C Allan (Chariman)

Mrs E Mundy (Secretary)

Mrs J Williams

Mrs M Hardy

Ms J Prince

Miss E McPhail

Mrs A Eyles (retired January 2024)

Mrs S Cochrane (appointed October 2023)

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.

RSPCA DEVON BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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 issued 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.

RSPCA DEVON BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

2023 has seen the start of some of our long-term projects, after some delays with bat and ecological surveys which can only be carried out at certain times of the year. RSPCA Head Office consent has now been obtained. Planning applications have now been submitted for the new rabbit and guinea pig accommodation, solar panel installation and reception area upgrade. We hope to be able to start work this summer.

Our Retail Development Manager has been investigating sites for a new shop in Tiverton and for replacement shop in Brixham (which have outgrown their present premises). Hopefully, they will all be up and running by the end of 2024. The shops have done very well this year, and I would like to give my thanks to the Retail Staff and all the shop volunteers for their hard work and dedication.

Staff changes during the year – Our Shelter Manager started in February 2023 and has already made a number of positive changes at the shelter. Our Deputy Manager is now working two days a week doing outreach work in North Devon.

In January 2024, a full time Animal Behaviorist was appointed, which will help our neediest animals become more likely to find forever homes. We have appointed additional Animal Care Assistants, which means they can give more time to the animals in our care.

RSPCA DEVON BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

A Community Fundraiser started with us in April 2023 but unfortunately left before the end of their probation, to take a role where they could work from home. In January 2024 we appointed a Corporate and Community Fundraiser.

The new website was designed by our Digital Communication and Fundraiser Manager, in collaboration with a specialist company. This will make the site more accessible, the new website went live in March 2024.

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 £2,119,602 (2022: £1,081,447) including legacies of £1,267,606 (2022: £363,416). Expenditure in the year was £1,435,204 (2022: £1,116,409). After gains on investments of £136,506 (2022: losses of £214,033) the branch made a surplus of £820,904 (2022: deficit £248,965).

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. Using the current year's total expenditure, this is between £1.7 million and £2.2 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.
- b) Should the Branch see a long term pattern of declining revenues, there would be a 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

RSPCA DEVON BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The total reserves at 31 December 2023 were £7,039,597 comprising £1,723,000 (2022: £6,218,693) of designated funds and £4,356,682 (2022: £4,166,041) of general funds. Of the general funds, £2,488,991 are held as tangible assets and so not available to be spent. The remaining balance of £1,867,691 represents free reserves.

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 2023 was £2.19 million (2022: £2.02 million). The total return on all managed investments was a surplus of 1.01% (2022: 1.92%).

Plans for future periods

To 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 continues to improve 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 rebuilding our rabbit accommodation and our reception building. The new reception area will provide a more spacious area to interact with our supporters and members of the public. We will also be remodelling and improving the animal treatment rooms and surgery area.

To create a Serenity Garden (hopefully using external funding), which will create a quiet space for staff and visitors, a wildlife pond and a memorial area.

To further research the provision of an outreach service with a custom fitted van and trained staff, which will provide members of the public in more remote areas with advice and assistance.

To encourage all staff and volunteers to attend any relevant training courses to increase their potential.

To continue to maximise profits from our physical shops and online shop and to increase the number of shops in our area.

RSPCA DEVON BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

The trustees' report was approved by the Board of Trustees.

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Mrs C Allan (Chariman)
Trustee

Date:

RSPCA DEVON BRANCH

INDEPENDENT AUDITOR'S REPORT

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 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

RSPCA DEVON BRANCH

TO THE TRUSTEES OF RSPCA DEVON BRANCH

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 the trustees 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

RSPCA DEVON BRANCH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF RSPCA DEVON BRANCH

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bush & Co Limited

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**Chartered Accountants
Statutory Auditor**

