

Charity Registration No. 206300

**RSPCA SUSSEX CHICHESTER
& DISTRICT BRANCH**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2020**

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

M Falloon
P Marshall
N Cockram
G Stribling-Wright
F O'Kelly
I Glenister
A Faye
C Penhallurick

(Appointed 19 August
2020)

R Mills

(Appointed 19 August
2020)

Charity number

206300

Principal address

Mount Noddy Animal Centre
Blackmill Lane
Eartham
Chichester
West Sussex
PO18 0LL

Auditor

Watling & Hirst Limited
Cawley Place
15 Cawley Road
Chichester
West Sussex
PO19 1UZ

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

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RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020


Welcome from Nicholas Cockram Chair:

We were delighted to appoint Dr Bruce Fogle, MBE, as our President. He is a veterinary expert and author who has dedicated his life and career to the welfare of animals. We have ambitious plans for the centre and are so grateful for Bruce's support. Bruce brings a depth of experience and vision to the board that is most welcome.

2020 has tested our resilience as we adapted our way of working during the pandemic, keeping our staff and animals safe. Our five charity shops, as non-essential shops, were closed for a third of the year, with the resulting loss of income. Mount Noddy Animal Centre, as other animal shelters around the country, closed to the public from 24 March for the remainder of the year. Whilst we were able to furlough our shop staff during closure, we were unable to furlough our animal centre staff. At the beginning of the first lockdown we had 40 cats and dogs at Mount Noddy who needed to be cared for by our committed staff team.

Post year-end, and at the time of writing, although still living under the restrictions of Covid-19, the £3.42m redevelopment of Mount Noddy Animal Centre got underway. The 4 January 2021 was a monumental day for the trustees, staff and volunteers as we embarked on the 'The Mount Noddy Big Build', a 13-month project. The end result will be state of the art accommodation and facilities for cats and dogs, designed and built to high animal welfare standards.

We thank our staff at Mount Noddy and the Shops for their extraordinary commitment and professionalism during the pandemic. Our work at Mount Noddy and the surrounding areas in West Sussex wouldn't be possible without our supporters, donors, partners, volunteers and on behalf of my fellow trustees, we thank you.



.....
N Cockram

Chairman

Dated:

26/5/2021

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and the audited financial statements of the charity for the year ended 31 December 2020.

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 six 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, rehomeable 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.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

To ensure activities remain focused on our charitable aims and continue to deliver public benefit, the trustees have reviewed the outcomes and achievements during the year.

In 2020, our four main areas of activity were: 1. Mount Noddy Animal Centre 2. Charity Shop Retail 3. Governance & Management and 4. Fundraising and Public Awareness.

1. Mount Noddy Animal Centre

At Mount Noddy Animal Centre we rescue, rehabilitate and rehome cats and dogs. We have an open intake policy and are committed to taking in all cats and dogs in need of our help and we are open every day, to respond to their needs. Unlike many other animal centres, we do not discriminate on breed or behavior history, when taking in unwanted animals. We support our local RSPCA inspectors by taking in, free of charge, rehabilitating and rehoming cats and dogs suffering from neglect, abuse and animals that have been abandoned. We also take in pets whose owners suffer ill health, financial difficulties or die and lost animals and take proactive steps to reunite them with owners.

During 2020, the Branch took in 157 animals (29 dogs and 128 cats), compared to 325 animals in 2019. We rehomed 164, compared to 269 in 2019. The Branch transferred out 3 dogs to other RSPCA centres and breed specialist rehoming charities, to give them the best chance of finding their forever homes. In addition, 9 stray animals were reunited with their owners and due to ill health, 9 animals (6 dogs and 3 cats) were euthanised.

All the animals that arrive at Mount Noddy Animal Centre have a full health check where their body condition, skin, limbs, and gait are all checked. The animals are vaccinated, micro-chipped, neutered, and treated for parasites. Geriatric cats and dogs also have blood and urine tests to check liver and kidney functions. Any health conditions advised by the vet are thoroughly investigated and treated. During their stay at the Centre the cats and dogs have a healthy diet, regular exercise and, an individual enrichment programme. Our staff team are creative at finding a variety of ways to keep them stimulated that help to reduce stress levels and aid rehabilitation. Positive training methods are used to address any behavioral issues.

When lockdown began in March 2020, there were 40 animals (11 dogs and 29 cats) at the animal centre. The centre was closed to all non-essential staff and volunteers during this time and adoptions were not able to go ahead. When restrictions began to ease, DEFRA set out guidelines for adoption. These included virtual home visits, virtual meetings and travel restrictions. As key workers, the animal care staff were able to travel within an hour to take the dogs and cats to their new homes.

