



Trustees'  
report and  
accounts  
**2020**





## Foreword from the Chair

### I am delighted to present the 2020 Trustees' report and accounts on behalf of the RSPCA's Board of Trustees.

I have no doubt that 2020 will forever be remembered as the year COVID-19 dominated the world stage. For the RSPCA, the pandemic had an immediate and considerable impact on our operations at a time when we were already grappling with a significant deficit.

Nevertheless, this was a year of incredible innovation, adaptation and achievement. Our Inspectorate, branches and animal, equine and wildlife centres kept going during a really tough and uncertain time. We remained at the forefront in protecting animal welfare standards, for example finally achieving a ban on live animal exports after years of campaigning.

We found new ways to connect with our supporters and the public. For example, we provided COVID-related animal care information and advice for animal owners and home-schooling resources to keep children engaged in learning and thinking about animal welfare. We even held our first-ever virtual AGM, engaging with a high number of attendees.

I am really excited as we move forward with our new 10-year strategy – *Together for animal welfare*, which will see us collaborating with other organisations at home and abroad to change mindsets. The pandemic has shown us that the balance among nature, animals and people is a delicate one, and that we must keep it in mind in all our interactions with them.

I would like to thank the trustees, our Patron, President, Vice Presidents and Ambassadors, our branches, staff and volunteers for their tireless work and support over the last year. It is a testament to the commitment, drive and resourcefulness of our people – and to the continuing generosity of our wonderful supporters – that, despite one of the most challenging years in our long history, we are still making a difference to animals' lives and will continue to do so for many years to come.

**René Olivieri**

Chair, RSPCA

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*As part of Defra's Flood Rescue National Asset Register, we responded to 246 calls to rescue horses, feed stranded sheep and move terrified pets to safety in 2020.*





## Foreword from the CEO

**At the start of 2020, the RSPCA already had a very big hill to climb. We had lost an average of £12 million per annum over the previous two years, and started the year running at a deficit. This was a situation that had to be urgently addressed. And an already challenging financial position was further impacted by the COVID-19 pandemic. Over the past year we have had to adapt, act fast and take some difficult decisions to safeguard the future of the RSPCA and maximise our impact on animal welfare.**

We are incredibly proud of the way that we rose to the huge challenge while continuing our operations in the face of COVID restrictions, despite the exceptionally tough financial climate and further potential threat to our income posed by the pandemic.

As always, our main priority has been on establishing exactly where and how our efforts could have the most beneficial impact on animals' lives.

This involved focusing on three different fronts – ensuring our operations could be effective and resilient during the COVID pandemic, addressing our financial position and also retaining our focus on animal welfare.

We are proud to report that we were able to quickly move to remote working while maintaining our response times to all calls and also continuing to deliver high standards of care in our animal centres.

To address both our underlying deficit and the financial impact of the pandemic, we have undertaken a significant restructure to reduce our costs. We also set the ball rolling on a major transformation programme to modernise our organisation and embed our new strategy. A slowdown in legacy notifications during COVID meant that despite a reduction in our cost base, we were only able to show a small improvement in our financial position; however, as a result of these initiatives alongside a release of the backlog in legacy probate, the RSPCA is expecting to move into surplus in 2021. In addition to these two operational elements, there was also a one-off charge of £12m within the group accounts as a result of excluding all branches in Board Trusteeship from the consolidation, which was possible following a change to internal governance.

At the same time, despite the focus on COVID and our finances, this year saw some great animal welfare successes for us. With animal welfare very much in the political spotlight, there were unique opportunities to advocate for animals. We capitalised on this by successfully campaigning to ensure animals' needs will not be forgotten in any new trade deals post-Brexit. Our aim is that farm welfare standards will be protected in future trade deals and our farmers won't lose out to imports of products from animals reared to standards lower than our own. In 2021, we will continue to take our messages to the heart of governments in a political climate that we expect to remain both lively and receptive.

2020 was also the year in which we engaged in a major rethink about our future direction. The result is our bold new 10-year strategy, *Together for animal welfare*, launched at the start of 2021.

As we implement this strategy over the coming decade, we will drive societal change and strengthen the relationship between people and animals. As always, we'll work tirelessly to rescue and care for animals in need, inspire compassion and kindness towards all animals and advocate for their welfare in all our interactions with them. But we want more – we want to change attitudes and actions for the long term. COVID has taught us that the world urgently needs to get human interactions with animals right, and we want to be an active contributor to that debate.

A 2020 Charity Commission survey found that the public wants to see how charities are making a difference with the money they get from donations. In response, we have moved away from the balanced scorecard approach we used to measure our activities in 2020, and developed a new strategic impact framework, which we are implementing in 2021. This enables us to have more of a focus on outcomes and impact; it will measure how we are performing against our strategy and clearly demonstrate that our donors' generous contributions are having a direct, positive impact on animals' lives, year on year.

This, therefore, is a transitional *Trustees' report* that sees us embarking on the first year of our new strategy and the implementation of our strategic impact framework, alongside our transformation programme.

It tells a powerful story about how we took decisive action to begin turning our financial position around in an unpredictable, emerging crisis so that we could continue improving animals' lives and reach more animals than ever. It also demonstrates how we will go on doing just that – being at the forefront of animal welfare in England, Wales and beyond.

**Chris Sherwood**  
RSPCA Chief Executive





# 2020

## Why the RSPCA matters

The RSPCA will always be here for animals. Why? Because we believe that a fair and decent society is one that treats animals with kindness and respect.

Ours was the first-ever animal welfare organisation, formed nearly two centuries ago. At the time, the welfare of animals – and that of many people – was not protected by law. There was still an active slave trade. And animal cruelty was not uncommon.

Thankfully, there were some inspirational individuals who saw a better way and were determined to bring about change. In 1824, they formed what was to become the RSPCA. Our founders' vision went on to inspire a global movement that would continually transform attitudes, shape laws and protect animals' lives over the next 200 years.

As we approach our 200th anniversary and prepare to embark on our third century in 2024, we are still here, rescuing, caring for and rehabilitating or rehoming animals in need and speaking up to ensure people's interactions with animals are the most compassionate they can be.

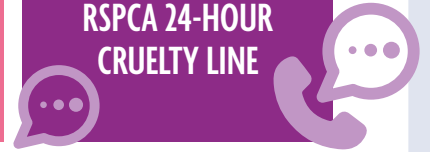


**141,292**

WELFARE INCIDENTS  
DEALT WITH BY  
OUR INSPECTORATE

**1,016,455**

CALLS TO THE  
RSPCA 24-HOUR  
CRUELTY LINE



**57,848**

COMPLAINTS OF  
ALLEGED CRUELTY  
INVESTIGATED

**26,638**

WELFARE NOTICES  
GIVEN OUT TO IMPROVE  
ANIMAL CARE



**633**

HORSES IN OUR  
CARE AT THE  
END OF 2020

**20,544**

CATS TAKEN IN  
BY OUR  
CENTRES



**2,549**

RABBITS TAKEN  
IN BY OUR  
CENTRES



**6,624**

DOGS TAKEN  
IN BY OUR  
CENTRES



**13,124**

WILD ANIMALS ADMITTED TO  
OUR WILDLIFE CENTRES

**33,197**

ANIMALS MICROCHIPPED



**85,388**

TREATMENTS DISPENSED  
(NOT INCLUDING NEUTERING)



**Nearly  
137million**

FISH AND OTHER ANIMALS  
REARED UNDER RSPCA  
WELFARE STANDARDS



**49,093**

ANIMALS  
NEUTERED BY THE  
RSPCA FAMILY



**628**

CONVICTIONS SECURED IN THE MAGISTRATES'  
COURTS FOR ANIMAL WELFARE OFFENCES



**319**

PEOPLE CONVICTED FOR ANIMAL WELFARE  
OFFENCES IN THE MAGISTRATES' COURTS





*Five swans were rescued by our specially-trained water rescue officers from a canal oil spill. Then staff and volunteers at our Stapeley Grange Wildlife Centre began the big clean-up operation and a few weeks later, once the canal was clean again, the swans were returned home.*





# Our vision and mission in 2020

Here are the vision and mission we worked to in 2020, before transitioning to our new vision and mission in 2021 (see page 27).

**Our vision:** is a world where all animals are respected and treated with compassion.

**Our mission:** is by all lawful means to prevent cruelty, promote kindness and alleviate the suffering of animals.

## Our 2020 priorities

As we began 2020, we were focused on six priority areas.

**Welfare**

**Advocacy**

**Prevention**

**Organisation**

**Income**

**People**

However, COVID-19 was to have a dramatic and immediate impact on everything we did. The following pages summarise our response to COVID in 2020, along with what we planned and what we achieved in our six priority areas in 2020.

## The impact of COVID-19 in 2020

The large drop in our legacy income in 2019 had led to significant operational deficits and so when the pandemic hit, we faced severe financial pressures.

We immediately launched an emergency appeal, which raised an incredible £1.8 million in that year, our most successful appeal in living memory. To maintain that vital public support, we sent our donors weekly emails including updates from the front line, telling them about abandoned animals, the equine crisis, the work of our centres and hospitals, wildlife rescues, cat overpopulation and rehoming. We also used social media, direct mail and TV advertising to bring people on board. Our fantastic donors really stepped up to ensure we could carry on our work.

We also needed to make sure our local branches remained financially viable so that they could continue taking in, caring for and rehoming animals. Our branch emergency fund appeal raised £1.7 million from the branch network to ensure every branch remained operational, including those at risk of closure. This is an example of how the RSPCA branches support each other in times of need.

In order to continue protecting animals, we moved to more sustainable working methods by rationalising, consolidating and cooperating wherever possible. For example, we had more sites in the south of England than elsewhere, so we reduced the number and are now working more closely with partners in other organisations to ensure animals in need will always get the right levels of care and support.

Our frontline services had to evolve ahead of or alongside the unfolding crisis. This meant making some difficult decisions about the levels of service we could offer in the field, for example focusing on emergency tasking only and ceasing to run a 24-hour service. Some of these measures are still in place in 2021.

Where possible, our office-based staff moved to home-working and we put many staff on furlough, receiving £3.15m in government contributions. To ensure we could continue to take in and care for and rehome animals, we used digital methods where possible, for example introducing home checks via video.



*We rescued a herd of Shetland ponies that had been left to fend for themselves in a field by owners who couldn't cope. Most of the ponies needed a great deal of dental treatment and farrier work. Our equine team patiently set about gaining the ponies' trust and getting them used to everyday activities. Finally, they were ready for rehoming and quickly settled into happy new homes.*





# Welfare

The RSPCA's Inspectorate, call centre team, animal and wildlife centres, in-house veterinary staff and branch volunteers do an incredible job, rescuing, caring for, rehabilitating and rehoming or releasing animals in need, day in and day out.

**With more than one million calls for help each year – one every 30 seconds – we are out there doing whatever it takes to provide an end-to-end, science-based rescue and care service that gives every animal a second chance at a good life.**

In 2020, our aims were to improve our efficiency in the field and to standardise the care we provide in our centres and through our partnership work, so that we'd always be there for animals in need and they would always get the best care. Delays in the courts due to the pandemic led to a significant backlog, which impacted our prosecution work and meant fewer cruelty cases were heard in 2020.

But, despite the difficulty of working during the COVID-19 pandemic and lockdowns, we still attended more than 140,000 animal welfare incidents.

## 1. What we said we'd do in 2020

**Improve branch sustainability by reducing the number of RSPCA branches in temporary trusteeship under the control of the national Society.**

### What we did

We developed a strategy to reduce this number by half. This is being implemented in 2021.

### Animal welfare impact

Strong, sustainable, joined-up RSPCA branches will go on supporting animal welfare and inspiring local communities to treat animals with kindness and respect for years to come.

## 2. What we said we'd do in 2020

**Reduce veterinary expenditure by five percent.**

### What we did

In order to provide the right levels of animal care and make the best use of our resources, we closed one of our clinics and an animal hospital.

We developed better clinical engagement with and support for private vets and more robust processes for assessing the welfare benefits of treatments in complex cases.

### Animal welfare impact

Being more efficient with our veterinary expenditure frees up our resources so we can help more animals in need.

Improving our quality and consistency means more animals get the right help at the right time.

## 3. What we said we'd do in 2020

**Improve the consistency of our in-house veterinary services by implementing the new veterinary strategy.**

### What we did

We began to implement a new strategy, structure and consistent processes.