2 Barnfield Crescent
Exeter
EX1 1QT

Bush & Co Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

RSPCA DEVON BRANCH

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR

ENDED 31 DECEMBER 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	3 1,350,259	2,636	1,352,895	434,354	-	434,354
Charitable activities	4 47,593	-	47,593	45,133	-	45,133
Other trading activities	5 640,507	4,828	645,335	552,871	3,723	556,594
Investments	6 49,315	24,464	73,779	24,662	20,734	45,396
Total income	<u>2,087,674</u>	<u>31,928</u>	<u>2,119,602</u>	<u>1,057,020</u>	<u>24,457</u>	<u>1,081,477</u>
Expenditure on:						
Charitable activities:						
Shop purchases and consumables	7 475,045	-	475,045	422,063	-	422,063
Protection and rehoming of animals	7 867,372	4,828	872,200	624,903	3,723	628,626
Cost of generating voluntary income	7 68,299	-	68,299	44,953	-	44,953
Total charitable expenditure	<u>1,410,716</u>	<u>4,828</u>	<u>1,415,544</u>	<u>1,091,919</u>	<u>3,723</u>	<u>1,095,642</u>
Investment management costs	<u>10,723</u>	<u>8,937</u>	<u>19,660</u>	<u>10,814</u>	<u>9,953</u>	<u>20,767</u>
Total expenditure	<u>1,421,439</u>	<u>13,765</u>	<u>1,435,204</u>	<u>1,102,733</u>	<u>13,676</u>	<u>1,116,409</u>
Net gain on investments	<u>89,406</u>	<u>47,100</u>	<u>136,506</u>	<u>(104,263)</u>	<u>(109,770)</u>	<u>(214,033)</u>
Net movements in funds	755,641	65,263	820,904	(149,976)	(98,989)	(248,965)
Fund balances at 1 January 2023	5,324,041	894,652	6,218,693	5,474,017	993,641	6,467,658
Fund balances at 31 December 2023	<u>6,079,682</u>	<u>959,915</u>	<u>7,039,597</u>	<u>5,324,041</u>	<u>894,652</u>	<u>6,218,693</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

RSPCA DEVON BRANCH

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		2,486,318		2,471,375
Intangible assets	13		2,673		-
Investments	14		2,185,926		2,021,677
			<u>4,674,917</u>		<u>4,493,052</u>
Current assets					
Stocks	15	93,981		40,675	
Debtors	16	82,247		84,849	
Cash at bank and in hand		<u>2,269,172</u>		<u>1,660,388</u>	
		2,445,400		1,785,912	
Creditors: amounts falling due within one year					
	17	<u>(62,470)</u>		<u>(60,271)</u>	
Net current assets			2,382,930		1,725,641
Provisions for liabilities					
Provisions	18		(18,250)		-
Net assets					
			<u>7,039,597</u>		<u>6,218,693</u>
Income Funds					
Restricted funds	19		959,915		894,652
<u>Unrestricted funds</u>					
Designated funds	20	1,723,000		1,158,000	
General unrestricted funds		<u>4,356,682</u>		<u>4,166,041</u>	
			6,079,682		5,324,041
			<u>7,039,597</u>		<u>6,218,693</u>

The financial statements were approved by the trustees on

.....
Mrs C Allan (Chairman)
Trustee

RSPCA DEVON BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25		644,428		577,409
Investing activities					
Purchase of tangible fixed assets		(96,521)		(23,723)	
Proceeds from sale of tangible fixed assets		14,840		-	
Purchase of investments		(612,551)		(367,715)	
Proceeds from disposal of investments		584,809		324,128	
Dividends, interest and rents		73,779		45,396	
Net cash used in investing activities			<u>(35,644)</u>		<u>(21,914)</u>
Net cash used in financing activities			<u>-</u>		<u>-</u>
Net increase/(decrease) in cash and cash equivalents			608,784		555,495
Cash and cash equivalents at beginning of year			1,660,388		1,104,893
Cash and cash equivalents at end of year			<u>2,269,172</u>		<u>1,660,388</u>

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

RSPCA Devon Branch is a trust that constitutes a public benefit entity as defined by FRS 102.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.4 Income

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised when the claim is received.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

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

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

Dividends are recognised once the dividend has been declared and notification in full in the statement of financial activities in the year in which they are receivable.

1.5 Expenditure

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.

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.

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.6 Fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Intangible assets are initially measured at cost and subsequently measured net of amortisation.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	2% on cost
Solar Panels	99 Years on straight line
Website	10 Years on straight line
Plant and equipment	15% on cost
Fixtures and fittings	15% on cost
Computers	25% on cost
Motor Vehicles	25% on cost

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Donated stock is valued at the expected proceeds less the expected cost of sales in accordance with the SORP (FRS102).

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The charity is exempt from tax on its charitable activities.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2023	Restricted funds 2022
	£	£
General Donations	83,439	69,377
Collecting boxes	1,851	1,561
Legacies	1,267,605	363,416
	<u>1,352,895</u>	<u>434,354</u>

There was £2,636 (2022:£nil) in restricted donations and legacies in the year.