The behaviour and welfare advisor worked hard during the year to ensure the welfare needs of all the dogs and cats were met during the times we had to close to volunteers. With no offsite walks for the dogs, or volunteer company for the cats, the team developed enrichment and training ideas to keep them stimulated. The team also had to adapt to changes in the adoption process, moving to virtual home visits and social distance dog walks with the new adopters.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1.1 Case study - Dede

Max was signed over the branch as his owner was fleeing domestic violence. A 2-year-old Shar Pei, he was suffering a flare up of his skin allergies at the time of arrival, no doubt exacerbated by the stressful kennel environment. A lovely and friendly boy, Max had clearly been a much-loved member of the family. Confident with other dogs and well socialised with children, he began to settle into the centre. He underwent treatment for his skin as well as an operation on his eyes as he suffered from entropion. Once cleared for adoption by the veterinary team, he went up for adoption and now lives with a lovely new family.



1.2 Case study - Brave

Kingsley was transferred by a busy city branch as she was looking for a quiet countryside home to meet her needs. She had been found locked in a flat and didn't settle well at Mount Noddy, being confined to a small pen. The team tried out new enrichment ideas on her, such as catnip grass trays, and scented bunting to keep her stimulated and prevent boredom. Kingsley was very frustrated and although had lots of interest when she was available for adoption it took a while for her ideal home to come along. She knew when she had had enough attention and could be a little temperamental and so the team started looking for a rural home for her where she would have space to roam and be able to have time away from her humans when she wanted to. She went off to her new home with a family who appreciate all her quirks.



RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1.3 Foster scheme

During the year we continued to take in local animals in need and with the lockdown restrictions, the fostering scheme came into its element. It has successfully fostered and rehomed a total of 53 animals, 41 cats and kittens and 12 dogs. (62 in 2019). We have 30 volunteer foster carers who generously opened their homes and hearts, providing pregnant cats and kittens and dogs the opportunity to experience the normality of a loving home life, whilst find their perfect match adopters.

Providing pregnant cats and kittens with foster homes really improves the socialisation they receive, and once adopted, helps them successfully settle into new homes. The dogs in foster during the year have been on a medical basis, which has taken up a significant period of time, both in the foster homes, and coordinating their care.

The branch is keen to develop the foster programme to meet the needs of supporters wishing to foster but are restricted by their working hours. Plans to launch a 'bed and breakfast' scheme were sadly put on hold this year but is currently being explored. This would enable the branch to take on more foster homes for help animals struggling with kennel life. Focused on dogs, volunteers would be able to foster dogs overnight – providing bed and breakfast, and the dog would then spend the day at the centre and be available to meet potential homes. Dogs would benefit from a less stressful environment overnight and would aid with their rehabilitation and their additional training needs could be met.

Case study – foster home

Jackson sadly passed through multiple homes in 2020 before being signed over to our care. A sweet and friendly boy, he craved human company and really struggled in kennels. He was put on behaviour medication to ease his stress while a foster home was found. After 3 weeks at the centre he moved into a foster home, where he gradually settled and gained confidence. He bonded closely with his foster parents who helped him feel secure and happy. They worked on building up being left alone, and his sociability around other dogs out and about. After a month in a foster home he found his perfect match with a family in Hertfordshire.



RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1.4 Cats at Work

We receive several feral cats throughout the year, brought to us by Inspectors for rehoming or to be part of the Trap, Neuter and Release (TNR) programme. Feral cats that come into our care have rarely had any human contact, can't be handled and find it incredibly stressful being around humans. For welfare reasons, they cannot be rehomed as a pet into a household, but this does not exclude them from being rehomed at all. Whilst under our care, they are given everything they need; those with long fur are unable to be groomed so matts are shaved at the vets when they visit for neutering. Pregnant or nursing females are left to raise their litter until they are old enough to be separated and the kittens rehomed as family cats. The mother will then be micro chipped, vaccinated, and treated for parasites, before being rehomed in a safe, rural area, typically on a farm as a 'working cat'. In some cases, as part of the TNR programme, the cats must return to the place of capture, so once they are neutered to control the growing cat population, we return them to their original territory. We rehomed 10 feral cats to farms and stables compared to 30 in 2019, and neutered a further 9, which were returned to feeders in the local area.

Case Study – Working Cat

Zebadee was 1 years old when she came to be cared for by the branch. She was from a multicat household with 5 other cats and had not been socialised with humans at all. Although she had not been outside before she was young enough to adapt to living on a farm and would not have coped in a domestic home. Zebadee was found to be pregnant and had 3 kittens. Once the kittens were 4 weeks old they were weaned from her in order to be hand reared and socialised ready for a pet home, and Zebadee was neutered and vaccinated before going to live on a livery yard as a working cat.



1.5 Redevelopment of Mount Noddy Animal Centre

We went out to tender and awarded Beard Construction the £3.42m contract to bring our vision for the new centre to life. ACD Projects, animal welfare experts in design and building management who had carried out the design phase, were appointed to project manage the build.

