

REGISTERED CHARITY NUMBER: 205154

RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2017

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

RSPCA SOUTH EAST AND WEST DEVON BRANCH

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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RSPCA SOUTH EAST AND WEST DEVON BRANCH

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Name	RSPCA South East and West Devon Branch	
Charity Number	205154	
Address	Little Valley Animal Shelter Black Hat Lane Bakers Hill Exeter EX2 9TA	
President	Vacant Position	
Trustees	Mrs C B Allan (Chairman) Mrs W D Brookes (Secretary) Mr P Brush (Treasurer) Mrs A Eyles Mrs B Gooding Mrs M Hardy Miss E McPhail Mrs E Mundy Mrs L Crowley-Stewart Ms J Westgate (Deceased) Mrs J Williams	
Senior Staff	Miss M Wood	(Branch and Finance Manager)
	Miss J Evans	(Animal Shelter Manager)
	Mr C Marshall	(Area Retail Manager)
Auditors	Bush & Co Limited Statutory Auditors 2 Barnfield Crescent Exeter EX1 1QT	
Bankers	Nat West Bank Plc 59 High Street Exeter EX4 3DL	
Investment Advisors	Barclays Bank Plc Bridgewater House Finzels Reach Bristol BS1 6BX	
Other Names	Little Valley Animal Shelter RSPCA Exeter, East & West Devon RSPCA South Devon	

**RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Trustees present their report and financial statements for the year ended 31 December 2017.

STRUCTURE AND GOVERNANCE

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

Trustee Recruitment and Appointment

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

Trustee Induction and Training

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

Trustee Responsibilities

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

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

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

OBJECTIVES AND ACTIVITIES

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

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

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

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

PUBLIC BENEFIT STATEMENT

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

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

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

ACHIEVEMENTS AND PERFORMANCE

The total kennels rebuild remained the focus of the Branch's fundraising activities. The Trustees would like to thank the shelter staff for their keen commitment to raising funds for this project.

The Branch's longest serving shop on Paris Street finally closed due to the redevelopment proposals of the area by Exeter City Council. The new shop on Sidwell Street entered its first full year of trading, and revenues continue to improve despite challenges resulting from construction works in the surrounding area.

2017 continued to be a challenging environment in the charity shop sector generally due to competition for good quality donations, sales and changing retail patterns. However, the Branch shops continue to hold their own and the Trustees would like to record their gratitude to Cliff Marshall, the Area Retail Manager, and all the staff and volunteers at the Branch's ten charity shops.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

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

The Shelter continues to operate well, in keeping with the objectives of the Branch. Along with all other RSPCA Animal Homes the Shelter receives 40% - 80% of incoming animals from the Inspectorate. There have been no changes in senior staff throughout the year and details of Animal Care Assistant changes are contained in the Shelter Manager's annual report. The Trustees welcome all new members of staff and would like to extend their thanks to the Shelter Manager, Joanne Evans, the Deputy Manager, Rachel Sirdefield, and all staff and volunteers for their continued hard work and commitment.

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

The Trustees also wish to record their appreciation to Miranda Wood, the Branch and Finance Manager, for her commitment to the role and efforts to ensure the smooth administration of the Branch and to Emily Bowen, our Branch Support Specialist, for her help, particularly in dealing with HQ directives.

During 2017 the Exmouth Supporters Group raised £8,000 by organising social and fundraising events. The Group has many long term and hardworking volunteers who are very generous with their time and support. The Trustees would like to record their appreciation to all these volunteers, and to Dave Pollock and Margaret Hardy who share the responsibility of organising local fundraising events.

The Trustees would also like to record their appreciation of The Ottery St Mary Auxiliary group. During 2017, the Auxiliary Secretary, Jackie Williams and her small group of loyal supporters raised £2,088. Mrs Williams is also responsible for the two very successful Branch raffles which are held each year.

Trustees from South Devon continue to devote time and effort to raise the profile of the work of the Shelter in their area and to this end held two successful coffee mornings during the year and several collections at various supermarkets.

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

Unfortunately early 2018 saw the sudden loss of a committed and respected Trustee, Ms Johanna Westgate, who was a very enthusiastic and dedicated supporter of animal welfare and of the work of the Branch, particularly in the South Devon area. She was also very concerned with environmental issues. Her dry wit and homemade cakes at meetings will be greatly missed.