For example, we developed standardised preventative health programmes for companion animals and equines in our care, ready for roll-out through the Animal Journey. This is the journey experienced by any animal that comes into our care, from rescue through to treatment, rehabilitation or rehoming.

As part of the new veterinary strategy, we developed and offered online dog and cat behavioural training courses for our staff.

We updated and implemented our behavioural policies, which allow us to provide the most sensitive and appropriate treatment for traumatised animals that have suffered abuse or neglect. Our animal behaviourists treated more than 200 dogs and cats in our care that were displaying complex behaviours.

During the COVID pandemic we provided the public and our pet adopters with behavioural advice literature.

### Animal welfare impact

Our Animal Journey programme guarantees that any animal that comes into RSPCA care – including those with complex needs – will receive a consistent standard of care and treatment that will give them the best possible second chance at life.

#### 4. What we said we'd do in 2020

**Improve relations with the veterinary profession.**

##### What we did

We achieved RSPCA veterinary representation on the Major Employers Group and RCVS council and also delivered RSPCA continuing professional development courses for vets.

In preparation for our Equine Journey pilot (the equine element of the Animal Journey), we agreed that we will work with only accredited equine veterinary partners in future.

We worked with veterinary colleges to formalise student placements and training programmes in our centres and hospitals. This means that veterinary students experience – through our specialised shelter medicine courses – the reality of dealing with animals from backgrounds of neglect and suffering.

Working with the SSPCA in Scotland, we developed a comprehensive guide to veterinary legal and forensic work.

##### Animal welfare impact

Building on our partnerships with the veterinary profession is a step towards ensuring those private vets we work with are fully aware of, and apply, our standards of care and intervention. It also prepares them for the emotional challenges and difficult decisions associated with the types of conditions caused by cruelty and neglect and will ensure we can rely on them for excellent rehabilitative support.

At the same time, with an improved understanding and knowledge of such cases, vets will have more confidence and willingness to engage in welfare work directly, which will reduce the burden on the RSPCA.

#### 5. What we said we'd do in 2020

**Simplify and implement clear, consistent principles for the welfare of animals in our care.**

##### What we did

We developed a new animal welfare strategy, and began implementing it from 2021.

We continued to develop and roll out the Five Domains Welfare Model and the Practical Welfare Assessment Matrix (P-WAM). These tools allow us to establish what each animal in our care needs in order to have the most positive outcomes and then to track and assess their progress.

We also developed and delivered welfare, veterinary and behaviour training, based on the five domains model, to our animal rescue officers (AROs).

We developed a welfare and decision-making policy to ensure a multidisciplinary approach when caring for prosecution case animals that have complex welfare needs.



##### Animal welfare impact

Having consistent oversight of the quality of care for every animal we take in, and focusing on positive outcomes, means that all our animals will have the best possible chances.

#### 6. What we said we'd do in 2020

**Investigate the feasibility of appointing RSPCA officers as inspectors under the Animal Welfare Act (2006) in Wales.**

##### What we did

We produced a feasibility report and gave it to the Welsh Government in 2020. It is to be taken forward after the 2021 elections in Wales. In England, we have set up a prosecutions steering group with other stakeholders to take this forward.

##### Animal welfare impact

Getting statutory powers for our inspectors that will allow them to seize animals and enter outbuildings, for example, will mean we can rescue animals in need much more quickly than we can now, and will reduce suffering.

#### 7. What we said we'd do in 2020

**Improve efficiency in the field, which will reduce expenditure at our call centre.**



## Easing Edie's trauma

Many of the animals that come into our care have suffered terrible experiences, and this can affect their behaviour. One of our major achievements in 2020 was to establish a behaviour change approach to improve the welfare of these traumatised animals and make it possible to find them loving homes.

One such dog was Edie, who had been abandoned and was found tied to a bench. We had no background information for her. She was quickly adopted, but she soon became aggressive to her adopters, who brought her back to us.

Even though the centre team and fosterers worked patiently with Edie to give her positive associations with her harness and to introduce her to new people, she was still very anxious and growled and snapped at sudden movements.

But Edie wasn't a lost cause by any means. A vet prescribed some medication and one of our animal behaviourists worked with her fosterers to coach and retrain Edie. Eventually, she was able to tolerate her harness, go to a safe space on request and could cope with passing dogs and people without running up and down and barking. She now has a happy forever home with her new adopters.



**Table 1** RSPCA advice and prosecution statistics for England and Wales

	2020	2019
Telephone calls answered	1,016,455	1,218,364
Complaints of alleged cruelty investigated	57,848	93,362
Welfare improvement advice and notices dispensed	26,638	48,571
Cases reported to the RSPCA Prosecutions Department	744	1,179
People reported to the RSPCA Prosecutions Department	1,045	1,685
Defendants convicted (juvenile offender)	319 (3)	661 (10)
Convictions secured in the magistrates' court (juvenile offender)	628 (4)	1,425 (18)
Convictions secured in the crown court (juvenile offender)	1 (0)	7 (0)

### What we did

We have re-tendered the contract for our call centre and have initiated a project to focus on the journey from initial call to resolution, which will be completed during 2021.

### Animal welfare impact

Greater efficiency in our operations enables our inspectors to get to incidents more quickly and help as many animals as possible.

**Table 2** Number of animals taken in, treated, neutered, and microchipped by the RSPCA in England and Wales in 2020

	Cats	Dogs	Wildlife and others	Total 2020	Total 2019	
Taken in	20,544	6,624	28,002	55,170	68,625	
Animal treatments: hospitals and clinics (excl neutering)	Outpatients 41,794	Inpatients 12,717		Operations 3,182		
	Cats	Dogs	Other animals	Branch animals*	Total 2020	Total 2019
Neutered	3,808	1,282	623	43,380	49,093	60,461
Microchipped	4,098	539	840	27,720	33,197	37,172

\*Number of animals neutered and microchipped by RSPCA branches





*In September, an exhausted fox was left fighting for his life after falling into a swimming pool. Our rescuer raced to the scene and carried out lifesaving measures to get water out of him. The fox was showing signs of shock so was rushed to RSPCA Mallydams Wood Wildlife Centre. Once recovered he was released back into the same garden, where the owners had covered the pool and plan to install wildlife ramps following our advice.*



# Advocacy

We continually advocate for change in attitudes and behaviours towards animals. This means speaking up for animals wherever humans interact with them and campaigning for better laws to protect them.

**Over the last two centuries, we've been the driving force behind major shifts in animal welfare legislation, and that vital work continues.**

In 2020, with the pandemic and Brexit firmly centre stage, we were determined to ensure animal welfare remained a high priority for politicians. Public support for animal welfare improvements and protections was a critical factor in the successes we achieved throughout the year.

## 1. What we said we'd do in 2020

**Ensure animal welfare standards do not fall as we leave the EU by establishing clear and explicit language in matters related to any new trade agreement with the EU or other partners.**

### What we did

The UK agreed to 40 existing EU Free Trade Agreements but none had enhanced language relating to animal welfare. However, the EU–UK Trade and Cooperation Agreement (TCA), agreed in 2020, includes many of our recommendations. After two RSPCA reports, many briefings and intensive lobbying of the UK Government, a specific commission was agreed to ensure animal welfare standards will not be undermined in future trade agreements. All its 22 recommendations are in line with RSPCA goals.

### Animal welfare impact

The new Trade Agriculture Commission was agreed to recommend that UK farmers – particularly those working to higher welfare standards such as those developed by the RSPCA and adopted by its farm assurance scheme RSPCA Assured – are not undermined by imports of products from animals reared to lower welfare standards than our own. The government has yet to respond to this recommendation.

In addition, the tariff-free TCA agreement minimises disruption of imported veterinary products, which are essential to the animals treated by the RSPCA.

## 2. What we said we'd do in 2020

**Ensure the trials for a new farm support system in England and Wales are in line with RSPCA proposals. The trials will assess those farming practices that provide the best welfare outcomes for money spent and which should therefore be funded.**

### What we did

There have been no trials as yet, but they will start in 2021 and will be informed by RSPCA principles and goals.

### Animal welfare impact

This will incentivise farmers to adopt higher welfare standards, such as those developed by the RSPCA.

## 3. What we said we'd do in 2020

**Create relationships with new MPs and ministers after the general election.**

### What we did

We have established relationships with more than 50 new MPs through an outreach programme in parliament and quarterly newsletters and briefings on specific issues.

### Animal welfare impact

Having strong parliamentary relationships is key to securing animal welfare-related legislative gains. It also reinforces our brand and reputation with the public, which supports our fundraising activities and thereby helps us rescue more animals in need.

## 4. What we said we'd do in 2020

**Ensure parliament addresses animal welfare opportunities/challenges and that we lead/shape its approach to them.**

### What we did

The RSPCA was mentioned over 20 times in both houses during the passage of the Agriculture Act, which meets all our aims.

### Animal welfare impact

This could have the biggest impact on farm animals for a generation. It incentivises farmers to adopt higher welfare standards, while also removing the old payment system that supported intensive farming methods.

### What we did

We influenced the passage of the Trade Bill, with the government agreeing to include language that should stop imports of products from animals not reared to our standards.

### Animal welfare impact

This will ensure our farm welfare standards are protected in any future trade deals.

### What we did

We approached the government with many of our concerns and proposals including:

- ▶ mandatory cat microchipping
- ▶ a ban on the private keeping of primates
- ▶ an end to live exports of farm animals
- ▶ improving all animal transport conditions
- ▶ a ban on the use of wild animals in circuses in Wales
- ▶ a ban on the import of dogs with cropped ears.

The government has responded positively and we expect firm commitments in all of these areas in 2021.

The power of public campaigning can be seen in the raft of measures the government is now considering. The campaign against live exports has been running for decades and is finally gaining traction. In 2020, we supported a petition calling for a ban on importing dogs with cropped ears, which gained more than 100,000 signatures. We expect to see government action on this issue in 2021 because of the weight of public opinion.

### Animal welfare impact

Millions of animals' lives will be improved by these measures. Should they all come into force it will represent a step-change in animal welfare in the UK.

Though only a handful of animals will be impacted directly by the circus ban in Wales, this move sends a clear ethical message about the need to treat animals with respect and kindness.

## 5. What we said we'd do in 2020

**Ensure the major parties have manifesto commitments to prioritise animal welfare ahead of the 2021 Welsh parliamentary and London mayoral and assembly elections.**

### What we did

We drafted our Wales manifesto after discussion with all the major parties in Wales to ensure they would include animal welfare commitments in their own manifestos in spring 2021.

### Animal welfare impact

We achieved more than 30 commitments in the four main parties' manifestos. This meant that animal welfare was a hot discussion topic and will impact positively on animals as the new Welsh Government takes office.

## Working together for change

"For 18 months I have been an RSPCA microvolunteer, involved in various activities to help the RSPCA achieve its advocacy goals. In May 2020 I emailed Helen Whately, my local MP, via the RSPCA campaign and asked her to take action for animal welfare in Westminster's first electronic vote. By expressing my concerns that the Agriculture Bill included nothing about preventing trade deals allowing imports of food produced to lower animal welfare standards, I knew I was providing a vital voice. I, along with 71 percent of the public, was alarmed at the prospect of imported lower-welfare products being sold cheaply in the UK and potentially gravely weakening both our standards and the commercial viability of most of our farm businesses. Taking part in this campaign and sharing it with friends, family and across my social media platforms made me feel proud to know my actions were making a difference. When my email was officially acknowledged, I knew it was an easy action to take, and one that was extremely worth doing!"

**Lauren, RSPCA work experience volunteer**

"The RSPCA is a hugely valuable organisation for animal welfare and is at the forefront of the development of new legislation and policy which will help us in our vision to make the UK an international leader in animal welfare and protect animals across the entire spectrum from farm to wild. Having been out with some of their frontline staff, engaging and educating people on animal care, sometimes in difficult situations, I have tremendous respect for the work they do."

**Giles Watling MP**



# Prevention

Cruelty, abuse and neglect should never happen, yet they do. We need to shape attitudes and behaviours across our communities to convince everyone that all animals deserve good lives and that there are things every individual can do to make sure they do.

In 2020, we wanted to focus our education programme on prevention of cruelty in order to nurture and inspire an instinctively compassionate generation.

