

Charity Registration No. 206300

**RSPCA SUSSEX CHICHESTER
& DISTRICT BRANCH**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2018**

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

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RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Falloon S O'Kane P Marshall P Fitzpatrick N Cockram G Stribling-Wright F O'Kelly	(Appointed 5 March 2018) (Appointed 5 March 2018) (Appointed 5 March 2018) (Appointed 5 March 2018) (Appointed 5 March 2018) (Appointed 10 December 2018) (Appointed 10 December 2018)
Charity number	206300	
Principal address	Mount Noddy Animal Centre Blackmill Lane Eartham Chichester West Sussex PO18 0LL	
Auditor	Walling & Hirst Limited Cawley Place 15 Cawley Road Chichester West Sussex PO19 1UZ	

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the National RSPCA Branch Rules, 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The object of the charity is to promote kindness and good care, and prevent or suppress cruelty to animals by all lawful means with particular reference to the geographic area of the Branch, in accordance with the policies of the National Society.

In planning our activities for the year, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit - running a charity (PB2)'.

The trustees have reviewed and agreed the following strategic aims:

- to support the Society's Inspectorate in their work funding veterinary treatment and emergency accommodation for mistreated or abandoned animals;
- to accept stray and owned animals for rehoming; and ensure healthy, rehoming animals are never euthanised;
- to improve the accommodation and enrichment opportunities for cats and dogs incorporating best practice;
- to increase awareness of the animal centre and its offer;
- to maximise and diversify income streams and voluntary income; and
- to provide volunteering and work experience opportunities in animal care, retail and fundraising.

Achievements and performance

The trustees have reviewed the outcomes and achievements of our activities during the year, to ensure they remain focussed on our charitable aims and continue to deliver public benefit. In putting these strategic aims into action there are five main areas of activity: Mount Noddy Animal Centre, Retail, Governance, Diverse Income Streams and Fundraising and Public Awareness.

The trustees restructured the Branch to create a senior management team: Animal Centre Manager, responsible for Mount Noddy Animal Centre and animal welfare and a Business & Income Generation Manager, responsible for the charity shops and income generation. We also increased the animal care staff team and created new roles of information and foster coordinators.

i. Mount Noddy Animal Centre - rescues, rehabilitates and rehomes cats and dogs. We have an open intake policy and are committed to taking in all cats and dogs in need of our help. Unlike many other animal centres, we do not discriminate on breed or behaviour history when taking in, free of charge, mistreated or abandoned animals, including pets whose owners suffer ill health or financial difficulties or die. We take in lost animals and take steps to reunite them with owners.

During 2018, the Branch took in 120 dogs and 152 cats. We rehomed 224, a total of 95 dogs and 129 cats, compared to 238 (90 dogs and 148 cats) in 2017. In addition, the Branch transferred out 25 animals (9 cats and 16 dogs) to other RSPCA centres and breed specialist rehoming charities, to give them the best chance of finding their forever homes. We had a higher than average number of dogs with health or behaviour issues during the year. This resulted in the average length of stay (dog, 56 days, and cat, 59 days) of several animals increasing, whilst our animal care staff worked alongside our experienced animal behaviourist to get them ready to be rehomed.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

All the animals in our care are vaccinated, neutered, micro-chipped, receive general health checks and rehabilitation and behaviour training where needed. They have a healthy diet, regular exercise and, an individual enrichment programme with our staff team finding a variety of creative ways to keep them occupied and reduce stress levels.

Some animals require surgery, prior to rehoming them. Jeremy and Lulu are just two animals, who required extensive surgery:

Jeremy, a young beagle puppy came to Mount Noddy in August 2018 with a badly fractured pelvis and 2 breaks in his femur, resulting from an accident with a child on a bike. His owner's vet, had referred him to an animal hospital and at it was at this stage, they decided to sign him over to the Branch. He was very stressed in kennels and so initially, he was placed in a family home with one of our foster carers. The vet had advised amputating his leg, however due to his young age, it was felt he should be given the best chance possible to keep his leg and took him see an orthopedic specialist at an RSPCA Animal Hospital in London who had successfully performed surgery on similar injuries. Jeremy underwent a lengthy procedure, which involved pinning a plate over the fracture in his femur. Post-surgery, he required specialist care and rehabilitation, including cage rest, physiotherapy and behaviour training. To help his leg heal our staff continued with his physiotherapy, and arranged for him to have hydrotherapy, cryotherapy, heat therapy and gave him lots of love. Jeremy received a lot of interest from potential adopters but due to his separation related behaviour, and the challenges that come with his breed, it took a little while to find the right home. Jeremy spent a total of six months at Mount Noddy, before a wonderful family who had owned and trained similar breeds, came to meet Jeremy and fell in love with his sweet nature. After several further meetings, he was adopted and we were delighted to hear how well he had settled into his new home and family life, enjoying beach walks, swimming in the sea and scent training.

Lulu, a 13-year-old shorthaired tabby cat was abandoned by her previous owners at a private boarding cattery. She was friendly when she came into Mount Noddy but did find life very stressful and her behaviour declined over time and she started to display aggressive behaviour. After a medical exam to check out if there were any underlying health reasons for her behaviour, she was diagnosed with hyperthyroidism and had surgery to remove her thyroid gland. During the pre-op for her surgery, it was discovered that she had a heart murmur and stage 1 heart disease. The first operation was not successful, so she had to have her other thyroid removed and multiple teeth extracted due dental disease. Lulu had become withdrawn post surgery and was matched with one of our foster carers and spent her recovery period in a family home. Her foster parents fell in love with her, and after she was signed off from the vets, they formally adopted her. She is now enjoying her new life in the West Sussex countryside.

Many of our adopters keep in touch with us post adoption and share stories of the positive impact opening their home and hearts to a rescued cat or dog has made on their lives.

Towards the end of the year, we commissioned a feasibility study to consider the re-development of the Mount Noddy Animal Centre, incorporating best practice in animal welfare and centre facilities.

ii. Retail - The shops generated turnover of £392,231 (2017: £281,471) and generated a net operating profit of £95,843 (2017: £83,168).

We agreed to open a fifth shop in Littlehampton and suitable premises were found in the town centre and it is due to open in 2019. The charity shops also provide a platform to raise awareness of the work we do at Mount Noddy Animal Centre and promote animal welfare. The shops provide a valuable source of low cost, good quality, recycled goods to the benefit of the public and the local environment. Our thanks go to our shop managers and staff for their hard work and maintaining a high standard of customer care and our shop volunteers for their dedication and time they give.

iii. Governance – the trustees reviewed the Committee's status and successfully applied to the Charity Commission to be constituted as a corporate body. We reviewed the trustee numbers and skill mix and embarked on a recruitment campaign to expand the trustee board.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

iv. Diversify income streams – We were able to diversify our income through rental income from a small portfolio of residential and commercial properties in South-West London, a generous legacy to our Branch from the late Ms. Melvin. During 2018, we carried out essential repairs and embarked on a refurbishment programme to the residential properties.

iv. Fundraising and Public Awareness – Our main source of income, other than through the charity shops, rehoming fees, rental income and legacies is from fundraising events. Organising fundraising events that will generate a surplus also provide us with the opportunity to raise public awareness within the geographic area of the Branch.

In April we held a Black Tie Ball attended by 70 people and in December we held our fourth 'Santa in a Camper' event. Due to poor weather conditions the number of outside stalls had to be reduced to accommodate them inside. However, it didn't deter a good turnout with 500 visitors with their dogs (2017: 602) to the Mount Noddy Animal Centre and the Santa event raised £1,669 (2017: £3,770).

We continued to receive support from local companies through corporate volunteering days; match funding and adopting our Branch as Charity of the Year. We would like to thank Wiley, Santander and Eaton Electrical for their support with our fundraising activities.

Our small staff team could not achieve the positive results without the invaluable support of our team of dedicated volunteers. During the year, 35 people attended our volunteer induction sessions and went on to join our team of over 130 active volunteers, who received training and ongoing support. The volunteer activities they undertook ranged from dog walking, cat cuddling, fostering a cat or dog, cleaning the cat and dog accommodation, helping us maintain the grounds, fundraising events, reception cover and volunteering at our charity shops. We thank all our volunteers, for the time they generously give which is not incorporated into the financial statements. If it were, it would equate to a considerable sum.