2. Charity Retail Shops

The shops generated a turnover of £305,916, (2019: £448,944). Due to Covid-19, our shops were closed a 1/3rd of the year and made an operating loss of £18,842 compared to the profit of £77,880 in 2019. The shop staff team were furloughed during the lockdowns and once the shops were able to re-open, worked hard to sort, prepare and display the donated stock to maximise the sales opportunities in the run up to Christmas.

The charity shops' sales raise vital funds towards the operating costs of Mount Noddy Animal Centre. It was not only the financial loss of sales felt during the year, but the loss of preloved clothes and other items that sadly ended up in local landfill sites instead of our shops.

When the shops were open, our shop managers complied with strict Covid-19 procedures to ensure the safety of our staff, volunteers and customers. 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.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3. Governance & Management

We were delighted when Dr Bruce Fogle MBE, agreed to become the branch's new President. As a veterinary expert who has dedicated his life and career to the care of animals, he is the ideal appointment for the animal centre, which provides essential care and rehoming for hundreds of cats and dogs.

As well as running a successful veterinary practice, Bruce has written guides on the care and training of dogs and cats for the RSPCA as well as many scientific articles on veterinary practice. His expertise will be a valuable addition to the dedicated and passionate team at Mount Noddy.



Speaking about his appointment, Bruce said: "I'm delighted to join the team at Mount Noddy. I've lived locally since 1989 so I'm familiar with the centre's warm history of caring for neglected animals since opening in 1969. The team is enthusiastic and committed to protecting cats and dogs. I look forward to representing the centre and sharing their excellent work."

We welcomed two new trustees who were elected by members at the AGM in December, Claire Penhallurick and Rachael Mills.

In October we appointed a Fundraising Manager to increase and diversify income streams, to develop a 3-year fundraising strategy and to launch the 'Mount Noddy Big Build' appeal.

The trustees applied for a £1.5m loan from CAF Bank to part-finance the re-development of Mount Noddy. The loan was approved subject to due diligence. The trustees reviewed the portfolio of investment properties that provide rental income towards the annual operating costs. They agreed to sell 4 Riverdale in Twickenham and appointed Knight Frank to market the property. They also agreed to sell the advertising hoardings in West London.

Our small staff team could not achieve the positive results without the invaluable support of our team of dedicated volunteers. We missed not having the active support of our animal centre and shop volunteers who were unable to undertake a range of vital activities from dog walking, cat cuddling, fostering a cat or dog, cleaning the cat and dog accommodation, helping us maintain the grounds, reception cover and volunteering at our charity shops. Our fundraising volunteers continued to meet virtually, share ideas and help with the virtual events.

We look forward to welcoming our volunteers back and thank all of them for the time they generously give, which is not incorporated into the financial statements. If it were, it would equate to a considerable sum.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4. Fundraising and Public Awareness

Our income sources are: our charity shops; rehoming fees; property rental income; donations and legacies. We rely on volunteers to assist with organising fundraising events that also provide an opportunity to raise public awareness of Mount Noddy Animal Centre.

In October we launched our new website, along with exciting fundraising and engagement ideas for our supporters to get involved. This included 'become a Friend of Mount Noddy', where for a monthly donation people receive a quarterly e-newsletter, an invitation to an annual Friends Open Day. We hope to expand our Friends database more in the coming year and be able to welcome people to our new Centre for talks. Other initiatives include sponsor a kennel or cat pen and receiving regular updates with letters from staff and volunteers at the animal centres and photos and stories about animals you're helping. Visit our website: www.rspcasussexchichester.org.uk.

All our funding streams were severely impacted with the lockdown restrictions during the year. Our shops, classified non-essential retail were closed from the beginning of lockdown 1, with Mount Noddy Animal Centre closed to the public our rehoming fees reduced and our other income generation activities were restricted. During the year we sadly had to either cancel or postpone some of our planned events, our annual dog show and a golf fundraising event at Goodwood. Fortunately, several of our animal care assistants are social media savvy and created fun virtual events for our supporters to take part in.

Whilst unable to reach people in our region by more conventional means during lockdown we contacted both Parish and LocalLife magazines throughout our region, furnishing them with articles about the Big Build and inviting them to visit our webpage and donate or sponsor. All those contacted, published for us.

These are some of the activities and virtual events that took place.

- Launched our new website
- 'Sharing the love' Valentine's Day weekend at Pets at Home
- Home Pet Show with a variety of categories including 'best in show' judged by our President, Bruce Fogle, MBE
- RSPCA 'One Fun Day' with a halloween theme
- Launched the 'Mount Noddy Big Build' Appeal
- Feline & Furrries photo competition
- The dream run challenge



We were proud to be finalists in the Animal Star Awards rescue and rehoming centre of the year.

Partnerships - We were delighted when BrightWord, a local Marketing and PR agency in Chichester offered their skills on a pro bono basis.