4 Charitable activities

	Unrestricted funds 2023	Restricted funds 2022
	£	£
Adoptions	35,018	34,313
Boarding	12,091	8,596
Vet reimbursements	199	1,842
Membership fees	286	382
	<u>47,593</u>	<u>45,133</u>

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR

ENDED 31 DECEMBER 2023

5 Other trading activities	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Unrestricted funds 2022	Total 2022
Friends of Little Valley Animal Shelter	5,379	-	5,379	6,851	-	6,851
Online income	20,807	-	20,807	14,951	-	14,951
RSPCA House to House	69,282	-	69,282	69,654	-	69,654
Shop income	531,130	3,828	534,958	451,748	3,723	455,471
Other events	6,795	-	6,795	4,047	-	4,047
Other income	7,113	1,000	8,113	5,620	-	5,620
	<u>640,507</u>	<u>4,828</u>	<u>645,335</u>	<u>552,871</u>	<u>3,723</u>	<u>556,594</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED

31 DECEMBER 2023

6 Investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Dividends and interest from portfolio	49,315	24,464	73,779	42,300
Interest receivable	-	-	-	3,096
	<u>49,315</u>	<u>24,464</u>	<u>73,779</u>	<u>45,396</u>

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

	Shop purchases and consumables 2023 £	Protection and rehoming of animals 2023 £	Cost of generating voluntary income 2023 £	Total 2023 £	Shop purchases and consumables 2022 £	Protection and rehoming of animals 2022 £	Cost of generating voluntary income 2022 £	Total 2022 £
Staff costs	252,809	445,965	-	698,774	229,288	304,748	-	534,036
Animal welfare	-	128,906	-	128,906	-	85,783	-	85,783
Depreciation and impairment	14,024	54,973	-	68,997	12,132	49,534	-	61,666
Shop purchases and consumables	11,148	-	-	11,148	9,373	-	-	9,373
Rent and rates	51,205	4,706	-	55,911	51,783	9,220	-	61,003
Light and heat	12,980	51,924	-	64,904	10,085	33,930	-	44,015
Motor and travelling	6,959	9,990	-	16,949	6,830	9,086	-	15,916
Telephone and internet	2,404	8,320	-	10,723	1,678	6,767	-	8,445
Insurance	2,114	3,963	-	6,077	2,070	4,191	-	6,261
Repairs and renewals	7,592	30,995	-	38,587	1,227	3,301	-	4,528
Cleaning and waste disposal	5,308	24,246	-	29,554	4,460	19,977	-	24,437
Premises expenses	19,126	1,457	-	20,583	1,105	3,392	-	4,497
Staff welfare	495	1,737	-	2,232	386	1,497	-	1,883
Sundries	1,487	5,444	-	6,931	4,594	2,505	-	7,099
Legal and professional	2,925	1,839	-	4,764	3,864	4,441	-	8,305
Postage, stationery and computer costs	3,712	6,571	-	10,283	3,849	3,119	-	6,968
Shop card charges and bank charges	8,840	1,266	-	10,106	9,647	19	-	9,666
Legacy fee and other events	-	-	50,320	50,320	-	-	27,530	27,530

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Shop purchases and consumables 2023 £	Protection and rehoming of animals 2023 £	Cost of generating voluntary income 2023 £	Total 2023 £	Shop purchases and consumables 2022 £	Protection and rehoming of animals 2022 £	Cost of generating voluntary income 2022 £	Total 2022 £
Share of support costs (see note 8)	403,128	782,302	50,320	1,235,750	352,371	541,510	27,530	921,411
	71,917	89,898	17,979	179,794	69,692	87,116	17,423	174,231
	475,045	872,200	68,299	1,415,544	422,063	628,626	44,953	1,095,642
Analysis by fund								
Unrestricted funds	475,045	867,372	68,299	1,410,716	422,063	624,903	44,953	1,091,919
Restricted funds	-	4,828	-	4,828	-	3,723	-	3,723
	475,045	872,200	68,299	1,415,544	422,063	628,626	44,953	1,095,642

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Total 2023	Total 2022
	£	£
Staff costs	161,443	121,054
Depreciation	9,908	5,931
Accountancy	9,059	11,838
Postage, stationery and computer costs	3,411	8,833
Professional	825	14,771
Bank charges	1,847	3,105
Repairs and renewals	71	1,680
Motor expenses	435	174
Waste disposal	5	-
Sundries	5,772	5,051
Premises expenses	1,858	1,794
Profit on disposal of motor vehicles	(14,840)	-
	<u>179,794</u>	<u>174,231</u>

9 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2023	2022
	£	£
Audit of the charity's annual accounts	7,000	6,000
Non-audit services	-	2,400
	<u>7,000</u>	<u>8,400</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2022: none).