Financial review

The financial statements cover the activities of RSPCA Sussex, Chichester & District Branch. Income for the year was £1,513,834 (2017: £9,064,015) and Expenditure £797,332 (2017: £768,183). There was a net operating surplus during the year of £617,589. Total reserves at 31st December 2018 are £11,812,804 (2017: £11,195,215). Included in the unrestricted reserves are fixed assets and the investment properties of £7,861,000.

Income

Total income for the year was £1,513,834. We received £830,768 in legacies including: estates of the late Ms. Melvin £193,855; the late Ms. Walker £410,000; the late Ms. Parsons £112,000; the late Mrs Stoneham £48,740; the late Mr. Ball £18,854; the late Mr. Johnson £19,178; the late Mrs Bentley £5,398; and others totaling £22,743. We sincerely thank all of them for remembering animals in need in their Wills.

Expenditure

Total expenditure on charitable activities was £401,322.

Reserves Policy

The charity maintains reserves to cover the impact of unforeseen events, to meet its financial obligations and to set aside funds for future development and/or, to meet future commitments.

We established an unrestricted reserve level of £500,000 in the general fund, to cover the continuing liabilities arising from five shop leases, employment of staff and the animals in our care, in the unlikely event of winding down the charity's activities. This represents six months expenditure, which is in line with Charity Commission guidelines. We will review our reserves policy against the level of reserves held throughout the year, to ensure the policy remains in the charity's best interest.

The trustees established a designated fund of £2,500,000 from the unrestricted reserves, towards the costs of the future redevelopment of the Mount Noddy Animal Centre.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Reserves Policy (continued)

The trustees have wide powers of investment governed and restricted by the Royal Society for the Prevention of Cruelty to Animals Investment Act 1958.

The trustees have invested unrestricted funds across more than one investment provider, to spread the risk across the portfolio in markets that are closely regulated and covered under the Financial Services Compensation Scheme. Whilst interest rates remain low, the investments provide a better return than cash in bank at the present time.

Risks

The trustees actively review the risks, which the charity faces on a regular basis covering operational and financial aspects, and put systems in place to mitigate these risks. The trustees have considered the major risks to which the charity is exposed and have taken steps to mitigate them. For example:

Financial stability: The size of financial commitment has increased considerably during the year as improvements have been carried out, additional staff employed. The financial challenge we face, is to raise income in the region of one million pounds each year to balance our present outgoings. Whilst our assets are in excess of eleven million pounds, the majority is made up from the valuation of the investment property portfolio, rather than immediate liquid assets. The charity will work hard to strengthen its liquid assets to improve facilities onsite for the animals in our care and the longer term future. The charity has robust financial management function and internal financial controls.

Non-financial risks: risks that arise from health & safety of staff, volunteers, adopters and visitors. The Branch adheres to RSPCA policies and guidelines and Health and Safety law and best practice. The charity has entered into a contract with an external provider for health & safety advice and support that includes staff training. The management team regularly carries out risk assessments and appropriate insurance is in place to protect employment, buildings, property and public liability.

Plans for the future

We will develop a strategic plan for 2019-2022 to ensure our future activities remain focused on our charitable aims and objectives. The performance against the new plan will be reviewed quarterly at trustee meetings. We will:

- launch a fundraising appeal for the re-development of the animal centre;
- apply for planning permission to South Downs National Park to re-develop the Mount Noddy Animal Centre, incorporating best practice to improve the animal accommodation, increase capacity and increase the delivery of animal welfare services;
- restore unused woodland owned by the Branch at the rear of the animal centre, with native trees, fauna and flora local to the area to attract wildlife and create an enrichment zone for dog walking;
- secure the boundary of the field owned by the Branch adjoining the animal centre to provide a safe, off the lead field with a separate agility area;
- commission a new website, improve the internet connections and IT infrastructure;
- continue to build our public profile to make Mount Noddy Animal Centre an integral part of the local community. We will use events and social media to showcase our work and improve the rehoming opportunities for the cats and dogs in our care;
- develop a longer-term maintenance programme for the investment properties so they provide a lasting legacy to Mount Noddy Animal Centre;
- continue to diversify our income streams and work towards ongoing financial sustainability to meet the challenges and opportunities in the year ahead; and,
- continue to work in partnership with local organisations and other RSPCA Branches sharing skills and best practice.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