BrightWord have helped increase coverage in local press in order to raise the general brand awareness of our charity and its work while also encouraging donations. Press activity to date has included the announcement of Bruce Fogle as President, the launch of The Big Build project and the promotion of various fundraising campaigns over the past 9 months. There have also been interviews with Bruce and Susan, our Animal Centre Manager, about the animal centre. Coverage has been secured in Chichester Observer, Sussex Life, West Sussex Gazette, West Sussex County Times, Littlehampton Gazette and Greatest Hits Radio (formerly Spirit FM).

Rachel Soothill said: "As dog owners ourselves, we were all very excited to work with the team at Mount Noddy to raise awareness of the wonderful work they do and care they give to animals. We are passionate about supporting our local community and have been aware of the animal centre for many years so are

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

thrilled to give our time to help encourage donations and support. From the outset, the team have been wonderful to work with - so inspiring and full of passion and ideas. We hope we can continue to help in any way we can."

Working with another partner, South Downs National Park, a group of volunteers cleared by hand the area of overgrown woodland known as the copse. This prepared the land for the development of a wildlife walk for the dogs and visitors to Mount Noddy, and hopefully somewhere for the soft release of rehabilitated wildlife. The South Downs National Park are also working closely with the branch on their 'Take the Lead' campaign, educating dog owners on the importance of walking dogs on lead through the national park.

We were charity of the year with Mary Puppins Pet Pantry, a family run local pet shop collected donations for animal at the centre throughout December as part of their Christmas Charity Appeal.

We continued to receive support from Wiley Publishing through a long- time volunteer who works for the company.

Responsible dog ownership – the majority of dog owners enjoy the countryside and correctly dispose of 'doggy bags'. During lockdown, our animal care assistants found an increasing amount of abandoned bags in Eartham Woods. To help promote responsible dog ownership, they took grab sticks and bags on their walks with Mount Noddy dogs to clean up the woodland.



Risks

The trustees actively review the risks, which the charity faces covering operational and financial aspects, and has 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:

- **Re-development of Mount Noddy Animal Centre:** The contract sum is £3.42m and the associated risks are insufficient income to repay the bank loan and or, sell one of the investment properties. In addition, not raising sufficient funds from the 'Mount Noddy Big Build' appeal to fit out the animal centre.
- **Financial stability:** The financial challenge we face is to raise income in the region of more than one million each year to balance our present outgoings. The charity will work hard to strengthen its annual revenue, to future proof the ongoing operating costs of the re-developed, improved facilities for the animals in our care. 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.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The financial statements cover the activities of RSPCA Sussex, Chichester & District Branch. Income for the year £1,185,215 (2019: £1,053,455) and Expenditure £850,799 (2019: £1,067,556). There was a net operating deficit during the year of £318,705. Total reserves at 31 December 2020 are £11,671,408 (2019: £11,990,113). Included in the unrestricted reserves are fixed assets and the investment properties of £7,410,000, (valuation 31 December 2020). Whilst our assets are in excess of eleven million, the majority is made up from the valuation of the investment rental properties, rather than immediate liquid assets. We carried out repair and maintenance work on the properties, fulfilling our Landlord responsibilities to keep the buildings in a good state of repair. The rental income from the investment properties contributes towards the operating costs of the animal centre.

Income

Total income for the year was £1,185,215. We received £338,907 in legacies including: estates of the late Ms D Hodgson £172,286, Ms K Walker £10,306, Ms A Cox £100,000, Ms P Petworth £10,000 and others £46,315. We are extremely grateful to them and the other individuals during the year for remembering animals in need in their Wills.

Expenditure

Total expenditure for the year was £850,799.

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 reserve's policy against the level of reserves held throughout the year, to ensure the policy remains in the charity's best interest.

The trustees have an unrestricted designated reserve fund for the redevelopment of Mount Noddy Animal Centre of £2,868,536, a reduction of £291,264 due to costs incurred during the year.

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.

Plans for the future

In 2021, our focus will be very much about the re-development of Mount Noddy Animal Centre. The build is scheduled to be finished January 2022 with the new cattery and new kennels being up and running before the end of 2021. Covid-19 still presents challenges to every aspect of how we operate and taking that into consideration, we will:

- raise the profile of the Mount Noddy Big Build funding appeal to complete the fit out of the animal centre;
- hold the Golf fundraising event at Goodwood;
- review and increase the number of branch trustees;
- participate in the government scheme Kickstart by offering Retail Assistant positions in our shops to 16-24 year olds, at risk of long-term unemployment due to Covid;
- recruit new volunteers for the animal centre, shops and fundraising events;
- pilot with Shopiigo selling donated stock on Ebay;
- launch 'Mount Noddy Pet Promise';
- seek sponsorship and partnerships with local businesses
- 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 2020

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 18 February 2009).

The trustees are responsible for the governance, financial management and strategic direction of the charity. The trustees, are 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; word of mouth; and, local media.

Candidates for election as trustee 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). Candidates must have been members of the RSPCA Branch for three clear months prior to nomination. Members of the Trustee Board are elected to serve until the next AGM, unless their term of office is brought to an end at an earlier date. The Trustee Board can co-opt up to three trustees during the year and they serve until the next AGM, when they must stand down and if Branch members, may stand for election.