## 1. What we said we'd do in 2020

**Review our education programme to focus on prevention, in line with the emerging long-term strategy.**

### What we did

As part of our restructure, our overarching Generation Kind programme – aimed at encouraging compassion in our children and young people – was reviewed and some projects removed. However, Compassionate Class activities continued in 1,700 schools. Our Great Debate project brought together 1,000 secondary school students to debate animal welfare issues.

In all, more than 180,000 young people took part in Generation Kind projects in 2020.

We also approved four animal centre education hubs in England to promote community engagement in animal welfare. This included developing a new purpose-built, COVID-secure, fully accessible education centre at Birmingham Animal Centre, by converting an unused former animal centre manager's house. The centre had a soft launch in January 2021.

### Animal welfare impact

As societal change depends partly on developing attitudes in children and young people, nurturing in them the values of kindness and compassion towards all animals will contribute to a future society that is truly kind to animals.

*A regional heat for our annual Great Debate competition in early March 2020.*



## 2. What we said we'd do in 2020

Become an accredited AQA centre for the dog training and care course Paws for Change.

### What we did

We established five accredited RSPCA centres, wrote a range of animal welfare units and awarded 54 AQA qualifications in 2019/20.

## 3. What we said we'd do in 2020

Open further Generation Kind facilities at our centres, offering the Paws for Change programme at more sites.

### What we did

Pre-pandemic, we were delivering Paws for Change at six of our animal centres, with 12 more lined up to start when COVID-19 struck. In response, we transformed the course into an online self-study programme on our education website. In 2020, 24 vulnerable young people completed the centres-based programme, while 20 finished the online course.

### Animal welfare impact

Paws for Change brings together vulnerable young people and dogs from rescue backgrounds. The young people learn about and bond with the dogs. At the same time, the dogs learn behaviours that help them have better relationships with people, begin to trust them again and gain confidence.

## 4. What we said we'd do in 2020

Expand our Wild Things community engagement work at RSPCA West Hatch and RSPCA Stapeley Grange.

### What we did

RSPCA West Hatch began delivering Wild Things programmes, and we secured Virtual Schools funding for our work at RSPCA Stapeley Grange until 2022. In all, 8,000 young people took part in Wild Things programmes in 2020.

### Animal welfare impact

Our Wild Things outreach programmes focus on mental health needs in areas where we see high levels of RSPCA Inspectorate activity. By bringing essential animal welfare education to disadvantaged communities that have few opportunities to connect with nature, pets and wildlife, we provide people with knowledge and understanding of animals' needs and help them to see their own place in relation to animals and their welfare.

## From pig's ear to rewarding career

**A young person who attended one of our animal welfare courses made a big difference to one particular pig, and could now be embarking on a new career working with animals as a result.**

Rebecca had learned how to do basic animal health checks as part of her RSPCA course. When she was working on placement at a care farm, she applied her new skills and discovered that one of the pigs she was tending had a foreign object in its ear, which had led to an infection. The farm staff were so impressed, they gave her the responsibility of cleaning the pig's ear regularly until it had healed.

Rebecca was thrilled at the impact of her intervention on the pig's welfare. She went on to attend more of our programmes and said, "I am now thinking that I might want to work with animals in the future and perhaps take an apprenticeship next year."



# Organisation

In 2020, we had some key organisational aims. Alongside a focus on addressing the underlying deficit, we wanted to review and modernise our governance and develop a new strategy for the next decade.

**We also wanted to future-proof our branches by improving their governance. The RSPCA's branches are our backbone, connecting the national Society to local communities throughout England and Wales and responding to the needs of animals in their areas.**

When the pandemic struck, our branches really showed their commitment to supporting local, hands-on animal welfare. We sent out an appeal to all of them to dig deep and do what they could to help support any branches that were at risk of closure. They responded by raising a total of £1.7 million – more than three times the target we had set. We were able to keep 17 at-risk branches operational as a result. This was a great example of our branches pulling together to support each other and guarantee that animals in need would continue to be helped, wherever they were.

## 1. What we said we'd do in 2020

**Reduce our deficit and move to a break-even position by 2022.**

### What we did

Reduced the cost base during the year by £17.4m.

## 2. What we said we'd do in 2020

**Conduct a full balance sheet review to see where value can be realised and how the deficit can be reduced.**

### What we did

To make best use of our resources we closed four of our animal centres. Two of these are currently being marketed for sale with a plan to market the other sites in the remainder of 2021.

## 3. What we said we'd do in 2020

**Introduce a three-year plan to return to a positive operating budget and repair our free reserves position.**

### What we did

We prepared a three-year plan showing a return to a sustainable financial position.

### Animal welfare impact

Maintaining a financially sustainable position is essential for the RSPCA to continue its work to rescue, care for and protect animals in the future.

## 4. What we said we'd do in 2020

**Develop and implement the new 2021–2030 corporate strategy with a clear direction and target operating model.**

### What we did

Our strategy, *Together for animal welfare*, was developed in 2020 and launched at the start of 2021. We held a series of workshops with staff and volunteers to ensure they understood the strategy and were ready to implement it.

### Animal welfare impact

The new strategy will drive societal change and redefine people's relationships with animals over the coming decade, changing the attitudes and actions that affect them.







## 5. What we said we'd do in 2020

**Improve the governance of the organisation.**

### What we did

We created new governance structures to ensure our transformation programme will deliver our strategy.

The Charity Commission published a statement in December 2020 confirming that our relationship with it has now moved to a regular footing and that it is satisfied that our current governance reflects its expectations of large and complex charities.

### Animal welfare impact

Sound governance makes us accountable to our supporters and allows us to deliver on the promises we have set out in our 10-year strategy.

## 6. What we said we'd do in 2020

**Implement a new branch governance structure and assess any new rule changes required.**

### What we did

We established a new Branch Affairs Committee to lead our branch network and to interface with the national Society. We built on our 2019 governance reforms by changing and updating the rules, using gender-neutral language.

The committee played a pivotal role in making key decisions during the pandemic (for example, promoting the branch emergency fund appeal) and also in ensuring all branches got up-to-date, accurate information quickly, which was

particularly important when COVID-19 restrictions varied in different parts of England and Wales.

The Branch Affairs Committee also ensured the voice of the branch network was heard throughout the organisational review in 2020.

### Animal welfare impact

Maintaining healthy branches that cooperate with each other and with the national Society will mean that we can continue to protect animals locally as well as inspiring communities and changing attitudes.

## 7. What we said we'd do in 2020

**Increase participation from our membership.**

### What we did

We held our first-ever virtual AGM, to overwhelmingly positive feedback from members. Apart from the record turnout in 2019, which voted for the most significant governance reforms in over 40 years, the maximum attendance of 149 members in 2020 was the highest in 10 years. The rules now include the option for virtual general meetings in future.

### Animal welfare impact

Offering the opportunity of virtual participation makes our decision-making processes accessible to more people and ensures our supporters remain engaged and able to influence the direction we take.

# Income

Our generous supporters are absolutely vital to the work we do to protect animals. We need their donations in order to carry out our rescue, care and advocacy work.

**And we need their involvement to drive changes in attitude, to stand up for animals and to get directly involved in animal welfare so that we can maximise our reach and help more and more animals in need.**

Quite simply, our supporters make a huge difference to animal welfare in so many ways and we really appreciate how much they have shown their commitment to the protection of animals. Even in the midst of a terrible pandemic, they showed they were there for us and for the animals we are here to help.

Our contributions and donations income grew by eight percent, enabling us to respond to more animal welfare cases than we'd anticipated. We received over 120,000 new donations, which had a huge impact on our ability to continue helping animals in need. We cannot thank our supporters enough for their ongoing commitment and generosity – we could not do what we do without them.

In 2020, we aimed to implement a new plan to reach out to a more diverse supporter base, using tailored, digital methods to gain and retain support.

## 1. What we said we'd do in 2020

**Complete the implementation of our fundraising turnaround plan.**

### What we did

We implemented our fundraising turnaround plan to address some key structural challenges that were affecting our fundraising performance. Standalone issues were fixed and those that needed ongoing optimisation and development were addressed.

The following aspects were completed.

- ▶ First payment: in line with good sector practice, we have now reduced the sometimes 60-day delays new supporters could experience in collection of their first payments to less than 30 days.
- ▶ Legitimate interest: following the trustees' authorisation in December 2019, we moved to a legitimate interest approach, which allows us to gather more contactable supporter records.
- ▶ Supporter relationship management (SRM) stabilisation: this involved decommissioning our old Care systems and migrating data to new SRM platforms. We moved various email journeys from Silverpop onto Salesforce Marketing Cloud.

The following projects were implemented in 2020 and are ongoing.

- ▶ Conversion rate optimisation (CRO): using ongoing digital optimisation tests, we introduced methods to maximise financial conversion opportunities for site visitors.

- ▶ Supporter journeys (first phase complete): we began work on a Join the Rescue supporter journey introducing regular communications with new supporters.
- ▶ Data improvement and reporting: we began the work to improve integration between our SRM and finance systems, as well as boosting our reporting capabilities. We defined an approach for data cleansing and data retention.

## 2. What we said we'd do in 2020

**Stabilise non-legacy income at 2019 levels.**

### What we did

We achieved an 11.9% growth in contributions and donations, moving from £38.4m in 2019 to £43.0m in 2020.

### Animal welfare impact

By engaging with our new supporters in more direct, personal and efficient ways, we will increase our supporter base. This will not only boost our income and allow us to continue helping animals in need, it will also allow us to spread welfare messages and inspire compassion towards animals. The purpose of the move to legitimate interest (where applicable) is to increase our contactable 'universe' and maximise the potential of the data we collect through fundraising and other sources, such as our National Control Centre (NCC).

## 3. What we said we'd do in 2020

**Agree a new supporter journey, optimise the digital journey and implement a new consent model.**

### What we did

We agreed and implemented our creative Join the Rescue approach, recruiting 6,316 supporters to the new journey in the first few weeks of its implementation (from mid-November to the end of 2020).

### Animal welfare impact

Join the Rescue builds on our unique selling point of rescuing animals in need and on the public's strong awareness of our rescue work. It is an inspiring, urgent approach that invites new recruits to support our rescues through their donations. Once they have signed up, they receive tailored communications about their own part in the rescue story, which maintain interest and engagement.









## The value of our supporters

**Marion is typical of our amazing, caring supporters. She has donated to the RSPCA for many years, as did her late husband. In 2020, we appealed for donations to help get new digital forensics equipment for our covert officers, and Marion stepped up with a generous £20,000.**

We speak to Marion regularly on the phone and she always seems to be watching Channel 5's *The Dog Rescuers*, which she loves. Her generosity has funded countless projects over the years and it would be difficult to quantify the number of animals she has directly helped. This latest donation will mean that criminals who engage in cruelty to animals can be more quickly brought to justice and fewer animals will suffer.





*German shepherd Oscar was nursed back to health at RSPCA Millbrook Animal Centre. After his troubled past, Oscar's trust issues made him anxious and terrified of people. Our staff spent a lot of time with Oscar and nurtured him through these problems.*



# People

The RSPCA is widely recognised as the first and best animal welfare organisation in the world. Our authority is built on the fact that we give hands-on practical help to animals in need, making informed decisions and drawing on the latest information, scientific evidence and insights into animal welfare.

To do this, we rely on our network of incredibly dedicated branches, volunteers and staff, who work round the clock caring for and speaking up for animals.

Despite the lockdowns in 2020, our branches still delivered a significant amount and range of high-quality animal care services within communities. They took in 31,076 animals in need, rehoming or releasing 24,637 of them. They neutered 43,380 and microchipped 27,720 animals, as well as helping treat 40,412.

Behind all of this activity is our amazing army of volunteers – quite simply, the animals we rescue, and those we speak up for, owe everything to them. It is our volunteers who walk the dogs, or clean up the oiled birds before releasing them, or step in to foster sick or traumatised animals, coaxing them to grow in strength and confidence until they can be found new, loving homes. They are the ones who find and check those homes to make sure their charges will always be safe. And they are never afraid to speak out, making sure the public, politicians, food producers and retailers know the importance of protecting animal welfare.

In 2020, we set out to do more to make the RSPCA a great place to volunteer and work – one that attracts and retains the best talent and that is underpinned by a values- and mission-led culture. We recognised that we had more to do to promote diversity and inclusion in order to truly reflect the communities in which we operate.