RSPCA Sussex, Chichester & District Branch is a registered charity, structured as an unincorporated charitable association. The charity operates as a separately registered Branch of the National RSPCA, subject to its rules for Branches (as updated 18th February 2009).

The trustees (the Committee) are responsible for the governance, financial management and strategic direction of the charity. The Committee is constituted as a corporate body and consists of between 7 - 14 elected RSPCA members. The trustees do not receive remuneration for their involvement.

New trustees are recruited through RSPCA Branch membership; national charity volunteer websites; networking and word of mouth; and, local media. Candidates for election to the Committee must be nominated in writing by at least two eligible Branch members. Eligible candidates are elected by a majority of Branch members present and voting at the Annual General Meeting (AGM) and candidates must have been members of the RSPCA Branch for three clear months prior to nomination. Members of the Committee are elected to serve until the next AGM, unless their term of office is brought to an end at an earlier date.

New trustees are inducted into the Branch, its policies and procedures; the RSPCA Guidance for Branch trustees; Branch rules; trustees' roles and responsibilities and given a copy of the Charity Commissions' 'The Essential Trustee' - What you Need to Know leaflet.

The Committee held regular meetings during the year at which decisions were made and day-to-day running was delegated to the Animal Centre Manager and Business & Income Generation Manager and their respective staff teams for actioning.

Remuneration policy

The trustees are ultimately responsible for setting remuneration levels for the senior management personnel and other key staff positions. This task is delegated to the Finance & Property Sub Committee. In deciding the band levels of pay, the following factors are taken into consideration: the potential financial impact to the Branch of loss of key staff and therefore the retention of good staff is considered essential; ability to attract the right calibre of staff and in this respect, salaries are benchmarked against similar organisations as well as local market pay rates. National minimum and living wage requirements are also key parameters together with the Branch's ability to pay, including in the longer term.

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

D Harris	(Resigned 19 December 2018)
P Baxter	(Resigned 5 March 2018)
J Picconi	(Resigned 5 March 2018)
M Falloon	(Appointed 5 March 2018)
C Waterworth	(Appointed 5 March 2018 and resigned 1 December 2018)
S O'Kane	(Appointed 5 March 2018)
A Gofton	(Appointed 5 March 2018 and resigned 19 November 2018)
J Thatcher	(Appointed 5 March 2018 and resigned 19 November 2018)
P Marshall	(Appointed 5 March 2018)
P Fitzpatrick	(Appointed 5 March 2018)
N Cockram	(Appointed 5 March 2018)
G Stribling-Wright	(Appointed 10 December 2018)
F O'Kelly	(Appointed 10 December 2018)

Key Management Personnel

Animal Centre Manager	Susie Carter (resigned July 2018) Sue Botherway (appointed 6th August 2018)
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Business & Income Generation Manager	Clare Palmer
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RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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



N Cockram

Trustee

Dated: 14 MAY 19

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

Opinion

We have audited the financial statements of RSPCA Sussex, Chichester & District Branch (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its 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

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 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.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

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.

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

Other matter

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.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

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 auditors' 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.