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 Commission's 'The Essential Trustee – What you Need to Know' leaflet.

The trustees met regularly (virtually) throughout the year and any decisions made in between meetings via email, were ratified at the next meeting. The day-to-day running is delegated for action to the Animal Centre Manager, Shops' Group Manager and their respective staff team.

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.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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

M Falloon

S O'Kane

(Resigned 23 September 2020)

P Marshall

N Cockram

G Stribling-Wright

F O'Kelly

T Davidson

(Resigned 18 February 2020)

I Glenister

A Faye

C Penhallurick

(Appointed 19 August 2020)

R Mills

(Appointed 19 August 2020)

Key Management Personnel

Animal Centre Manager Susan Botherway

Shops' Group Manager Katie Marshall

Fundraising Manager Jenny Eden

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



.....
N Cockram

Trustee

Dated: ... 26/5/2021

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 2020 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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.

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.

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.



Watling & Hirst Limited

.....10/06/2021

**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 2020

Current financial year

| | | Unrestricted funds general 2020 £ | Unrestricted funds designated 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Total 2019 £ |
|---|-------|---|--|----------------------------------|--------------------|--------------------|
| | Notes | | | | | |
| Income from: | | | | | | |
| Donations and legacies | 3 | 392,007 | - | 1,700 | 393,707 | 347,072 |
| Government Covid-19 grants | 3 | 175,698 | - | - | 175,698 | - |
| Charitable activities | | | | | | |
| Adoption fees | | 13,345 | - | - | 13,345 | 23,032 |
| Other trading activities | 4 | 309,058 | - | - | 309,058 | 459,642 |
| Investments | 5 | 293,407 | - | - | 293,407 | 223,709 |
| Total income | | 1,183,515 | - | 1,700 | 1,185,215 | 1,053,455 |
| Expenditure on: | | | | | | |
| Raising funds | 6 | 406,879 | - | - | 406,879 | 615,753 |
| Charitable activities | | | | | | |
| Animal Centre | 7 | 443,920 | - | - | 443,920 | 451,803 |
| Total charitable expenditure | | 443,920 | - | - | 443,920 | 451,803 |
| Total resources expended | | 850,799 | - | - | 850,799 | 1,067,556 |
| Net gains/(losses) on investments | 11 | (653,121) | - | - | (653,121) | 191,410 |
| Net (outgoing)/incoming resources before transfers | | (320,405) | - | 1,700 | (318,705) | 177,309 |
| Net (outgoing)/incoming resources before transfers | | (320,405) | - | 1,700 | (318,705) | 177,309 |
| Gross transfers between funds | | 291,264 | (291,264) | - | - | - |
| Net (expenditure)/income for the year/ Net movement in funds | | (29,141) | (291,264) | 1,700 | (318,705) | 177,309 |
| Fund balances at 1 January 2020 | | 8,823,463 | 3,159,800 | 6,850 | 11,990,113 | 11,812,804 |
| Fund balances at 31 December 2020 | | 8,794,322 | 2,868,536 | 8,550 | 11,671,408 | 11,990,113 |

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

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

| Prior financial year | | Unrestricted funds general 2019 £ | Unrestricted funds designated 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|---|-------|---|--|----------------------------------|--------------------|
| | Notes | | | | |
| <u>Income from:</u> | | | | | |
| Donations and legacies | 3 | 347,072 | - | - | 347,072 |
| <u>Charitable activities</u> | | | | | |
| Adoption fees | | 23,032 | - | - | 23,032 |
| Other trading activities | 4 | 459,642 | - | - | 459,642 |
| Investments | 5 | 223,709 | - | - | 223,709 |
| Total income | | 1,053,455 | - | - | 1,053,455 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 6 | 615,753 | - | - | 615,753 |
| <u>Charitable activities</u> | | | | | |
| Animal Centre | 7 | 451,803 | - | - | 451,803 |
| Total charitable expenditure | | 451,803 | - | - | 451,803 |
| Total resources expended | | 1,067,556 | - | - | 1,067,556 |
| Net gains/(losses) on investments | 11 | 191,410 | - | - | 191,410 |
| Net (outgoing)/incoming resources before transfers | | 177,309 | - | - | 177,309 |
| Gross transfers between funds | | (659,800) | 659,800 | - | - |
| Net (expenditure)/income for the year/ Net movement in funds | | (482,491) | 659,800 | - | 177,309 |
| Fund balances at 1 January 2019 | | 9,305,954 | 2,500,000 | 6,850 | 11,812,804 |
| Fund balances at 31 December 2019 | | 8,823,463 | 3,159,800 | 6,850 | 11,990,113 |