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

PRINCIPLE RISKS AND UNCERTAINTIES

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

- Damage to the Branch's reputation;
- The availability of finance to allow activities to continue; and

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- The health, safety and welfare of volunteers and staff.

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

FINANCIAL REVIEW

The total incoming resources for the year amounted to £1.41 million (2016: £1.21 million) including legacies of £605,318 (2016: £373,667). Expenditure in the year was £962,751 (2016: £980,289). After gains on investments of £74,064 (2016: £152,049) the branch made a surplus of £518,439 (2016: £383,054)

RESERVES POLICY

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

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

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

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

The total reserves at 31 December 2017 were £4.10 million, comprising £256,874 of restricted funds, £745,000 of designated funds and £3.10 million of undesignated funds, of which £1.85 million represent free reserves.

INVESTMENT POLICY

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

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

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The value of the Charity's investments at 31 December 2017 was £1,294,467 (2016: £1,199,896). The total return on all managed investments was a positive return of 8.2% (2016: 15.4%).

FUTURE PLANS

The Trustees have identified the following areas as the focus of their plans for 2018:

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

KEY MANAGEMENT PERSONNEL

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

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

On behalf of the Board of Trustees

Mrs Carol B Allan (Honorary Chairman)

24 May 2018

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

Opinion

We have audited the financial statements of RSPCA South East and West Devon Branch (the "Charity") for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Use of our report

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

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

25 May 2018

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

RSPCA SOUTH EAST AND WEST DEVON BRANCH
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income and endowments from:					
Donations and legacies	2	635,007	104,958	739,965	547,966
Charitable activities	3	52,329	-	52,329	56,488
Other trading activities	4	578,605	4,205	582,810	573,945
Investments	5	32,022	-	32,022	32,895
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOME		1,297,963	109,163	1,407,126	1,211,294
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Raising funds					
Costs of generating voluntary income	6	21,295	-	21,295	13,886
Fundraising trading costs					
shop purchases and expenses	7	399,031	-	399,031	411,254
Investment management costs		11,029	-	11,029	10,153
Charitable Activities	8	526,215	5,181	531,396	544,996
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURE		957,570	5,181	962,751	980,289
		<hr/>	<hr/>	<hr/>	<hr/>
Net gains/(losses) on investment assets	11	74,064	-	74,064	152,049
		<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expenditure)		414,457	103,982	518,439	383,054
		<hr/>	<hr/>	<hr/>	<hr/>
Net Movement in Funds		414,457	103,982	518,439	383,054
		<hr/>	<hr/>	<hr/>	<hr/>
RECONCILIATION OF FUNDS					
Total Funds brought forward		3,431,937	152,892	3,584,829	3,201,775
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		3,846,394	256,874	4,103,268	3,584,829
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

All of the above amounts relate to continuing activities.

The notes form part of these financial statements

RSPCA SOUTH EAST AND WEST DEVON BRANCH

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes		
		2017	2016
		£	£
FIXED ASSETS			
Tangible assets	14	1,290,392	1,311,234
Investments	15	1,294,467	1,199,896
		<hr/>	<hr/>
		2,584,859	2,511,130
CURRENT ASSETS			
Stocks	16	68,230	69,359
Debtors	17	280,216	465,471
Cash at bank and in hand		1,216,713	600,591
		<hr/>	<hr/>
		1,565,159	1,135,421
CREDITORS: Amounts falling due within one year	18	46,750	61,722
		<hr/>	<hr/>
NET CURRENT ASSETS		1,518,409	1,073,699
		<hr/>	<hr/>
Total assets less current liabilities		4,103,268	3,584,829
		<hr/> <hr/>	<hr/> <hr/>
THE FUNDS OF THE CHARITY:			
Unrestricted funds	20	3,846,394	3,431,937
Restricted funds	21	256,874	152,892
		<hr/>	<hr/>
TOTAL CHARITY FUNDS		4,103,268	3,584,829
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the Board of Trustees on 24 May 2018 and were signed on their behalf by:

Mrs C B Allan
Trustee

Mrs W D Brookes
Trustee

The notes form part of these financial statements.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Net cash raised in operating activities	24	621,095	131,495
Cashflow from investing activities			
Interest and Dividends		32,022	32,895
Purchase of Property, Plant and Equipment		(23,475)	(405,053)
Purchase of Investments		(249,246)	(468,359)
Proceeds from Sale of Investments		219,984	416,324
Net cash (outflow) from investing activities		(20,715)	(424,193)
Cashflow from financing activities			
Net cash provided by financing activities		-	-
		-----	-----
Change in cash and cash equivalents in year		600,380	(292,698)
		=====	=====
Cash and cash equivalents brought forward	25	642,513	935,209
Cash and cash equivalents carried forward		1,242,893	642,513
		=====	=====
		600,380	(292,696)
		=====	=====

RSPCA SOUTH EAST AND WET DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Incoming Resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

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

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

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

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

Resources Expended

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

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

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

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

Allocation of Support Costs

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

Tangible Fixed Assets

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

Depreciation

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

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

Stocks

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

RSPCA SOUTH EAST AND WEST DEVON BRANCH
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Financial instruments

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

Taxation

The charity is exempt from tax on its charitable activities.

Fund Accounting

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

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

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

Leasing and Hire Purchase Commitments

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

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2. DONATIONS & LEGACIES

	Unrestricted Funds	Restricted Funds	2017 Total Funds	2016 Total Funds
	£	£	£	£
Gift Aid	1,000	-	1,000	723
General donations	27,009	103,958	130,967	170,820
Collecting boxes	2,680	-	2,680	2,756
Legacies	604,318	1,000	605,318	373,667
	-----	-----	-----	-----
	635,007	104,958	739,965	547,966
	=====	=====	=====	=====

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

3. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Adoptions	34,458	-	34,458	33,169
Boarding	12,373	-	12,373	15,045
Pet insurance reimbursement	-	-	-	561
Vet reimbursement	4,333	-	4,333	6,834
Membership fees	1,165	-	1,165	879
	<hr/>	<hr/>	<hr/>	<hr/>
	52,329	-	52,329	56,488
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2017 Total Funds £	2016 Total Funds £
Friends of Little Valley				
Animal Shelter	10,395	-	10,395	11,077
Shop income	476,612	-	476,612	481,639
Reception income	6,491	-	6,491	6,790
Online income	5,208	-	5,208	-
Flag days	1,625	-	1,625	1,792
RSPCA House to House	49,522	-	49,522	44,442
Supermarket collections, previously RSPCA week	2,945	-	2,945	3,134
Other events	25,807	4,205	30,012	25,071
	<hr/>	<hr/>	<hr/>	<hr/>
	578,605	4,205	582,810	573,945
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. INVESTMENT INCOME

	2017 £	2016 £
Dividends	19,757	19,502
Portfolio interest	11,779	11,485
Bank interest	486	1,908
	<hr/>	<hr/>
	32,022	32,895
	<hr/> <hr/>	<hr/> <hr/>

6. COSTS OF GENERATING VOLUNTARY INCOME

	2017 £	2016 £
Events expenditure	1,437	1,368
Legacy fee	14,269	9,169
Support costs	5,589	3,350
	<hr/>	<hr/>
	21,295	13,886
	<hr/> <hr/>	<hr/> <hr/>

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

7. FUNDRAISING COSTS

Shop Purchases and Expenses

	2017	2016
	£	£
Shop purchases	14,522	11,480
Shop consumables	1,155	1,753
Staff salaries	195,414	205,039
Rent	95,185	98,548
Rates	13,791	12,743
Light and heat	13,238	11,140
Telephone and internet	2,275	3,968
Insurance	3,641	3,489
Repairs and renewals	2,200	4,307
Cleaning and waste disposal	7,768	7,881
Depreciation of shop equipment	3,626	2,715
Depreciation of shop building	12,655	7,099
Shop card machine and gift aid tills	11,207	10,949
Support costs	22,354	30,143
	<hr/>	<hr/>
	399,031	411,254
	<hr/> <hr/>	<hr/> <hr/>

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Protection and rehoming of animals