Matthew Robert James Housden FCCA (Senior Statutory Auditor)
for and on behalf of Watling & Hirst Limited

..... 21.5.19

Chartered Certified Accountants
Statutory Auditor

Cawley Place
15 Cawley Road
Chichester
West Sussex
PO19 1UZ

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

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds general 2018 £	Unrestricted funds designated 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Income from:						
Donations and legacies	3	870,193	-	2,427	872,620	8,463,313
Charitable activities						
Adoption fees		23,809	-	-	23,809	23,566
Other trading activities	4	407,080	-	-	407,080	294,878
Investments	5	210,325	-	-	210,325	282,258
Total income		1,511,407	-	2,427	1,513,834	9,064,015
Expenditure on:						
Raising funds	6	396,010	-	-	396,010	271,837
Charitable activities						
Animal Centre	7	401,322	-	-	401,322	496,346
Total charitable expenditure		401,322	-	-	401,322	496,346
Total resources expended		797,332	-	-	797,332	768,183
Net gains/(losses) on investments	11	(98,913)	-	-	(98,913)	1,540,250
Net incoming resources before transfers		615,162	-	2,427	617,589	9,836,082
Gross transfers between funds		(2,500,000)	2,500,000	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(1,884,838)	2,500,000	2,427	617,589	9,836,082
Fund balances at 1 January 2018		11,190,792	-	4,423	11,195,215	1,359,133
Fund balances at 31 December 2018		9,305,954	2,500,000	6,850	11,812,804	11,195,215

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	12		838,534		842,179
Investment properties	13		7,861,000		7,861,000
			<u>8,699,534</u>		<u>8,703,179</u>
Current assets					
Stocks	14	5,006		5,939	
Debtors	15	888,559		468,120	
Investments	16	2,050,674		-	
Cash at bank and in hand		242,011		2,236,042	
			<u>3,186,250</u>	<u>2,710,101</u>	
Creditors: amounts falling due within one year	17		<u>(72,980)</u>	<u>(218,065)</u>	
Net current assets			<u>3,113,270</u>	<u>2,492,036</u>	
Total assets less current liabilities			<u><u>11,812,804</u></u>	<u><u>11,195,215</u></u>	
Income funds					
Restricted funds	18		6,850		4,423
<u>Unrestricted funds</u>					
Designated funds	19	2,500,000		-	
General unrestricted funds		9,305,954		11,190,792	
			<u>11,805,954</u>	<u>11,190,792</u>	
			<u><u>11,812,804</u></u>	<u><u>11,195,215</u></u>	

The financial statements were approved by the Trustees on 14/5/2019


M Fallon
Trustee


N Cockram
Trustee

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(31,226)		8,088,273
Investing activities					
Purchase of tangible fixed assets		(23,658)		(19,011)	
Proceeds on disposal of tangible fixed assets		115		3,165	
Purchase of investment property		(98,913)		(6,320,750)	
Proceeds on disposal of other investments		(2,050,674)		-	
Interest received		210,325		282,258	
Net cash used in investing activities			(1,962,805)		(6,054,338)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,994,031)		2,033,935
Cash and cash equivalents at beginning of year			2,236,042		202,107
Cash and cash equivalents at end of year			<u>242,011</u>		<u>2,236,042</u>

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Charity information

RSPCA Sussex, Chichester & District Branch is an unincorporated charity. The branch was formed in 1961, and became a registered charity on 29th January 1964.

1.1 Accounting convention

The accounts have been prepared in accordance with the RSPCA branch rules, effective from 1st January 2006, 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)" (as amended for accounting periods commencing from 1 January 2016). 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 accounts have been prepared under the historical cost convention, modified to include include investment properties at fair value. The principal accounting policies adopted are set out below.

There are no material uncertainties about the charity's ability to continue as a going concern.

1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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.

1.3 Incoming resources

Income is recognised and included in the accounts once the charity has entitlement to the funds, any performance conditions attached to the income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- The date on which the charity is aware that probate has been granted;
- The estate has been finalised and notification has been made by the executor(s) to the Centre that a distribution will be made; or
- When distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Goods donated for resale are included as income when they are sold.

Donated goods for ongoing use by the charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations.

Income received in advance of any service is deferred until the criteria for income recognition are met.

Income received in respect of rents from investment properties is recognised on a straight line basis in line with the lease.

1.4 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

1.5 Tangible fixed assets

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

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:

Freehold buildings	2.5% straight line basis
Leasehold land and buildings	straight line over lease term
Plant and equipment	10% reducing balance basis

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 net income/(expenditure) for the year.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

1.8 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.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.13 Current asset investments

Current asset investments consist of cash deposits held within a variety of different institutions. Deposits are made for a minimum period of three months.