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 2020

| | Notes | 2020 | | 2019 | |
|---|-------|-----------|-------------------|------------------|-------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 1,132,202 | | 880,554 |
| Investment properties | 13 | | 7,410,000 | | 8,060,000 |
| | | | <u>8,542,202</u> | | <u>8,940,554</u> |
| Current assets | | | | | |
| Stocks | 14 | 4,374 | | 7,164 | |
| Debtors | 15 | 266,972 | | 280,022 | |
| Investments | 16 | 2,637,032 | | 2,602,930 | |
| Cash at bank and in hand | | 355,316 | | 237,219 | |
| | | | <u>3,263,694</u> | <u>3,127,335</u> | |
| Creditors: amounts falling due within one year | 17 | | <u>(134,488)</u> | <u>(77,776)</u> | |
| Net current assets | | | 3,129,206 | | 3,049,559 |
| Total assets less current liabilities | | | <u>11,671,408</u> | | <u>11,990,113</u> |
| Income funds | | | | | |
| Restricted funds | 18 | | 8,550 | | 6,850 |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 19 | 2,868,536 | | 3,159,800 | |
| General unrestricted funds | | 8,794,322 | | 8,823,463 | |
| | | | <u>11,662,858</u> | | <u>11,983,263</u> |
| | | | <u>11,671,408</u> | | <u>11,990,113</u> |

The financial statements were approved by the Trustees on 26/5/2021

M Falloon
Trustee

N Cockram
Trustee

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 2020 | | 2019 | |
|---|-------|-----------|----------------|-----------|----------------|
| | | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 25 | | 161,548 | | 403,685 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (299,635) | | (74,311) | |
| Proceeds on disposal of tangible fixed assets | | - | | 1,971 | |
| Purchase of investment property | | (3,121) | | (7,590) | |
| Proceeds on disposal of other investments | | (34,102) | | (552,256) | |
| Interest received | | 293,407 | | 223,709 | |
| Net cash used in investing activities | | | (43,451) | | (408,477) |
| Net cash used in financing activities | | | - | | - |
| Net increase/(decrease) in cash and cash equivalents | | | 118,097 | | (4,792) |
| Cash and cash equivalents at beginning of year | | | 237,219 | | 242,011 |
| Cash and cash equivalents at end of year | | | <u>355,316</u> | | <u>237,219</u> |

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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 2020

1 Accounting policies

(Continued)

Income received by way of government assistance in relation to the Covid-19 are grants and the furlough scheme. The government assistance is included in full in the Statement of Financial Activities once receivable. The recognition method adopted is the accrual model.

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. 10% on redevelopment works |
| 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).

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

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.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

| | Unrestricted funds general 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Total 2019 £ |
|--|---|----------------------------------|--------------------|--------------------|
| Donations and gifts | 53,100 | 1,700 | 54,800 | 40,987 |
| Legacies receivable | 338,907 | - | 338,907 | 306,085 |
| Government grants re: Covid-19 assistance | 175,698 | - | 175,698 | - |
| | <u>567,705</u> | <u>1,700</u> | <u>569,405</u> | <u>347,072</u> |
| For the year ended 31 December 2019 | <u>347,072</u> | <u>-</u> | | <u>347,072</u> |
| Legacies receivable | | | | |
| Gill | - | - | - | 110,601 |
| Rampton | - | - | - | 112,418 |
| Hodgson | 172,286 | - | 172,286 | - |
| Walker | 10,306 | - | 10,306 | - |
| Petworth | 10,000 | - | 10,000 | - |
| Cox | 100,000 | - | 100,000 | - |
| Other | 46,315 | - | 46,315 | 83,066 |
| | <u>338,907</u> | <u>-</u> | <u>338,907</u> | <u>306,085</u> |

4 Other trading activities

| | Unrestricted funds general 2020 £ | Unrestricted funds general 2019 £ |
|---------------------------------|---|---|
| Fundraising activities | 1,019 | 6,545 |
| Sale of goods - charity shops | 305,916 | 448,944 |
| Sale of goods - rehoming centre | 2,123 | 4,153 |
| | <u>309,058</u> | <u>459,642</u> |
| Other trading activities | <u>309,058</u> | <u>459,642</u> |

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Investments

| | Unrestricted funds general 2020 £ | Unrestricted funds general 2019 £ |
|---------------------|---|---|
| Rental income | 255,052 | 205,442 |
| Interest receivable | 38,355 | 18,267 |
| | <u>293,407</u> | <u>223,709</u> |

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Raising funds

| | 2020 | 2019 |
|---------------------------|----------------|----------------|
| | £ | £ |
| <u>Trading costs</u> | | |
| Operating charity shops | 158,689 | 182,233 |
| Staff costs | 151,153 | 158,652 |
| Depreciation | 9,162 | 8,475 |
| Support costs | 5,754 | 21,704 |
| | <hr/> | <hr/> |
| Trading costs | 324,758 | 371,064 |
| | <hr/> | <hr/> |
| Investment property costs | 82,121 | 244,689 |
| | <hr/> | <hr/> |
| | <u>406,879</u> | <u>615,753</u> |