	2017	2016
	£	£
Animal welfare	83,268	89,605
Staff salaries	298,611	294,879
Staff welfare & training	5,494	1,740
Rates	6,060	6,065
Light & heat	15,317	16,297
Telephone and internet	3,974	3,149
Insurance	1,638	1,717
Repairs and renewals	7,287	15,583
Premises expenses	14,479	10,913
Cleaning and waste disposal	14,749	16,155
Motor and travelling	8,606	10,041
Postage, stationery & computer costs	11,493	5,785
Bank Charges	2,459	2,513
Sundries	1,981	3,720
Buildings depreciation	19,209	15,960
Motor vehicles depreciation	654	2,748
Plant depreciation	6,574	7,354
Computer equipment depreciation	1,600	3,004
Support costs	27,943	37,768
	<hr/>	<hr/>
	531,396	544,996
	<hr/> <hr/>	<hr/> <hr/>

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

9. ALLOCATION OF SUPPORT COSTS

	Costs of Generating Voluntary Income £	Fundraising Costs £	Charitable Expenditure £	2017 £	2016 £
Staff salaries	3,869	15,476	19,345	38,689	50,015
Accountancy	807	3,228	4,036	8,071	9,392
Legal and Professional	913	3,650	4,563	9,126	11,853
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,589	22,354	27,943	55,886	71,260
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10. AUDITOR'S REMUNERATION

The auditor's remuneration consisted of an audit fee of £5,000 (2016: £5,000) and an additional fee for accounting services of £2,000 (2016: £2,000).

11. GAINS/(LOSSES) ON INVESTMENTS

	2017 £	2016 £
Realised gains/(losses)	(6,295)	30,223
Unrealised gains/(losses)	80,359	121,826
	<hr/>	<hr/>
	74,064	152,049
	<hr/> <hr/>	<hr/> <hr/>

12. TRUSTEES' EXPENSES AND REMUNERATION

Trustees' Remuneration

No trustee received remuneration during the year ended 31 December 2017 nor for the year ended 31 December 2016.

Trustees' Expenses

No trustees' expenses were reimbursed for the year ended 31 December 2017 nor for the year ended 31 December 2016.

13. STAFF COSTS

	2017 £	2016 £
Wages and salaries	506,518	521,938
Social security costs	26,196	27,995
	<hr/>	<hr/>
	532,714	549,933
	<hr/> <hr/>	<hr/> <hr/>

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

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

13. STAFF COSTS (continued)

	2017	2016
Fundraising and shop	13	13
Charitable activities	17	17
Support staff	3	3
	<hr/>	<hr/>
	33	33
	<hr/> <hr/>	<hr/> <hr/>

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

The aggregate emoluments of key management personnel for the year totalled £68,632 (2016: £83,337)

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

14. TANGIBLE FIXED ASSETS

	Freehold Property & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer £	Total £
COST						
At 1 Jan 2017	1,813,576	88,492	37,422	26,696	8,529	1,974,715
Additions	18,580	245	4,650	-	-	23,475
Reclassification	-	(3,917)	3,917	-	-	-
Disposals	-	-	-	-	-	-
	<u>1,832,156</u>	<u>84,820</u>	<u>45,989</u>	<u>26,696</u>	<u>8,529</u>	<u>1,998,190</u>
DEPRECIATION						
At 1 Jan 2017	535,168	63,275	32,503	26,042	6,493	663,481
Charge for year	31,864	6,555	3,626	654	1,618	44,317
Eliminated on disposal	-	-	-	-	-	-
	<u>567,032</u>	<u>69,830</u>	<u>36,129</u>	<u>26,696</u>	<u>8,111</u>	<u>707,798</u>
NET BOOK VALUE						
At 31 Dec 2017	<u>1,265,125</u>	<u>14,990</u>	<u>9,860</u>	<u>-</u>	<u>418</u>	<u>1,290,392</u>
At 31 Dec 2016	<u>1,278,408</u>	<u>25,217</u>	<u>4,919</u>	<u>654</u>	<u>2,036</u>	<u>1,311,234</u>

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

15. FIXED ASSET INVESTMENT

	Investments £
Market Value	
At 1 January 2017	1,157,974
Additions	249,246
Disposals	(219,984)
Revaluation	80,341
Cash holdings	26,890
	1,294,467
Historical Costs	
At 31 December 2017	798,552
	788,975
At 31 December 2016	788,975
	788,975

There were no investment assets outside the UK.