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

The average monthly number of employees during the year was:

	Total 2023	Total 2022
Fundraising and shop	15	13
Charitable activities	19	13
Support staff	7	8
Total	<u>41</u>	<u>34</u>

Employment costs	2023 £	2022 £
Wages and salaries	781,337	601,778
Social security costs	58,440	39,225
Other pension costs	20,430	14,087
	<u>860,207</u>	<u>655,090</u>

The aggregate emoluments of key management personnel for the year totaled £154,332 (2022: £151,498).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 - £75,000	<u>1</u>	<u>1</u>

Contributions totaling £2,640 (2022: £2,201) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED

31 DECEMBER 2023

12 Tangible fixed assets

	Freehold property and buildings £	Solar panels £	Plant and equipment £	Fixtures and fittings £	Motor Vehicles £	Computers £	Total £
Cost							
At 1 January 2023	3,308,226	-	119,554	37,818	33,446	30,913	3,529,957
Additions	47,016	2,777	-	3,020	39,995	1,018	93,826
Disposals	-	-	-	-	(16,885)	-	(16,885)
At 31 December 2023	<u>3,355,242</u>	<u>2,777</u>	<u>119,554</u>	<u>40,838</u>	<u>56,556</u>	<u>31,931</u>	<u>3,606,898</u>
Depreciation and impairment							
At 1 January 2023	871,434	-	102,764	37,818	33,445	13,121	1,058,582
Charge for the year	67,105	28	2,518	577	5,833	2,821	78,883
Eliminated on disposal	-	-	-	-	(16,885)	-	(16,885)
At 31 December 2023	<u>938,539</u>	<u>28</u>	<u>105,282</u>	<u>38,395</u>	<u>22,393</u>	<u>15,942</u>	<u>1,120,580</u>
Net book value							
At 31 December 2023	<u>2,416,703</u>	<u>2,749</u>	<u>14,272</u>	<u>2,443</u>	<u>34,163</u>	<u>15,989</u>	<u>2,486,318</u>
At 31 December 2022	<u>2,436,792</u>	<u>-</u>	<u>16,790</u>	<u>-</u>	<u>1</u>	<u>17,792</u>	<u>2,471,375</u>

13 Intangible fixed assets

	Website £	Total £
Cost		
At 1 January 2023	-	-
Additions	2,695	2,695
Disposals	-	-
At 31 December 2023	<u>2,695</u>	<u>2,695</u>
Amortisation and impairment		
At 1 January 2023	-	-
Charge for the year	22	22
Eliminated on disposal	-	-
At 31 December 2023	<u>22</u>	<u>22</u>
Net book value		
At 31 December 2023	<u>2,673</u>	<u>2,673</u>
At 31 December 2022	<u>-</u>	<u>-</u>

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Investments

	Listed investments
Cost or valuation	£
At 1 January 2023	2,021,677
Additions	612,552
Disposals	(584,809)
Gain on investments	136,506
At 31 December 2023	<u>2,185,926</u>
Carrying amount	
At 31 December 2023	<u>2,185,926</u>
At 31 December 2022	<u>2,021,677</u>

15 Stocks

	2023	2022
	£	£
Stocks	93,981	40,675
	<u>93,981</u>	<u>40,675</u>

16 Debtors

	2023	2022
	£	£
Trade debtors	4,224	2,294
Other debtors	62,919	66,185
Prepayments and accrued income	15,104	16,370
	<u>82,247</u>	<u>84,849</u>

17 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	21,477	15,239
Trade creditors	30,352	32,486
Accruals and deferred income	10,641	12,546
	<u>62,470</u>	<u>60,271</u>

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Provisions for liabilities

	2023 £	2022 £
Lease dilapidations	18,250	-
	<hr/> 18,250 <hr/>	<hr/> - <hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED

31 DECEMBER 2023

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2022	Incoming resources	Resources expended	Revaluations , gains and losses	Balance at 1 January 2023	Incoming resources	Resources expended	Revaluations, gains and losses £	Balance at 31 December 2023 £
Safe Haven Scheme	-	3,723	(3,723)	-	-	3,828	(3,828)	-	-
The Warren rebuild	-	-	-	-	-	1,000	-	-	1,000
North Devon Branch	993,641	-	-	(98,989)	894,652	27,100	(9,937)	47,100	958,915
	<u>993,641</u>	<u>3,723</u>	<u>(3,723)</u>	<u>(98,989)</u>	<u>894,652</u>	<u>31,928</u>	<u>(13,765)</u>	<u>47,100</u>	<u>959,915</u>

During the year £3,828 (2022: £3,723) 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 (2022: all spent on running costs).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED

31 DECEMBER 2023

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2022 £	Transfers £	Balance at 1 January 2023 £	Transfers £	Balance at 31 December 2023 £
Committed	409,500	63,500	473,000	145,000	618,000
Organisational	365,000	320,000	685,000	420,000	1,105,000
	<u>403,000</u>	<u>383,500</u>	<u>1,158,000</u>	<u>565,000</u>	<u>1,723,000</u>

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, Office, Clinic Rebuild & Kennel Store Budget - £550,000, plus 10% contingency (2022: £400,000);
- Behaviourist/Puppy Classes - £35,000 (2022: £35,000);
- Vet Services/Pop-Up Clinic - £16,000 (2022: £16,000);
- Educational - £15,000 (2022: £15,000); and
- Pet Grooming- £2,000 (2022: £2,000)

Organisational Funds

- Branding - £10,000 (2022: £10,000);
- Outreach Vehicle - £80,000 (2022: £80,000);
- Outreach Vehicle Running Costs - £60,000 (2022: £60,000);
- Serenity Garden - £180,000(20% funding from Little Valley, rest will be external funding (2022: £150,000);
- ICT Equipment - £10,000 (2022: £10,000).
- Staff Accommodation - £100,000 (2022: £80,000)
- Brixham Shop Purchase - £110,000 (2022: £120,000)
- Rabbitary Rebuild - £350,000 (2022: £150,000)
- Animal Community Officer Van - £25,000 (2022: £25,000)
- Solar Panels £180,000 (2022:£nil)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED

31 DECEMBER 2023

21 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:								
Fixed assets	2,488,991	-	-	2,488,991	2,471,375	-	-	2,471,375
Investments	1,242,213	-	943,713	2,185,926	1,140,995	-	880,682	2,021,677
Current assets / (liabilities)	625,478	1,723,000	16,202	2,364,680	553,671	1,158,000	13,970	1,725,641
	<u>4,356,682</u>	<u>1,723,000</u>	<u>959,915</u>	<u>7,039,597</u>	<u>4,166,041</u>	<u>1,158,000</u>	<u>894,652</u>	<u>6,218,693</u>

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	28,050	29,450
Between two and five years	48,483	65,950
	<u>76,533</u>	<u>95,400</u>

Amounts recognised in the statement of financial activities as an expense during the period in respect of operating lease arrangements was £76,533 (2022: £95,400).

23 Related party transactions

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 £69,282 (2022: £69,654) received from house to house collections.

The charity purchased animal food, drugs and sundries costing £39,603 (2022: £33,752) from the Head Office.

The charity received monies from the Head Office for boarding, veterinary fees and drugs rebate of £12,290 (2022: £8,351).

24 Surplus/(deficit) on shop activity

	2023	2022
	£	£
Income from activities of generating funds	534,958	472,191
Shop purchases and expenses	(475,007)	(422,063)
	<u>59,951</u>	<u>50,128</u>

RSPCA DEVON BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Cash generated from operations

	2023	2022
	£	£
Surplus/(Deficit) for the year	820,904	(248,967)
Adjustments for:		
Dividends, interest and rents	(73,779)	(45,396)
(Gain)/Losses on Investments	(136,507)	214,033
Depreciation and amortisation	78,905	67,597
Profit on sale of fixed asset	(14,840)	-
Introduction of provision	18,250	-
Movements in working capital:		
(Increase)/Decrease in stocks	(53,306)	(2,863)
(Increase)/Decrease in debtors	2,602	596,271
Increase/(Decrease) in creditors	2,199	(3,266)
Cash generated from operations	<u>644,428</u>	<u>577,409</u>