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Staff costs | 244,067 | 245,792 |
| Depreciation | 38,826 | 21,845 |
| Rates, water and refuse | 12,556 | 8,455 |
| Light and heat | 15,734 | 23,495 |
| Repairs and renewals | 4,607 | 6,965 |
| Insurance | 1,581 | 1,596 |
| Veterinary fees, drugs and food | 60,448 | 88,055 |
| Training costs | 2,435 | 658 |
| Consumables | 2,345 | 2,093 |
| Goods for resale/fundraising costs | 28,738 | 26,950 |
| | <u>411,337</u> | <u>425,904</u> |
| Share of support costs (see note 8) | 10,630 | 9,805 |
| Share of governance costs (see note 8) | 21,953 | 16,094 |
| | <u>443,920</u> | <u>451,803</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 443,920 | |
| | <u>443,920</u> | |
| For the year ended 31 December 2019 | | |
| Unrestricted funds - general | | 451,803 |
| | | <u>451,803</u> |

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

| | Support costs | Governance costs | 2020 | 2019 |
|------------------------|---------------|------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Telephone | 3,119 | - | 3,119 | 1,689 |
| Miscellaneous expenses | 5,172 | - | 5,172 | 10,303 |
| Motor expenses | 1,678 | - | 1,678 | 2,283 |
| Fixed assets disposal | - | - | - | 1,929 |
| Disallowable VAT | 1,173 | - | 1,173 | 1,818 |
| Auditors' remuneration | - | 12,000 | 12,000 | 10,525 |
| Legal and professional | - | 15,195 | 15,195 | 19,056 |
| | <u>11,142</u> | <u>27,195</u> | <u>38,337</u> | <u>47,603</u> |
| Analysed between | | | | |
| Trading | 512 | 5,242 | 5,754 | 21,704 |
| Charitable activities | 10,630 | 21,953 | 32,583 | 25,899 |
| | <u>11,142</u> | <u>27,195</u> | <u>38,337</u> | <u>47,603</u> |

Governance costs includes payments to the auditors of £10,780 (2019 - £10,715) 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 £16,923 (2019 - £5,938) during the year in respect of hours worked as part time Shops' Group Manager.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2020 Number | 2019 Number |
|-----------|----------------|----------------|
| Employees | 32 | 34 |

Employment costs

| | 2020 £ | 2019 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 351,642 | 378,373 |
| Social security costs | 39,463 | 26,071 |
| Other pension costs | 4,115 | - |
| | <u>395,220</u> | <u>404,444</u> |

There were a total of 20 (2019 - 20) full time equivalent employees in the year.

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

| | Unrestricted funds general 2020 £ | Unrestricted funds general 2019 £ |
|--------------------------------------|---|---|
| Revaluation of investment properties | (653,121) | 191,410 |

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

| | Freehold buildings | Leasehold land and buildings | Plant and equipment | Total |
|------------------------------------|-----------------------|------------------------------------|------------------------|-----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 January 2020 | 852,522 | 74,788 | 46,969 | 974,279 |
| Additions | 291,264 | - | 8,371 | 299,635 |
| At 31 December 2020 | 1,143,786 | 74,788 | 55,340 | 1,273,914 |
| Depreciation and impairment | | | | |
| At 1 January 2020 | 53,542 | 29,417 | 10,766 | 93,725 |
| Depreciation charged in the year | 34,858 | 9,162 | 3,967 | 47,987 |
| At 31 December 2020 | 88,400 | 38,579 | 14,733 | 141,712 |
| Carrying amount | | | | |
| At 31 December 2020 | 1,055,386 | 36,209 | 40,607 | 1,132,202 |
| At 31 December 2019 | 798,980 | 45,371 | 36,203 | 880,554 |

13 Investment property

| | 2020 £ |
|--|-----------|
| Fair value | |
| At 1 January 2020 | 8,060,000 |
| Additions through external acquisition | 3,121 |
| Net gains or losses through fair value adjustments | (653,121) |
| At 31 December 2020 | 7,410,000 |

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 valuations carried out by Peter N Dickin & Co Chartered Surveyors, Knight Frank LLP Chartered Surveyors and ASM Chartered Surveyors, each of which are not connected with the charity. The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

14 Stocks

| | 2020 £ | 2019 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 4,374 | 7,164 |

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Debtors

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Other debtors | 50,999 | 144,168 |
| Prepayments and accrued income | 215,973 | 135,854 |
| | <u>266,972</u> | <u>280,022</u> |

16 Current asset investments

| | 2020 | 2019 |
|-----------------------------|------------------|------------------|
| | £ | £ |
| Cash equivalents on deposit | 2,637,032 | 2,602,930 |
| | <u>2,637,032</u> | <u>2,602,930</u> |