Interest is accrued on a daily basis and is recognised within the financial statements within the year to which the interest relates.

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 general	Restricted funds	Total	Total
	2018	2018	2018	2017
	£	£	£	£
Donations and gifts	39,425	2,427	41,852	71,075
Legacies receivable	830,768	-	830,768	8,392,238
	<u>870,193</u>	<u>2,427</u>	<u>872,620</u>	<u>8,463,313</u>
For the year ended 31 December 2017	<u><u>8,458,890</u></u>	<u><u>4,423</u></u>		<u><u>8,463,313</u></u>

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Donations and legacies (Continued)

Legacies receivable

Melvin	193,855	-	193,855	8,185,544
Walker	410,000	-	410,000	-
Parsons	112,000	-	112,000	-
Other	114,913	-	114,913	206,694
	830,768	-	830,768	8,392,238
	830,768	-	830,768	8,392,238

4 Other trading activities

	Unrestricted funds general 2018 £	Total 2017 £
Fundraising activities	10,534	8,634
Sale of goods - charity shops	392,231	281,471
Sale of goods - rehoming centre	4,315	4,773
	407,080	294,878
	407,080	294,878

5 Investments

	Unrestricted funds general 2018 £	Total 2017 £
Rental income	198,429	282,164
Interest receivable	11,896	94
	210,325	282,258
	210,325	282,258

6 Raising funds

	2018 £	2017 £
<u>Trading costs</u>		
Operating charity shops	159,240	96,128
Staff costs	109,764	87,155
Depreciation	7,544	7,961
Support costs	19,840	7,059
	296,388	198,303
	296,388	198,303

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Raising funds	(Continued)	
Investment property costs	99,622	73,534
	<u>396,010</u>	<u>271,837</u>
7 Charitable activities	2018	2017
	£	£
Staff costs	184,048	120,924
Depreciation	19,644	18,172
Rates, water and refuse	7,565	6,286
Light and heat	18,254	19,459
Repairs and renewals	13,855	9,752
Insurance	949	1,965
Veterinary fees, drugs and food	78,975	52,414
Training costs	10,340	1,201
Consumables	3,290	7,518
Goods for resale/fundraising costs	13,149	11,718
	<u>350,069</u>	<u>249,409</u>
Share of support costs (see note 8)	10,541	26,733
Share of governance costs (see note 8)	40,712	220,204
	<u>401,322</u>	<u>496,346</u>
Analysis by fund		
Unrestricted funds - general	401,322	
	<u>401,322</u>	
For the year ended 31 December 2017		
Unrestricted funds - general		496,346
		<u>496,346</u>

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Office and advertising	5,985	-	5,985	5,610
Telephone	1,555	-	1,555	1,823
Miscellaneous expenses	1,735	-	1,735	14,444
Motor expenses	3,159	-	3,159	4,923
Fixed assets disposal	3,048	-	3,048	3,165
Disallowable VAT	115	-	115	750
Auditors' remuneration	-	13,960	13,960	14,540
Legal and professional	-	41,536	41,536	208,741
	<u>15,597</u>	<u>55,496</u>	<u>71,093</u>	<u>253,996</u>
Analysed between				
Trading	5,056	14,784	19,840	7,059
Charitable activities	10,541	40,712	51,253	246,937
	<u>15,597</u>	<u>55,496</u>	<u>71,093</u>	<u>253,996</u>

Governance costs includes payments to the auditors of £8,900 (2017- £12,000) for audit fees.

9 Trustees

None of the trustees received any remuneration or benefits from the charity during the year.

The spouse of trustee P Marshall received remuneration of £11,221 during the year in respect of hours worked in the Horsham charity shop.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2018	2017
	Number	Number
	32	17
	<u>32</u>	<u>17</u>
Employment costs	2018	2017
	£	£
Wages and salaries	250,234	182,008
Social security costs	39,463	26,071
Other pension costs	4,115	-
	<u>293,812</u>	<u>208,079</u>

No staff member received emoluments exceeding £60,000.