## 1. What we said we'd do in 2020

**Implement our People and Culture strategy, focusing on wellbeing, talent management and diversity.**

### What we did

Our performance management system rollout has been moved to 2021 to allow staff time to link their priorities to our new strategy and values.

### Animal welfare impact

A diverse, talented workforce of staff and volunteers reflects the variety of communities in England and Wales, so that we can engage effectively with all sectors of the public. Protecting their wellbeing is an essential part of motivating and equipping them to deliver our strategy and remain loyal to the RSPCA and its values.

## 2. What we said we'd do in 2020

**Implement a new reward framework for our people.**

### What we did

We have made progress in moving all our staff onto a new pay structure. Employee contribution will be directly linked to our priorities and values. A new employee reward and benefits programme has been moved forward to 2021.

### Animal welfare impact

Having staff focused on our new strategy and values will ensure we are always conscious of the need to deliver good outcomes for animals.

## 3. What we said we'd do in 2020

**Reduce the reliance on contract staff by 30 percent.**

### What we did

We reduced our reliance by more than 65 percent on last year's figures.

### Animal welfare impact

Improved in-house workforce stability, alongside cost reduction, strengthens our position and allows us to continue delivering our services.

## 4. What we said we'd do in 2020

**Develop and roll out a new leadership development programme for managers and leaders.**

### What we did

In response to the pandemic, we moved all our training and development to an online platform, which offered significant scope for leaders and managers to engage in their own development during 2020.

### Animal welfare impact

Supporting our leaders and managers to continue developing while working at home was reassuring, both for them and for staff, and allowed the planning and operational work of the RSPCA to continue despite the disruption of the pandemic.



**Table 3** Key people data 2019

<b>Headcount:</b> (as at 31 December 2020)	<b>Total – 1,533 workers</b> <ul style="list-style-type: none"><li>▶ 1,420 employees (93%)</li><li>▶ 46 casuals (3%)</li><li>▶ 67 contractors (4%)</li><li>▶ 2.66% declaring a disability</li></ul>
<b>Employee turnover:</b>	<b>Voluntary:</b> 11.08% (which compares favourably to the third sector average of 16% in 2019)  <b>Overall turnover:</b> 26.30% (figure includes leavers due to organisation review in autumn 2020)
<b>Average days lost to sickness:</b> (12 months to 31 December 2020)	5.17 days (which compares favourably to the third sector average of 9.1 days in 2019)
<b>Gender split*:</b> *As identified by the individual	<ul style="list-style-type: none"><li>▶ Female: 1,043 (71.14%)</li><li>▶ Male: 374 (25.5%)</li><li>▶ Prefer not to say: 48 (3.3%)</li><li>▶ Transgender: 1 (0.06%)</li></ul>
<b>Ethnic origin*:</b> *As identified by the individual	<ul style="list-style-type: none"><li>▶ English/Welsh/Scottish/Northern Irish/British: 82.5%</li><li>▶ BAME: 2%</li><li>▶ Other: 1.9%</li><li>▶ Prefer not to say: 3.6%</li><li>▶ Blank response: 10%</li></ul>



## What some of our people say about the RSPCA

“Last week, the staff asked me to spend some time with a two-week-old kitten to make a fuss and help get the little guy used to people. It was a lovely way to spend an afternoon.”

**RSPCA animal centre volunteer**

“During the pandemic, the centre had to reduce the number of people that could come to the animal branch centre where I volunteer, so I couldn't do my regular dog walking. But I continued to take animal food and other donated items to the centre. It's lovely to see the animals build in confidence and improve in behaviour so that they become ready for rehoming.”

**RSPCA branch volunteer**

“I'm privileged to work with a great bunch of people who have a huge amount of passion for the job. Even if I'm having a bad day, somebody's enthusiasm or humour will carry me through.”

**RSPCA chief inspector**



*Oscar (left) needed special owners with the skills, experience and commitment to reassure and bring out the best in him. The team at Millbrook knew the perfect couple, who had adopted German shepherds from the centre in the past. Once all the COVID safety measures were in place, the work began to gradually introduce the couple to Oscar who is now enjoying life in his new home.*

The Chief Executive remuneration was benchmarked and reviewed in December 2020.

The RSPCA's Chief Executive is paid a total cash payment (including base pay and car allowance) of £150,007. This is at the lower end of the scale for Chief Executives of charities of a similar size.

We are committed to continuing to have a positive and constructive relationship with Unite the Union.

The RSPCA recognises Unite the Union as its sole union under a voluntary recognition arrangement. There is a formal structure for negotiating and engaging with Unite through the Joint Negotiating Committee and Health and Safety Committee.

## The Equality, Diversity and Inclusion (EDI) Project

**The People and Culture team, supported by the Strategy Delivery Unit and including key stakeholders, has embarked on a project to work together to build, promote and embed a culture of inclusivity and develop an RSPCA with a truly diverse population that reflects the communities in which we operate. The project has six strands: Attraction Strategy; Education and Awareness; Policies and Processes (Enablement and Enforcement); People Voice; Wellbeing and Gender Equality.**

The project, which will run over three years, will put in place the key building blocks upon which we can improve our diversity.

The following positive steps have been taken:

- ▶ reviewing and increasing the equality charter marks the RSPCA will be supporting
- ▶ introduced EDI monitoring within recruitment
- ▶ undertaken an animal charity EDI benchmark survey
- ▶ undertaken a gender equality survey
- ▶ introduced mandatory EDI training for staff and volunteers
- ▶ started using targeted recruitment boards/agencies for diverse recruitment
- ▶ introduced a new dignity and respect policy and a pledge all branches will be asked to make.



*Oscar was malnourished when we rescued him in 2019.*



# Strategy





# Together for animal welfare: our 2021–2030 strategy

We began implementing our new 10-year strategy at the start of 2021. This, we believe, will change the relationship between people and animals for the better.

It springs from our profound beliefs, underpinned by the most up-to-date science and knowledge.

**Our vision is a world where all animals are respected and treated with kindness and compassion.**

This is a bold vision and we know we can't achieve it alone. It takes all of us to create a world that is kinder to animals.

**Our new mission is to ensure animals have a good life by rescuing and caring for those in need, by advocating on behalf of all animals and by inspiring everyone to treat them with compassion and respect.**

This is our reshaped mission, which we adapted in 2021 to reflect the changing world and the three pillars of our work: rescuing and caring for abused and neglected animals, educating and inspiring people and advocating for all animals.

## Our beliefs

**The RSPCA cares deeply about animals and the relationship between people and animals. Animal welfare is at the heart of everything we do and our focus is on human interaction with animals.**

- ▶ We believe that animals and people both benefit from good animal welfare but, where there is a conflict, that cannot justify abuse, neglect, cruelty or exploitation.
- ▶ We believe all animals' lives are important in themselves; they matter because animals have emotions, feelings and needs, and because they enrich and improve our lives.
- ▶ We believe that all animals deserve a good life and also a kind, respectful and dignified ending.
- ▶ We believe that we all have a part to play in making animals' lives better – whether that is by rehoming a rescue animal, thinking about how our personal decisions and behaviours impact on animal welfare or advocating for improvements in the legal protection of animals.

Our work is underpinned by the latest evidence, knowledge, insight and good practice, which together enable us to do the right thing for animals.

## Our five core beliefs

1. All animals deserve a good life
2. Animals' lives are important in themselves
3. Animals have emotions, feelings and needs
4. Animals enrich and improve our lives
5. All of us can and should help to make animals' lives better

## Our values

**Our values for our employees, volunteers, trustees, branches and future members of our Community Engagement Programme guide everything that we do. They also guide how we work to rescue and care for animals and how we work with individuals, families, communities and other organisations.**

**We are compassionate:** we care deeply about the lives of animals, we have empathy for people, we act with kindness and consideration at all times.

**We are inspirational:** we are life changing, we inspire by taking the lead, we speak up when others don't, we take brave decisions, we change animals' lives for the better.

**We are committed:** we never give up, we have energy and determination, we rescue animals from cruelty and neglect, giving them new opportunities and supporting others in doing so, and advocate for all animals at risk of harm.

**We are expert:** we have expert knowledge, which we willingly share, we act on the basis of evidence, we underpin our decisions and actions with science, data and experience.

**We act with integrity:** we are honest and trustworthy, we act with integrity, we do what's right.

## Our eight bold ambitions

1. Reduce animal neglect and cruelty by half
2. Stop illegal puppy and kitten trading
3. See more than half of all UK farm animals reared to RSPCA welfare standards
4. End severe suffering for animals used in science
5. Secure legal protection for animals: establish an Animal Protection Commission
6. Achieve statutory powers in England and Wales for RSPCA inspectors
7. Secure a UN declaration for animals
8. Inspire a one-million-strong movement for animal welfare by 2030



# How we will deliver on our strategy

Our new strategic impact framework will enable us not only to measure and show how well we are performing against our strategy, but will also – crucially – demonstrate our wider impact on animal welfare.

The framework operates across a series of organisation-wide levels, allowing total alignment of people and activities with the strategy.

Developing and cascading this new framework throughout the organisation is necessarily an ongoing process that will require refinement over time. We will formally review and refresh the framework as part of our corporate governance annual cycle, and will also amend it ad hoc as critical new data becomes available or is needed for insight.

The strategic impact framework is underpinned by the theory of change.

## Our two longer-term outcomes are:

- ▮ Reduce neglect, abuse and cruelty to companion animals – including exotic pets – in England and Wales by 50 percent.
- ▮ Improve understanding and compassion towards animals. This directly links to our vision and mission of inspiring everyone to treat animals with compassion and respect.

STRATEGIC PLANNING		EFFECTS		
INPUTS	ACTIVITIES	OUTPUTS	LONGER TERM OUTCOMES	VISION AND MISSION
The resources we need to run our business	The actions we take to carry out our business model and strategy	The direct results and by-products of our business	The intended and unintended effects of the outputs	The ultimate impact area to which we contribute

## Our strategic impact framework

### OUR MISSION

To ensure animals have a good life by rescuing and caring for those in need, by advocating on behalf of all animals and by inspiring everyone to treat them with compassion and respect

### OUR VISION

A world where all animals are respected and treated with kindness and compassion

### LONGER TERM OUTCOMES

Reduce the incidence of abuse, cruelty and neglect

Improve understanding and compassion towards animals

### KEY OUTPUTS

All animals receive the best care and outcome

Reduction in illegal puppy and kitten trading

UK farm animals reared to higher standards

Focus on proactive vs. reactive work

People coming to us for advice, education and information

Fewer lab animals experience severe suffering

Level of public engagement

Compassionate Class reach

Impact of partnerships on animal welfare

### ACTIVITIES

**RESCUE AND CARE**  
Rescue and care for animals in need

**ADVOCACY**  
Change behaviours, attitudes and laws

**PREVENTION**  
Inspire kindness and compassion to animals

**SUPPORT**  
Grow support and income

**ORGANISATIONAL EFFECTIVENESS**  
Strive for excellence

### PROBLEM STATEMENT:

- The current legal framework to protect animals does not offer the legal protection animals need or deserve.  
= improve/change and add laws

- A lack of knowledge, understanding and empathy in relation to the welfare needs of animals is leading to cruelty.  
= change behaviour
- The ongoing need for the RSPCA to rescue and care for suffering animals is impacted by our limited resources.  
= act effectively and in partnership

## Our key outputs for 2021–2030

### ► All animals receive the best care and outcomes

We believe that all animals deserve a good life and should have the best care and best possible outcomes.

### ► Increase in puppies and kittens acquired from reputable sources and decrease in illegal trading

We want to stop the illegal puppy trade – we are looking to drive change through our policy and advocacy work.

### ► UK farm animals reared to higher standards

We want to see more than half of all UK farm animals reared to RSPCA welfare standards. By campaigning and promoting the RSPCA Assured brand, we will change behaviour and achieve a better quality of life for these animals.

### ► Focus on proactive vs. reactive work

We want to change the focus of our efforts from reactive to proactive Inspectorate work year on year and prevent cruelty by intervening before it happens.

### ► Levels of public engagement

We want to inspire a one-million-strong movement for animal welfare and improve overall levels of public engagement.

### ► Fewer lab animals experience severe suffering

We want to end severe suffering for laboratory animals by 2030. Our ultimate goal is to secure a global commitment to developing non-animal technologies to replace animal experiments.