The market value of investments is broken down between listed investments of £1,267,577 (2016: £1,157,974) and cash within the portfolio of £26,890 (2016: £41,922)

16. STOCKS

	2017 £	2016 £
Stock	68,230	69,359
	68,230	69,359

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	3,093	1,241
VAT recoverable	420	6,336
Tax refunds	2,034	6,690
Prepayments	21,321	24,856
Other debtors	253,348	426,348
	280,216	465,471
	280,216	465,471

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	18,680	23,569
PAYE and social security	596	7,692
Accruals	27,474	30,461
	46,750	61,722
	46,750	61,722

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the branch had commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2017	2016
	£	£
Amounts due in less than one year	80,648	88,898
Amounts due between two and five years	143,500	178,500
Amounts due in more than five years	-	18,500

The total of operating lease expenditure recognised in the statement of financial activities during the year was £95,185.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	2017	2016
	Undesignated Funds	Designated Funds		Total Funds	Total Funds
	£	£	£	£	£
Fixed assets	1,290,392	-	-	1,290,392	1,311,234
Investments	1,294,467	-	-	1,294,467	1,199,896
Current assets	563,285	745,000	256,874	1,565,159	1,135,421
Current liabilities	(46,750)	-	-	(46,750)	(61,722)
	-----	-----	-----	-----	-----
	3,101,394	745,000	256,874	4,103,268	3,584,829
	=====	=====	=====	=====	=====

Following recent redevelopment work, the Kennels is now the only area in need of significant investment. Last year the Trustees designated £620,000 towards initial works and planning to get the project underway and have increased it to £745,000 this year as a tender has been accepted and work has begun on the project after the year end.

21. RESTRICTED FUND

During the year £2,101 was received under the Safe Haven Scheme. This is restricted to use for supporting the running costs of the kennels. All the income was spent on kennel running costs during the year.

During the year, the charity received income restricted for use in the construction of the new kennel facility totalling £107,062. This included a donation of £100,000 from RSPCA North Devon Branch.

There was no other restricted income or expenditure in 2017 or 2016.

22. RELATED PARTY

During the year, the Branch received all of its legacies and some of its donations which were processed by the Head Office of the Royal Society for the Prevention to Cruelty to Animals. This included £49,522 (2016: £44,442) received from house to house collections.

The charity purchased animal food, drugs and sundries costing £42,057 (2016: £46,263) from the Head Office.

RSPCA SOUTH EAST AND WEST DEVON BRANCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

The charity received monies from the Head Office for boarding, veterinary fees and drugs rebate of £15,686 (2016: £21,879).

23. SURPLUS/(DEFICIT) ON SHOP ACTIVITY

	2017	2016
	£	£
Income from activities of generating funds (note 4)	485,802	481,639
Shop purchases and expenses (note 7)	406,463	411,254
	<hr/>	<hr/>
Surplus/(deficit) on shop activity	79,339	70,385
	<hr/> <hr/>	<hr/> <hr/>

The surplus on shop activity has remained consistent during the 2016 and 2017 period.

24. NOTE TO THE STATEMENT OF CASHFLOWS

	2017	2016
	£	£
Net movement in funds	518,439	383,054
Add back depreciation charge	44,317	38,880
Deduct interest income shown in investment activities	(32,022)	(32,895)
Deduct gains/add back losses on investments	(80,359)	(121,826)
Decrease/(increase) in debtors	185,272	(140,545)
Increase/(decrease) in creditors	(15,681)	3,113
Decrease/(increase) in stock	1,129	1,714
	<hr/>	<hr/>
Net cash used in operating activities	621,095	131,495
	<hr/> <hr/>	<hr/> <hr/>

25. CASH AND CASH EQUIVALENTS IN STATEMENT OF CASHFLOWS

The cash and cash equivalents balance used in the Statement of cashflows contains the £1,216,004 (2016: £600,591) of cash at bank and in hand, and £26,890 (2016: £41,922) of cash held in the investment portfolio.

26. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £985,217 (2016: £Nil). This relates to the construction of the new kennels as detailed in note 20.

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Signed by Miranda Wood using authentication code PyFVTTNNLm9FVnNM at IP address 176.26.244.253, on 2018/05/29 17:18:49 Z.

Miranda Wood's e-mail address is: mwood@rspca-littlevalley.org.uk.