There were a total of 18.25 (2017: 7) full time equivalent employees in the year.

11 Net gains/(losses) on investments

	Unrestricted funds general 2018 £	Total 2017 £
Revaluation of investment properties	<u>(98,913)</u>	<u>1,540,250</u>

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Tangible fixed assets

	Freehold buildings	Leasehold land and buildings	Plant and equipment	Total
	£	£	£	£
Cost				
At 1 January 2018	805,445	58,784	32,484	896,713
Additions	-	-	23,658	23,658
Disposals	-	-	(366)	(366)
At 31 December 2018	805,445	58,784	55,776	920,005
Depreciation and impairment				
At 1 January 2018	17,586	13,426	23,522	54,534
Depreciation charged in the year	17,586	7,544	2,058	27,188
Eliminated in respect of disposals	-	-	(251)	(251)
At 31 December 2018	35,172	20,970	25,329	81,471
Carrying amount				
At 31 December 2018	770,273	37,814	30,447	838,534
At 31 December 2017	787,859	45,358	8,962	842,179

13 Investment property

	2018 £
Fair value	
Additions through external acquisition	98,913
Net gains or losses through fair value adjustments	(98,913)
At 1 January 2018 and 31 December 2018	7,861,000

Investment property comprises a portfolio of residential and commercial properties in South-West London. The fair value of the investment property has been arrived at on the basis of a valuation carried out by Peter N Dickin & Co Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

14 Stocks

	2018 £	2017 £
Finished goods and goods for resale	5,006	5,939

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Debtors		
	2018	2017
Amounts falling due within one year:	£	£
Other debtors	31,146	238,006
Prepayments and accrued income	857,413	230,114
	<u>888,559</u>	<u>468,120</u>
16 Current asset investments		
	2018	2017
	£	£
Cash equivalents on deposit	2,050,674	-
	<u>2,050,674</u>	<u>-</u>
17 Creditors: amounts falling due within one year		
	2018	2017
	£	£
Other taxation and social security	10,250	2,714
Trade creditors	21,071	18,448
Other creditors	589	13,325
Accruals and deferred income	41,070	183,578
	<u>72,980</u>	<u>218,065</u>

18 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 2018	Movement in funds	Balance at 31 December 2018
	£	Incoming resources	£
		£	
Operation Fund	4,423	2,427	6,850
	<u>4,423</u>	<u>2,427</u>	<u>6,850</u>

The Operation Fund represents funds raised for a hip operation required by dog, Steve.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 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:

	Transfers	Balance at 31 December 2018
	£	£
Redevelopment fund	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>

The Redevelopment Fund was set up to contribute towards the costs of the future redevelopment of the Mount Noddy Animal Centre.

20 Analysis of net assets between funds

	Unrestricted funds 2018 £	Designated funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Fund balances at 31 December 2018 are represented by:					
Tangible assets	838,534	-	-	838,534	842,179
Investment properties	7,861,000	-	-	7,861,000	7,861,000
Current assets/(liabilities)	606,420	2,500,000	6,850	3,113,270	2,492,036
	<u>9,305,954</u>	<u>2,500,000</u>	<u>6,850</u>	<u>11,812,804</u>	<u>11,195,215</u>

21 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:

	2018 £	2017 £
Within one year	<u>200,000</u>	<u>144,267</u>

Operating lease commitments comprise four leases with monthly rents of £1,750 (16 months remaining), £2,183 (20 months remaining), £2,083 (34 months remaining) and £1,250 (46 months remaining).

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	49,154	42,241

23 Cash generated from operations

	2018 £	2017 £
Surplus for the year	617,589	9,836,082
Adjustments for:		
Investment income recognised in statement of financial activities	(210,325)	(282,258)
Fair value gains and losses on investment properties	98,913	(1,540,250)
Depreciation of tangible fixed assets	27,188	26,133
Movements in working capital:		
Decrease/(increase) in stocks	933	(3,639)
(Increase) in debtors	(420,439)	(132,992)
(Decrease)/increase in creditors	(145,085)	185,197
Cash (absorbed by)/generated from operations	(31,226)	8,088,273