### ► Advice, education and information

We want to provide the right information to the right people at the right time and in the right way, in order to increase understanding and compassion towards animals and reduce cruelty.

### ► Compassionate Class reach

Educating young people is one of the priority areas in our prevention strategy. We want to embed compassion and kindness towards animals in young people from an early age.

### ► Impact of partnerships on animal welfare

Partnership working is a key pillar in our strategy. Development and better use of partnerships (including with branches) will be key to enabling all of us to help more animals.

## Our five key priority areas

**Rescue and care**

**Advocacy**

**Prevention**

**Support**

**Organisational effectiveness**







# The future





# Looking to the future: what we'll do in 2021

PRIORITY	AREA	OUR FOCUS IN 2021	HOW WE WILL MEASURE OUR PROGRESS
Rescue and care	Response	<ul style="list-style-type: none"> <li>▶ We will improve the ways in which members of the public can access the help and reassurance they need.</li> <li>▶ We will identify and prioritise the animals whose welfare we are best placed to improve.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Numbers of calls answered.</li> <li>▶ Customer satisfaction scores.</li> <li>▶ Instances of use of our partners and engaged volunteers.</li> </ul>
	Rescue	<ul style="list-style-type: none"> <li>▶ Our Inspectorate will provide effective, high-quality and consistent welfare intervention where it is most needed.</li> <li>▶ Our Inspectorate resources will be deployed efficiently.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Service levels against our priority work.</li> <li>▶ Overall officer utilisation.</li> </ul>
	Care	<ul style="list-style-type: none"> <li>▶ We will protect and optimise the welfare of all the animals in our care.</li> <li>▶ We will ensure consistent, timely and expert-led welfare interventions.</li> </ul>	<ul style="list-style-type: none"> <li>▶ All long-stay animals have care plans.</li> <li>▶ Increase in use of fostering for case animals.</li> <li>▶ Utilisation of our network and partners to care for animals, rather than private boarding establishments.</li> </ul>
	Resolution	<ul style="list-style-type: none"> <li>▶ We will have clear pathways from RSPCA in-house care to any partners or rehoming/fosterers who are best placed to improve animals' welfare.</li> <li>▶ Initial measures will be based on successful outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Number of animals that we rehome.</li> <li>▶ Number of animals whose welfare has been provided by our partners.</li> <li>▶ Animals successfully rehomed, combined with active resolution supported by partners.</li> </ul>
Advocacy	Attitudes and behaviours	<ul style="list-style-type: none"> <li>▶ We will increase the public reach of our key campaigns.</li> <li>▶ We will increase public engagement in our key campaigns.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increased number of people participating in our campaigns.</li> <li>▶ Increased media coverage of our key issues.</li> <li>▶ Increased working with partner organisations, including those outside the animal welfare sector.</li> <li>▶ Evidence of changes in behaviour towards animals.</li> </ul>
	Laws	<ul style="list-style-type: none"> <li>▶ We will advocate for better animal welfare laws specifically on recognition of sentience, protecting standards through trade deals, ending the keeping of primates as pets, and ending the live exports of farm animals.</li> <li>▶ We will lobby governments in the UK, England and Wales to keep animal welfare on their agendas, and take every opportunity to make progress for animals.</li> <li>▶ We will advocate for policy change at institutional, corporate and intergovernmental levels.</li> </ul>	<ul style="list-style-type: none"> <li>▶ There will be evidence of increased support by MPs for animal welfare issues.</li> <li>▶ Strengthened animal welfare legislation.</li> <li>▶ New animal welfare laws.</li> <li>▶ Changes in institutional, corporate and intergovernmental policy which impacts animal welfare.</li> </ul>
Prevention	Animal friends	<ul style="list-style-type: none"> <li>▶ We will recruit one million people by 2030 to support the RSPCA and our animal welfare work through our new Community Engagement Programme.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Numbers of people recruited annually.</li> <li>▶ Establishment of community interest groups.</li> </ul>
	Information, education and support	<ul style="list-style-type: none"> <li>▶ We will conduct a review of the information, education and support we provide.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increase in people accessing the right information.</li> </ul>

<b>Prevention</b> (continued)	<b>Focus on children and young people</b>	<ul style="list-style-type: none"> <li>▶ We will provide information, education and support to children and young people to encourage them to play an active role in our activities.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Numbers of children and young people engaging in our education activities.</li> </ul>
	<b>Review all prevention work across the Society</b>	<ul style="list-style-type: none"> <li>▶ To produce a model framework and review our prevention activities.</li> </ul>	<ul style="list-style-type: none"> <li>▶ A framework with priorities and a roadmap for implementation.</li> </ul>
<b>Supporters</b>	<b>Engagement</b>	<ul style="list-style-type: none"> <li>▶ We will deepen our relationship with our supporters and inspire more people to support us.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Growth in enquiries and pledges for legacies.</li> <li>▶ Numbers of: active committed givers, active cash givers, corporate partnerships, trusts, major donors.</li> <li>▶ Average annual gift size split by: active committed givers, active cash givers, corporate partnerships, trusts, major donors.</li> <li>▶ Retention rates for: one-off donors, committed donors, corporate partnerships, major donors and trusts.</li> <li>▶ Number of ways customers engage with us.</li> </ul>
	<b>Innovation</b>	<ul style="list-style-type: none"> <li>▶ We will develop new and innovative opportunities for more people to support us in the future.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Conversion rates and pipeline values for corporate, trusts, philanthropy.</li> <li>▶ Individual giving recruitment tracked against target.</li> </ul>
	<b>Partnerships</b>	<ul style="list-style-type: none"> <li>▶ We will partner with people and organisations that share our ambition to improve animal welfare.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Volume and value of live strategic priorities with cases for support.</li> </ul>
	<b>Commercial</b>	<ul style="list-style-type: none"> <li>▶ We will develop and grow our commercial activities.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Commercial income.</li> </ul>
	<b>Membership</b>	<ul style="list-style-type: none"> <li>▶ We will grow our membership and retain more members.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Numbers of new and retained members.</li> </ul>
<b>Organisational effectiveness</b>	<b>People and culture</b>	<ul style="list-style-type: none"> <li>▶ We will foster a modern, inclusive and entrepreneurial culture so that the RSPCA is a great place to work that drives forward our vision, mission and strategy.</li> <li>▶ We will carry out a staff survey to establish a benchmark.</li> <li>▶ Accreditation and charter standards will be pursued as a measure of how great a place the RSPCA is to work.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increase in Black and Minority Ethnic (BAME) employees for 2021/22.</li> <li>▶ Reduction in gender pay gap.</li> <li>▶ Mandatory training completed.</li> </ul>
	<b>Financial sustainability</b>	<ul style="list-style-type: none"> <li>▶ We will ensure that we are a financially sustainable organisation that lives within its means and can invest in the future.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cash movement over Qtr and YTD.</li> <li>▶ Free reserves in comparison to Board policy and contrast to the generation or use of cash.</li> <li>▶ Net operating result over period in comparison to budget.</li> </ul>
	<b>Technology</b>	<ul style="list-style-type: none"> <li>▶ We will embrace technology across the RSPCA to drive efficiency, allow informed decision making and a better experience for our people, supporters and ultimately for animals.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Digital maturity assessment.</li> <li>▶ Level of engagement in reporting and insight solutions.</li> </ul>
	<b>Governance and leadership</b>	<ul style="list-style-type: none"> <li>▶ We will demonstrate the highest standards of governance and leadership, ensuring that they are fit for purpose for a charity of our standing.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Benchmark using the Charity Governance Code toolkit.</li> </ul>
	<b>Branch network</b>	<ul style="list-style-type: none"> <li>▶ We will develop and strengthen our partnership with our branch network.</li> <li>▶ We will reduce branches in administration to less than five percent.</li> <li>▶ We will reduce the number of branches operating under temporary licences.</li> <li>▶ We will make sure our branch network is sustainable for the future with a modernised governance.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Percentage of branches in administration and/or operating under temporary licences.</li> <li>▶ Branches have the right support.</li> <li>▶ The branch network is sustainable for the future.</li> <li>▶ Branch governance has been modernised.</li> <li>▶ Branches comply with regulatory requirements.</li> </ul>





## Response to COVID-19 in 2021

Just as we carried on rescuing, caring for and protecting animals against the backdrop of the pandemic in 2020, we'll continue to do so in 2021. Many of the procedural and practical changes we introduced during 2020 remain in place.

We have developed ways of virtually rehoming and delivering pets to their new homes, and the public has access to our online information, home-schooling resources and animal welfare courses.

In order to avoid unnecessary travel and maintain social distancing measures, many office-based staff are still working from home.

In 2020 and 2021 a huge amount of work was undertaken by staff across the RSPCA to explore the impact of COVID-19 on our ways of working. For office-based staff at Cardiff, Leeds and Southwater this culminated in Hello Hybrid – a trial which will run from October 2021 for six months, allowing us to explore how hybrid working, which gives more flexibility to office-based staff on where they work and also when they work, could be applied.

With a question mark over physical fundraising events, we'll continue hosting fun virtual events, such as the world's first-ever live Zoom pet show, which we ran in 2020. Our AGM will also be a virtual event in October 2021.

Whatever happens in terms of the pandemic and restrictions throughout 2021, we'll continue to demonstrate our commitment to animals and show that we'll always be there for those that need us.

# Structure, governance and management

## Charity constitution

**The RSPCA was founded in 1824, was incorporated by an Act of Parliament (the RSPCA Act) in 1932 and is a charity registered in England and Wales (no. 219099).**

Its charitable objects are to promote kindness and to prevent or suppress cruelty to animals and to do all such lawful acts as the Society may consider to be conducive or incidental to the attainment of those objects.

## RSPCA Board of Trustees' statement of responsibilities

**The trustees are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.**

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

- ▶ select suitable accounting policies and then apply them consistently
- ▶ make judgements and accounting estimates that are reasonable and prudent
- ▶ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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. 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 branches

This report, for 2020, does not include the RSPCA branches, which are separately registered charities that manage their own affairs, subject to rules made by the Society. At the end of 2020 there were 150 separately registered RSPCA branches managed by their own locally elected charity trustees, one trust and one limited company. Each branch is responsible for publishing its own annual *Trustees' report and accounts*.

The RSPCA Acts, the Society's rules and branch rules, regulate the relationship between the Society and the branches. Each branch is established as an unincorporated charitable association, but the Board of Trustees has powers to intervene in a branch's affairs in certain circumstances, for instance where the number of local trustees falls below the required minimum. Where it does so and exerts control over the management of the branch via the appointment of temporary officers who serve as the charity trustees of the branch, the accounts of the branch were, until 2019, consolidated into the financial statements.

Once temporary officers have been appointed to the branch board, all further decision making and management of the branch rests with those temporary officers until the branch can be returned to local control. Please see note 18 for details of the branches which have been previously consolidated.

**As set out below, at the 2019 AGM the rules on appointments to and membership of the RSPCA Board of Trustees changed.**

Among others the Board has established a Branch Affairs Committee. Under the RSPCA rules this committee comprises three trustees with one of them acting as chair and 10 regional chairs elected from the 10 regions. The committee has delegated authority to determine, monitor and evaluate strategic direction and performance. This includes but is not limited to, appointment of trustees to down branches, monitoring their affairs and overseeing their return to local trusteeship.

These changes and the establishment of the Branch Affairs Committee has a significant impact on the relationship between the Society's Board of Trustees and the trustees of the down branches. They no longer have a right to appoint (or remove) trustees nor to determine the day-to-day and longer-term affairs of the down branches.

The Board of Trustees now considers that it does not exert either influence or control over down branches and as such does not believe it is correct to continue to consolidate the accounts of those branches.



As the changes described were made during the course of 2019, the year was one of transition. The Board took the view that, as such, it was appropriate to consolidate the down branches in the 2019 *Trustees' report and accounts*. The branches are no longer consolidated from January 2020.

The 2020 *Trustees' report and accounts* has been prepared on the basis that all of the down branches left the Society Board Trusteeship on 1 January 2020.

Much of the RSPCA's direct animal welfare is carried out through its branches, such as subsidised veterinary care and rehoming in their local areas. In total there are 47 branch animal establishments including clinics, animal centres (domestic and wildlife), catteries, and private boarding establishments owned or run by the branches. The national Society works closely with the RSPCA branches in delivering animal welfare aims and strategy, and provides financial and other support to the branches.