17 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|----------------|---------------|
| | £ | £ |
| Other taxation and social security | 5,611 | 4,135 |
| Trade creditors | 67,155 | 33,346 |
| Accruals and deferred income | 61,722 | 40,295 |
| | <u>134,488</u> | <u>77,776</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:

| | Movement in funds | | Movement in funds | | |
|----------------|------------------------------|-----------------------|------------------------------|-----------------------|-----------------------------------|
| | Balance at 1 January 2019 | Incoming resources | Balance at 1 January 2020 | Incoming resources | Balance at 31 December 2020 |
| | £ | £ | £ | £ | £ |
| Operation Fund | 6,850 | - | 6,850 | - | 6,850 |
| Golf Fund | - | - | - | 1,700 | 1,700 |
| | <u>6,850</u> | <u>-</u> | <u>6,850</u> | <u>1,700</u> | <u>8,550</u> |

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

The Golf Fund represents funds raised for sponsorship of a proposed golf event.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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:

| | Balance at 1 January 2019 | Transfers | Balance at 1 January 2020 | Transfers | Balance at 31 December 2020 |
|--------------------|------------------------------|----------------|------------------------------|------------------|-----------------------------------|
| | £ | £ | £ | £ | £ |
| Redevelopment fund | 2,500,000 | 659,800 | 3,159,800 | (291,264) | 2,868,536 |
| | <u>2,500,000</u> | <u>659,800</u> | <u>3,159,800</u> | <u>(291,264)</u> | <u>2,868,536</u> |

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

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Analysis of net assets between funds

| | Unrestricted funds 2020 £ | Designated funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Designated funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ |
|---|------------------------------------|----------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|----------------------------------|--------------------|
| Fund balances at 31 December 2020 are represented by: | | | | | | | | |
| Tangible assets | 1,132,202 | - | - | 1,132,202 | 880,554 | - | - | 880,554 |
| Investment properties | 7,410,000 | - | - | 7,410,000 | 8,060,000 | - | - | 8,060,000 |
| Current assets/(liabilities) | 252,120 | 2,868,536 | 8,550 | 3,129,206 | (117,091) | 3,159,800 | 6,850 | 3,049,559 |
| | <u>8,794,322</u> | <u>2,868,536</u> | <u>8,550</u> | <u>11,671,408</u> | <u>8,823,463</u> | <u>3,159,800</u> | <u>6,850</u> | <u>11,990,113</u> |

The assets are in excess of eleven million, with the majority made up from the valuation of the investment rental properties, rather than immediate liquid assets.

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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:

| | 2020 £ | 2019 £ |
|----------------------------|----------------|----------------|
| Within one year | 100,843 | 102,467 |
| Between two and five years | 110,500 | 184,333 |
| In over five years | - | 7,000 |
| | <u>211,343</u> | <u>293,800</u> |

Operating lease commitments comprise four leases with monthly rents of £1,750 (52 months remaining), £2,183 (9 months remaining), £2,083 (10 months remaining), £1,250 (22 months remaining) and £2,000 (26 months remaining).

22 Capital commitments

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
|--|-----------|-----------|

At 31 December 2020 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

| | | |
|--|------------------|----------|
| Acquisition of property, plant and equipment | <u>3,462,305</u> | <u>-</u> |
|--|------------------|----------|

The capital commitment is in respect of the redevelopment works at the Centre. The trustees authorised the expenditure during the year and contracts were signed in January 2021. Works commenced in January 2021.

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2020 £ | 2019 £ |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>61,689</u> | <u>60,250</u> |

RSPCA SUSSEX, CHICHESTER & DISTRICT BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Covid-19

The charity has been materially and adversely affected by the Covid-19 pandemic.

Government national lockdown restrictions enforced the closure of the charity shops, restricted fundraising opportunities and there has been no public access to the rehoming centre for the majority of 2020 and closure has continued throughout the post year end period, with the charity shops reopening in April 2021.

Consequently, operating results have been adversely affected, and this has continued post year end.

The charity has applied for and received additional financial support in terms of local government grants available to the hospitality and leisure industry as well as accessing the government Job Retention Scheme.

Due to the rapid and ongoing nature of Covid-19, the trustees are uncertain when the charity will return to sustainable positive cashflows from operations. However, with the easing of lockdown allowing the phased reopening of the charity's facilities from April 2021, the trustees foresee a significant, albeit progressive, improvement from that date.

The ability of the charity to continue finance its charitable objectives in the future may, in the meantime, need to be financed by utilising retained reserves.

| 25 Cash generated from operations | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| (Deficit)/surplus for the year | (318,705) | 177,309 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (293,407) | (223,709) |
| Fair value gains and losses on investment properties | 653,121 | (191,410) |
| Depreciation of tangible fixed assets | 47,987 | 30,320 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 2,790 | (2,158) |
| Decrease in debtors | 13,050 | 608,537 |
| Increase in creditors | 56,712 | 4,796 |
| Cash generated from operations | 161,548 | 403,685 |