## Grants policy

We provide various grants to our network of branches. Our grants, resulting from our donor recruitment activities, are agreed in advance of the fundraising activity and we allocate a share of actual income to our branch network. Other grants are allocated by our Branch Affairs Committee from applications for activities such as neutering and improvements to facilities. These grants are assessed against various criteria by the committee including the financial need and the impact on animal welfare.

## The RSPCA Board of Trustees

At the 2019 AGM the rules on appointments to and membership of the RSPCA Board of Trustees changed with more than 90 percent support from membership and branches. The new Board of Trustees has a maximum of nine members plus up to three co-opted members who, as charity trustees, have the legal responsibility for the effective use of the Society's resources in accordance with the objects of the RSPCA and for providing effective leadership and direction. Trustees have a maximum term of nine years. These changes are the most significant reforms in the Society's governance in over 40 years and they have built on the previous governance review that reported in 2017. The RSPCA is now confident that the Charity Commission is satisfied with this progress and that the Society's governance is better aligned with recommended practice for larger charities set out in the Charity Governance Code with particular regard to the reduced size of the Board and the introduction of term limits.

Nine members of the Board of Trustees are elected by the membership of the RSPCA on a democratic one member one vote basis. Each is elected for a three-year term but to ensure that the retirement of trustees was staggered, three have been elected for one year, three for two years and the final three for three years. This was achieved by drawing lots of those elected in 2019. All candidates for election to the Board of Trustees must have been members of the RSPCA for not fewer than three consecutive years immediately preceding nomination.

Trustees are not remunerated for their role but they are reimbursed for reasonable expenses incurred in carrying out their duties. A list of trustees who served in 2020 together with other statutory information is given on page 67 and forms part of this report.

The Society has a well-established induction programme for all trustees following election (either new or re-elected) which provides them with a comprehensive introduction to the key personnel and functions of the charity, together with information about their own duties and obligations. Trustees are also supported during their term of office in attending trustee training courses as part of their continuing development.

The Board's Governance and Nominations Committee is overseeing the consideration of an NCVO report on developing a trustee training strategy for the RSPCA. In the interim, the Board is carrying out a skills audit and trustees appraisals are being held by the Chair as part of reviewing the Board's performance as a whole and the contribution of individual members. The Board of Trustees meets monthly and is responsible for the finance, governance and overall strategic aims of the RSPCA. It has delegated more detailed discussion on the work of the RSPCA to a Finance, Audit and Risk Committee (FARCOM), an Investment Committee, an Animal Welfare Committee, a Governance and Nomination Committee and the Branch Affairs Committee. The Branch Affairs Committee has been established under the RSPCA rules comprising three trustees (including the chair of the committee) and 10 regional chairs elected from our 10 regions. These committees determine, monitor and evaluate the RSPCA's strategic direction and performance as delegated by the Board of Trustees. In addition, a Remuneration Committee has been established to review the Chief Executive's remuneration each year.

## Public benefit

The RSPCA trustees pay due regard to Charity Commission guidance on public benefit and meet the requirements of the Charities Act 2011 through the programme of preventing cruelty and promoting kindness to animals, as this promotes humane sentiment in humans towards animals which gives a moral benefit to the human community as a whole. Operating the emergency helpline (National Control Centre) and responding to requests for help via our Inspectorate and animal rescue service are the main activities undertaken to further the purposes for public benefit.

## Safeguarding

The RSPCA continues to work with The Social Care Institute of Excellence to further refine our safeguarding policy. A revised policy was signed off in 2020 and has been published alongside a managers' guide and a documented code of conduct.

A Google safeguarding site has been created, along with information published on the RSPCA's intranet, to make it easy for both national and branch RSPCA employees and volunteers

to access information and report safeguarding concerns. A Google form has been produced for consistent safeguarding reporting and regular reports will be provided to the Board on safeguarding. A safeguarding e-learning course has been launched and will be mandatory for all RSPCA employees. A version for volunteers was launched in 2019. Employees will be required to refresh their knowledge annually.

The RSPCA Inspectorate continues to partner with the NSPCC, sharing information about child safeguarding concerns.

## Risk management

During the year, the Executive team initiated a review of the strategic risks within the RSPCA which resulted in identification of the following key risks. The biggest risks we managed in 2020 were:

**Risk:** Financial sustainability – there is high dependency on two income channels, legacies and individual giving, which can lead to volatility in income.

**Mitigation:** The restructure in 2020 resulted in significant savings. This year the annual budget will be extended to consider a three-year plan and include scenarios to provide clear visibility of any potential future deficits.

**Risk:** Failure to meet health and safety requirements and standards.

**Mitigation:** Finch Consulting has recently completed an action plan and a new Health and Safety Policy has been approved by the Board which is being communicated to all levels within the RSPCA through a Health and Safety training programme.

**Risk:** Failure to meet employment legislation, legal and regulatory requirements and standards.

**Mitigation:** Professional legal, HR and compliance functions with access to external legal resource and supported by internal policies where appropriate.

**Risk:** Technology and cyber resilience.

**Mitigation:** Cyber risks are currently increasing. To mitigate this, we have a dedicated Information Security Officer, a robust range of IT controls and internal cybersecurity training for all staff.

**Risk:** Fraud, collusion, bribery and theft.

**Mitigation:** We have recently published a new anti-fraud, bribery and corruption process and are in the process of completing a detailed risk assessment and profiling exercise.

**Risk:** Dependency on third-party suppliers and supply chain.

**Mitigation:** We have outsourced our call handling to Capita. The contract includes a number of KPIs and performance criteria.

**Risk:** Reputation and geopolitical issues.

**Mitigation:** An advocacy team completes a regular horizon scan of forthcoming reputational and geopolitical risks.

**Risk:** Animal welfare.

**Mitigation:** There is a major incident procedure in place with communication lines into Defra.

**Risk:** Pension deficit.

**Mitigation:** Barnet Waddingham is appointed as advisor to the RSPCA and the fund has 80 percent hedging against movements in inflation and interest rate movements. The Finance Director attends quarterly trustee meetings.

**Risk:** Failure to attract, inspire, empower and retain staff.

**Mitigation:** The RSPCA aspires to be recognised as a great place to work. To achieve this, we are completing a range of initiatives internally such as flexible working and internal progression

**Risk:** Failure to deliver key programmes.

**Mitigation:** The Director of Strategy and Transformation reports into the Chief Executive who is responsible for the use of formal programme management tools to achieve successful implementation of the strategy.

**Risk:** Failure to manage disruption due to pandemic or other major incidents.

**Mitigation:** The experience of COVID enabled this internal process to be strengthened. There is now a Business Continuity Recovery Group and a Business Continuity Steering Group. There are also good partnership working arrangements in place to address IT failures and facilitate remote working. A hybrid working proposal has been developed for office-based staff.

## Slavery and human trafficking

The RSPCA publishes a statement on its website setting out the steps we are taking to combat slavery and human trafficking in our supply chains. See: [rspca.org.uk/utilities/modernslavery](https://rspca.org.uk/utilities/modernslavery)





## Financial review

The Consolidated Statement of Financial Activities (SOFA) on page 45 reports a deficit for the year of £28.8m (2019: deficit £17.2m).

This significant loss reflects two elements. The first being a slowdown in probate notifications across the sector resulted in a very much lower level of legacy income in the year of £54.3m compared to £69.0m last year. We are pleased to report that income levels have returned to normal levels in the first half of the year. The second level is a one off charge of £12.0m on the deconsolidation of subsidiaries. As explained earlier, in the RSPCA branches section under 'Structure, governance and management' on page 35, the Board considers that it is no longer appropriate to consolidate the down branches in 2020, as it no longer exerts either influence or control over them, following the governance changes in 2019. In the 2020 consolidated SOFA the down branches are treated as disposed on 1 January 2020. The Society-only SOFA on page 44 reports a deficit for the year of £17.1m (2019: deficit £17.7m). The actuarial loss on the pension scheme is £4.3m compared to an actuarial loss of £9.0m in 2019. Our income for the year totalled £116.5m (2019: £130.7m). In 2020 we were notified of seven high-value

legacies (over £500,000), with an estimated value of £4.6m (2019: 14 notifications totalling £10.4m), (see note 20). High value legacies often comprise complex estates that can take a number of years to settle so the cash from these legacies may not be received for some time.

We continue to face increasing demands for our services while managing our costs. Our expenditure for 2020 is £140.5m (2019: £146.0m). There was a net cash outflow from operations of £6.2m compared to a £14.9m net cash outflow in 2019 as shown by the Consolidated cash flow statement on page 47. Maintaining financial sustainability is a key priority for the RSPCA.

### Fundraising governance

When the COVID-19 Pandemic hit our shores in 2020 all face-to-face fundraising activity ceased. We have observed the revised guidelines for face-to-face fundraising activity as set out in the Fundraising Code of Practice, however as yet the Society has not made any plans to restart this activity. Should activity resume in the future there will be a requirement to

review all training material. This will reflect changes to existing rules, to protect our supporters, our professional fundraisers, and potentially we will appoint a new third-party provider to conduct face-to-face activity.

We complete an Annual Complaints Return for the Fundraising Regulator for fundraising complaints reported. Our latest return shows that the RSPCA received 64 fundraising complaints. The complaint numbers for the previous reporting period was 403.

The reduction in complaint numbers this year is due to the lack of face-to-face fundraising activity. This activity created 322 of the 403 fundraising complaints reported in the last reporting period. The reporting period is 31 March–1 April.

In 2020 the Data Protection Team recorded 34 actual breaches which were independently investigated on a case-by-case basis from the minute we became aware of the breach. Our standard is to complete investigations within three to five days of receiving the breach notification, however it might extend beyond depending on the complexity of the incident.

32 of the breaches recorded were low risk and two medium risk according to the Data Protection Team's scoring tool.

None of the breaches was reported or reportable to the Information Commissioner's Office (ICO); follow-up advice and resolution was provided for all.

In comparison to 2019, there was a decrease in total breach incidents recorded, however we noticed an increase of incidents in some areas of the Society. We are currently embarking on a Data Protection Health Check project to help us create bespoke training for all areas across the Society, with the low score departments being covered in the first stage of this tailored training as a priority.

The RSPCA does not share any of its supporter data with other charities or companies unless we have a data sharing agreement allowing us to do so. In October 2020 we revised the legal basis on how we gain supporters' consent across the Society. Our legal basis is legitimate interest for new supporters who have provided the RSPCA with an address or telephone number.

We regularly review supporter journeys to ensure we protect potentially vulnerable supporters and to address process improvements following supporter feedback.

## Performance

Fundraising costs for 2020 are £19.0m (2019: £23.8m). Income from fundraising, excluding legacies, increased by £4.6m in 2020 to £43.0m (2019: £38.4m). This reflects new regulatory constraints and increasing costs of compliance.

## Financial position of trading subsidiaries

The RSPCA has two wholly owned subsidiaries that operated during the year. The results of these entities are presented in note 18. RSPCA Trading Limited undertakes non-primary

purpose trading and the profit from its activity is transferred to the RSPCA at year end. In 2020, RSPCA Trading had income of £1.3m (2019: £1.7m). Outgoing resources were £1.1m (2019: £1.4m) and £0.2m of profit was transferred to the RSPCA (2019: £0.3m).

Freedom Food Limited, which trades as RSPCA Assured, promotes RSPCA approved welfare standards in livestock farming. RSPCA Assured activities generated income of £3.6m (2019: £3.7m) and incurred costs of £3.4m (2019: £3.7m).

## Investments

The RSPCA holds investments to support fluctuations in its cash flow and to fund structural growth.

The value of the RSPCA's investments at 31 December 2020 was £77.7m (2019: £88.6m). Net losses of £0.5m are reported in the Group Statement of Financial Activity (SOFA) for 2020.

The Board has delegated overall responsibility for the RSPCA's investment strategy to the Investment Committee which continues to refine this. The Investment Committee consults with its investment professionals to help maximise the overall return within acceptable risk parameters while ensuring that the strategy remains fit for purpose.

## Investment strategy review

2020 has been a tumultuous year and therefore over the course of the first part of the year there was a need to draw on funds to support a number of projects throughout the year.

Both the 'Reserves Overflow' portfolio (which was designed to sit between the cash reserves and the long-term fund) and long-term portfolio have helped provide support for capital withdrawals.

## Market overview

Back in January 2020, Covid-19 was a regional virus, and few predicted that it would be the cause of an unprecedented and extremely challenging 2020 for people, businesses and economies. The crisis has also been a tumultuous experience for investors as it forced the global economy into its deepest recession in peacetime.

Looking ahead, the prospects for 2021 look brighter – offering the prospect of a return to normality, and with that greater certainty. The greater confidence resulting from the vaccines, alongside continued technological innovation, and a recovery in global economic growth should provide a positive landscape for investors.

Our fund managers believe that as we emerge from the crisis, they expect the year to be characterised by a period of sustained recovery, and growth across major equity markets. This cycle has played out plenty of times before. For example, in 2010, following the global financial crisis when investors were unsure of the sustainability of market growth we were in fact seeing the start of a long bull run.



## Fund performance

The long-term portfolio achieved a return of +2.60% in the 12 months to 31 December 2020, compared to the return target (CPI plus 4%) of +4.65%. Over the past five years, the portfolio has returned 6.4% p.a. against the 5.5% p.a. return target.

The ARC Balanced Asset Charity Index remains the peer group comparator for this portfolio. This index represents the average performance of a large sample of other charity portfolios with a similar risk remit. The ARC Balanced Asset Charity Index annualised return has been 3.59% the previous 12 months. Over a five-year annualised basis, the figure is 5.2% p.a.

The 'Reserves Overflow' fund has returned 0.59% for the 12 months to 31 December 2019. This was behind the CPI+2% target (which is 2.65%), and behind the peer-group benchmark of 2.59%.



## Ethical and socially responsible investment

The RSPCA has an agreed ethical investment policy. This states that the RSPCA will take all reasonable steps to ensure that its corporate investments are consistent with its animal welfare policies. We have also introduced a requirement for Investment Managers/Funds to be signatories to the UN Six Principles for Socially Responsible Investment.

We are currently undertaking a review into our existing policies and look to enhance them where possible.

## Pension arrangements

The assets of the Society's pension arrangements are held separately from the RSPCA under the RSPCA Pension Scheme. Based on Financial Reporting Standard (FRS102), the amount by which the liabilities exceed the assets of the defined benefit section of the Pension Scheme increased by £2.2m in 2020 to £38.7m (2019: £36.5).

## Reserves

The RSPCA holds three types of reserve – restricted reserves, designated funds and free reserves. The Group reserves additionally include restricted and unrestricted reserves held in the subsidiary companies.

Restricted reserves is the balance on endowment funds and restricted funds; these are held pending their application to the activity specified by the donor. As at 31 December 2020, the balance of restricted reserves was £16.2m (2019: £29.5m).








Designated funds are set aside for fixed assets and investment in corporate projects and to support branch and field operations. The funds represent the RSPCA's intangible and tangible fixed assets, committed and approved capital and project expenditure, and allocations to support branch and field operations (see note 17). As at 31 December 2020, the balance of designated funds was £90.3m.

Free reserves are calculated as total funds less restricted reserves and designated funds. This definition takes full account of the pension liability. The RSPCA's reserves policy is to maintain a level of free reserves that will enable the RSPCA to ensure a continuity of activity and have the ability to adjust in a measured way to significant changes in the external economic environment and demands on services provided by the charity. A level of free reserves of between £75m and £100m is deemed appropriate. At 31 December 2020, our free reserves stood at £81.4m (2019: £91.7m).

*Heavily pregnant Penny had been left in a field and was barely clinging on to life when she was found. The vet immediately put her on a drip to get vital fluids into her little body. Sadly none of her puppies survived, but after a lot of love and care at RSPCA Millbrook Animal Centre, Penny recovered and was found a loving new home.*

# Summary financial report

## Our income 2020 £116.5m

	Legacy income	£54.3m
	Contributions and donations	£42.7m
	Charitable activities	£7.3m
	Other income	£5.1m
	Furlough income and fees	£3.4m
	FA disposals	£1.9m
	Investment income	£1.8m



Signed on behalf of the RSPCA Board

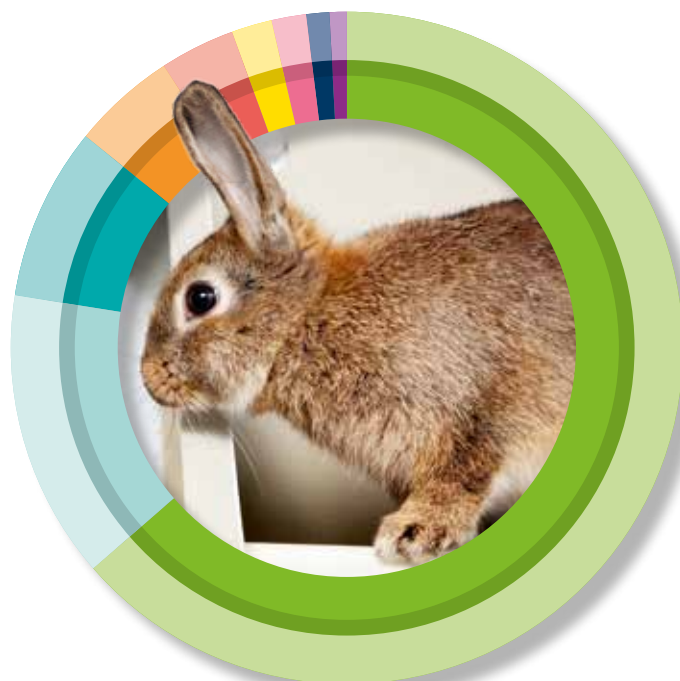


**René Olivieri**  
Chairperson,  
RSPCA Board of Trustees

15 September 2021



**Barbara Gardner**  
Treasurer,  
RSPCA



## Our expenditure 2020 £140.6m

	Field animal welfare	£89.8m
	Cost of raising funds	£19.2m
	Deconsolidation of branches	£12.0m
	Support to branches	£7.0m
	Campaigns, communication, publications	£4.8m
	Prosecutions – legal	£2.7m
	Education	£2.3m
	Science	£1.9m
	International	£0.9m



# Independent auditor's report to the trustees of the RSPCA

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2020 and of the Group's 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 and RSPCA Rules.

We have audited the financial statements of The Royal Society for the Prevention Of Cruelty To Animals ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement 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).

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

## Conclusions related 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 Group and the Parent 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual

Report & Accounts, other than the financial statements and our auditor's report thereon. The other information comprises: The Chair and Chief Executive Welcomes and the Annual Report of the Trustees. 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. 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.

## 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 Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees

As explained more fully in the Board of Trustees statement of 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 Group's and the Parent 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 Group or the parent Charity or 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 section 144 of the Charities Act 2011 and report in accordance with the Acts 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.

**Extent to which the audit was capable of detecting irregularities, including fraud**

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:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, RSPCA Rules and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection, health and safety legislation and the Animal Welfare Act 2006. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations and legacy revenue recognition.

Our tests included:

- agreeing the financial statement disclosures complied with applicable legislation
- enquiries of the Finance and Audit Committee, management and Senior Management Team, review of minutes of meetings of those charged with governance
- reviewing correspondence with HMRC
- audit testing a sample of gift aid claims and ensuring these have been made in accordance with the regulations
- audit of the donor system to accounting records reconciliation
- challenging assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual, de-consolidation of branches and defined benefit pension scheme liability

- enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements
- reviewed Serious Incident Reports submitted to the Charity Commission, other correspondence with the Charity Commission and performed an assessment of any Whistleblowing matters and
- performed audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

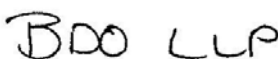
As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

**Use of our report**

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

The logo for BDO LLP, featuring the letters 'BDO' in a stylized, handwritten font, followed by 'LLP' in a similar but slightly more formal font.

**BDO LLP, statutory auditor  
London, UK**

**Date: 16 September 2021**

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Charity statement of financial activities

YEAR ENDED 31 DECEMBER 2020

	Notes	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL 2020 £'000	TOTAL 2019 £'000
<b>Income and endowments from:</b>						
Donations and legacies	2a	92,902	4,306	0	97,208	107,372
Charitable activities	2b	3,637	42	0	3,679	5,872
Other trading activities	2c	3,916	0	0	3,916	4,203
Investments	2d	1,691	80	9	1,780	1,633
Gains on disposal of tangible fixed assets	2e	1,918	0	0	1,918	1,831
Other	2f	3,429	0	0	3,429	317
<b>Total income</b>		<b>107,493</b>	<b>4,428</b>	<b>9</b>	<b>111,930</b>	<b>121,228</b>
<b>Expenditure on:</b>						
Charitable activities		103,948	2,335	0	106,283	115,712
Raising funds		17,893	9	26	17,928	21,244
<b>Total expenditure</b>		<b>121,841</b>	<b>2,344</b>	<b>26</b>	<b>124,211</b>	<b>136,956</b>
Net gains/(losses) on investments		(541)	(14)	50	(505)	7,094
<b>Net (expenditure)/income</b>		<b>(14,889)</b>	<b>2,070</b>	<b>33</b>	<b>(12,786)</b>	<b>(8,634)</b>
<b>Transfers between funds</b>	15	<b>3,385</b>	<b>(1,754)</b>	<b>(1,631)</b>	<b>0</b>	<b>0</b>
<b>Other recognised gains:</b>						
Actuarial loss on defined benefit pension scheme	23	(4,283)	0	0	(4,283)	(9,032)
<b>Net movement in funds</b>		<b>(15,787)</b>	<b>316</b>	<b>(1,598)</b>	<b>(17,069)</b>	<b>(17,666)</b>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 January:		187,845	7,524	10,033	205,402	223,068
<b>Fund balances carried forward at 31 December:</b>		<b>172,058</b>	<b>7,840</b>	<b>8,435</b>	<b>188,333</b>	<b>205,402</b>
<b>Prior year reconciliation of funds</b>						
Fund balances brought forward at 1 January 2019		201,686	12,109	9,273	223,068	
Net movement in funds		(13,841)	(4,585)	760	(17,666)	
Fund balances carried forward at 31 December 2019		187,845	7,524	10,033	205,402	

All amounts relate to continuing operations. All gains and losses recognised in the current and preceding financial year are included in the statement of financial activities.

The notes on pages 48 to 65 form part of these accounts.

# Consolidated statement of financial activities

YEAR ENDED 31 DECEMBER 2020

	Notes	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL 2020 £'000	TOTAL 2019 £'000
<b>Income and endowments from:</b>						
Donations and legacies	2a	92,701	4,306	0	97,007	108,551
Charitable activities	2b	7,272	42	0	7,314	11,187
Other trading activities	2c	5,077	0	0	5,077	7,014
Investments	2d	1,691	80	9	1,780	1,680
Gains on disposal of tangible fixed assets	2e	1,918	0	0	1,918	1,882
Other	2f	3,429	0	0	3,429	353
<b>Total income</b>		<b>112,088</b>	<b>4,428</b>	<b>9</b>	<b>116,525</b>	<b>130,667</b>
<b>Expenditure on:</b>						
Charitable activities	3a	107,053	14,299	0	121,352	122,185
Raising funds	3b	19,156	9	26	19,191	23,797
<b>Total expenditure</b>		<b>126,209</b>	<b>14,308</b>	<b>26</b>	<b>140,543</b>	<b>145,982</b>
Net gains/(losses) on investments		(541)	(14)	50	(505)	7,177
<b>Net (expenditure)/income</b>		<b>(14,662)</b>	<b>(9,894)</b>	<b>33</b>	<b>(24,523)</b>	<b>(8,138)</b>
<b>Transfers between funds</b>	15	<b>3,392</b>	<b>(1,761)</b>	<b>(1,631)</b>	<b>0</b>	<b>0</b>
<b>Other recognised gains/(losses):</b>						
Actuarial loss on defined benefit pension scheme	23	(4,283)	0	0	(4,283)	(9,032)
<b>Net movement in funds</b>		<b>(15,533)</b>	<b>(11,655)</b>	<b>(1,598)</b>	<b>(28,806)</b>	<b>(17,170)</b>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 January:		189,237	19,495	10,033	218,765	235,935
<b>Fund balances carried forward at 31 December:</b>		<b>173,684</b>	<b>7,840</b>	<b>8,435</b>	<b>189,959</b>	<b>218,765</b>
<b>Prior year reconcilliation of funds</b>						
Fund balances brought forward at 1 January 2019		203,075	23,587	9,273	235,935	
Net movement in funds		(13,838)	(4,092)	760	(17,170)	
Fund balances carried forward at 31 December 2019		189,237	19,495	10,033	218,765	

All amounts relate to continuing operations. All gains and losses recognised in the current and preceding financial year are included in the consolidated statement of financial activities.

The notes on pages 48 to 65 form part of these accounts.



# Consolidated and charity balance sheets

YEAR ENDED 31 DECEMBER 2020

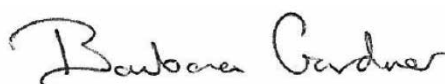
		GROUP 2020 £'000	GROUP 2019 £'000	CHARITY 2020 £'000	CHARITY 2019 £'000
	Notes				
<b>Fixed assets</b>					
Intangible assets	4	9,791	9,158	9,791	9,158
Tangible assets	5	65,590	75,730	65,590	69,137
Investments	6	77,741	88,605	77,741	87,643
Programme related investments	6c	1,389	1,049	1,389	1,411
<b>Total fixed assets</b>		<b>154,511</b>	<b>174,542</b>	<b>154,511</b>	<b>167,349</b>
<b>Current assets</b>					
Stocks	7	386	197	0	0
Debtors	8	64,965	76,558	64,723	75,297
Cash at bank and in hand		25,465	20,778	23,352	15,038
<b>Total current assets</b>		<b>90,816</b>	<b>97,533</b>	<b>88,075</b>	<b>90,335</b>
<b>Creditors</b>					
Amounts falling due within one year	9	(15,857)	(16,467)	(14,742)	(15,439)
<b>Net current assets</b>		<b>74,959</b>	<b>81,066</b>	<b>73,333</b>	<b>74,896</b>
<b>Total assets less current liabilities</b>		<b>229,470</b>	<b>255,608</b>	<b>227,844</b>	<b>242,245</b>
<b>Creditors</b>					
<b>Amounts falling due after more than one year</b>					
Provisions for liabilities and charges	10	(792)	(331)	(792)	(331)
Defined benefit pension liability	23	(38,719)	(36,512)	(38,719)	(36,512)
<b>Total net assets</b>		<b>189,959</b>	<b>218,765</b>	<b>188,333</b>	<b>205,402</b>
<b>The funds of the Charity:</b>					
Endowment funds	15	8,435	10,033	8,435	10,033
Restricted income funds	15	7,840	19,495	7,840	7,524
Unrestricted income funds:					
Pension reserve	15	(38,719)	(36,512)	(38,719)	(36,512)
Other charitable funds		102,361	106,836	100,735	105,280
Fair value reserve – investments		19,708	21,414	19,708	21,578
Designated funds	15	90,334	97,499	90,334	97,499
<b>Total funds</b>		<b>189,959</b>	<b>218,765</b>	<b>188,333</b>	<b>205,402</b>

The notes on pages 48 to 65 form part of these accounts.

These accounts were approved by the Board of Trustees and signed on its behalf by:



René Olivieri  
CHAIR, RSPCA  
15 September 2021



Barbara Gardner  
TREASURER, RSPCA  
15 September 2021

# Consolidated cash flow statement

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	<b>A</b>	<b>(6,224)</b>	<b>(14,818)</b>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,718	1,620
Interest received		62	60
Proceeds from the sale of property, equipment and motor vehicles		2,230	1,970
Purchase of intangibles		(1,604)	(3,927)
Purchase of property, plant and equipment		130	(2,477)
Proceeds from sale of investments		25,862	26,885
Purchases of investments		(17,147)	(8,581)
Additional programme related investments		(340)	(300)
<b>Net cash provided by investing activities</b>		<b>10,911</b>	<b>15,250</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>4,687</b>	<b>432</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>20,778</b>	<b>20,346</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>B</b>	<b>25,465</b>	<b>20,778</b>

## Notes to the consolidated cash flow statement

### A) Reconciliation of net income to net cash flow from operating activities

Net expenditure for the reporting period	(24,523)	(8,138)
Depreciation charges	5,440	5,054
(Gains)/losses on investments	505	(7,177)
Dividends, interest and rents from investments	(1,780)	(1,680)
Profit on disposal of fixed assets	(1,918)	(1,882)
Non cash branch acquisitions	0	(292)
Non cash branch disposals	8,152	120
Decrease/(increase) in stocks	(891)	41
Decrease/(increase) in debtors	10,349	3,636
(Decrease)/increase in creditors	57	(3,515)
Increase/(decrease) in provisions	461	239
Other adjustments including pension funding	(2,076)	(1,224)
<b>Net cash provided by operating activities</b>	<b>(6,224)</b>	<b>(14,818)</b>

### B) Analysis of cash and cash equivalents

Cash in hand	25,465	20,778
Loans and overdraft	0	0
<b>Total cash and cash equivalents</b>	<b>25,465</b>	<b>20,778</b>

No reconciliation of net debt has been prepared as the RSPCA holds only cash and cash equivalents.  
Net cash flow change in the year is £4,687k.

The notes on pages 48 to 65 form part of these accounts.

# Notes to the accounts

YEAR ENDED 31 DECEMBER 2020

## 1 ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

### a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value. The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued October 2019 and the Charities Act 2011, UK Generally Accepted Practice and the RSPCA Rules. The charity is a public benefit entity.

### b) Going concern

The trustees reviewed the financial plans at the end of 2020 and were content that the outlook for planned expenditure is affordable and will be met by anticipated receipts. The impact of COVID has led to a slowdown in legacy income but donations have been holding up and expected to continue to do so. Expenditure has been constrained due to lower activity levels and consequently there is confidence that the accounts should be prepared on a going concern basis. In previous years there has been significant volatility in legacy income and consequently the budget has used cautious assumptions using intelligence from Legacy Foresight. In addition the charity has significant investments amounting to £83.5m in July 2021 which provides significant additional liquidity.

Given the strength of the balance sheet with a large investment and property portfolio, in addition to cash held at the bank, the trustees believe that, whilst there is uncertainty they do not consider there to be material uncertainty and that would cast doubt on the RSPCA's ability to continue as a going concern. The trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

### c) Critical accounting judgements and key sources of estimation uncertainty

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

**Income recognition** – The Charity recognises income on a receivable basis where the amount is reliably measurable and there is adequate probability of receipt. Income recognition policies are detailed in the accounting policy for income. When it is considered that the key criteria of entitlement, probability and measurement for income recognition are not fulfilled for a transaction, income recognition is delayed until these have been judged to have been met.

**Fixed Assets** – The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life. The useful economic life of an asset is determined at the time the asset is acquired or brought into use and reviewed annually for appropriateness. The lives are based on

historical experience together with anticipation of future events. Depreciation policy is detailed in the accounting policy for depreciation.

**Accruals, provisions and contingencies** – Expenditure incurred in the reporting period where there is uncertainty as to the final amount to be paid is accounted for on the basis of an estimate where this treatment is considered to be appropriate. An accrual is recognised when it is probable that an obligation exists for which a reliable estimate can be made. Matters that are either possible obligations or do not meet the recognition criteria for a provision are disclosed as contingent liabilities. If the possibility of transferring economic benefit is considered to be remote no reference is made.

### d) Consolidation

The financial statements consolidate the results of the RSPCA and its wholly owned subsidiaries (see note 18). The consolidation is prepared on a line-by-line basis. A separate *Statement of Financial Activities* for the Charity is also presented in accordance with Charities SORP (FRS 102).

The Group accounts do not consolidate the results of the 150 branches of the RSPCA which are independent charities, registered separately with their own independent charity trustees and charitable objects and are therefore not controlled by the Society.

Where a branch ceases to be under active management, the Branch Affairs Committee may appoint temporary trustees to ensure that the affairs of the branch continue to be administered. As explained in the *Trustees' report and accounts*, the Society's Board of Trustees now no longer has a right to appoint (or remove) trustees nor to determine the day-to-day and longer-term affairs of the down branches. This means that they no longer have any control of these branches at this time in accordance with Charities SORP (FRS 102). This means that the accounts have been prepared on the assumption that all of the down branches left the Society Board Trusteeship on 1 January 2020. This has resulted in a charge to the consolidated SOFA of all of the net assets that were shown in the 2019 balance.

### e) Properties

Freehold and leasehold properties are shown at cost. Equity Housing Properties are owned by the Society, which grants a lease at a peppercorn rent to any inspector wishing to take advantage of the scheme. The inspector purchases an investment in the equity of the property and any future change in the value is shared between the Society and the inspector in proportion to their shares in the property. The inspector's share in an existing Society property, or an additional investment in an equity property, is treated by the Society as sale proceeds for that proportion of the property sold. Depreciation is charged on the cost of the Society's equity share of the property using a 40-year useful life. The inspector is entitled to purchase the remaining equity owned by the Society in the property at market value at date of sale.

Unrealised losses arising on the write-down of properties, where there is an impairment below depreciated historical cost, are shown in the statement of financial activities as expenditure. An impairment review is performed whenever the Society becomes aware that a significant impairment event has occurred.



#### **f) Computers and other equipment**

Computers, computer software, equipment and motor vehicles, other than those on operating leases, are capitalised.

#### **g) Intangible assets**

Costs in respect of the research phase of a project are expensed as they arise.

Costs in respect of the development phase of a project are capitalised when there are adequate technical and financial resources to complete and it is probable that future economic benefits will arise.

Development projects are amortised, on a straight line basis, when available for use, over their useful economic life of between three and 10 years. They are included as Intangible Fixed Assets.

#### **h) Depreciation**

Provision for depreciation is made on cost in respect of:

(i) leasehold interests in land over the terms of the leases in equal annual instalments except those in excess of 40 years, which are not depreciated;

(ii) completed freehold and leasehold buildings at the rate of 2.5 percent per annum;

(iii) computers, other equipment and motor vehicles on a straight line basis over their estimated useful lives, when new, of between three and 10 years.

#### **i) Investments**

Stocks and shares are measured at bid value at the balance sheet date. Donated and legacy investment properties consist of land where development approval is being sought or the property is being held in anticipation of increased value and are held at their estimated current net realisable value. Unrealised gains and losses arising on the revaluation of investments are, together with the realised gains and losses arising on the sales of investments, shown in the consolidated statement of financial activities as net gains/(losses) on investments.

#### **j) Taxation**

As a charity, the Society benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from income and from receipts under Gift Aid, and partial recovery is also made of tax credits on UK dividend income. The Society is also able to partially recover Value Added Tax. Expenditure subject to VAT that is not recoverable by the Society is recorded in the accounts inclusive of the VAT.

The Society is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the Society is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The subsidiary trading companies make qualifying donations of taxable profit to the Society to the full extent allowable. Unless material any corporation tax liability arising in the subsidiaries is included within the resources expended by the Group.

#### **k) Income**

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. Bank interest and income from fixed interest securities is accrued. Other investment income is recognised when the Society's entitlement is measurable.

Legacies are deemed receivable from the date of probate, provided that sufficient information has been received to enable the Society to reliably measure the amount receivable. Receipt of a legacy, in whole or part, is only considered probable when the amount can be measured reliably. The amount included within income is the probate value for pecuniary legacies although a provision for fees of five percent is made against residual legacies. Additional provisions are made for contested legacies.

Life interest legacies are not valued until conditions are met which bring these within the control of the Society to be valued as receivable. Pecuniary legacies are valued at the amount notified to the Society.

The Society has been informed of the existence of a number of properties in which it holds a reversionary interest. However, it is not practicable to quantify the value of such assets.

Donated goods for sale are included when those goods are sold, as it is impractical to value them on receipt. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and more information about their contribution is included in the *Trustees' report and accounts*. Donated professional services and donated facilities are recognised at the estimate of the value to the charity and recognised on receipt.

Legacy income received, where the will stipulates that it is for the use of a branch, is treated as income of the branch regardless of whether or not the charity number quoted in the will is that of the branch.

The Society does not ordinarily receive government grants but did claim Furlough support under the CJRS during the year. This income has been classified as other income and recognised when conditions for entitlement were met.

#### **l) Pension costs**

For the defined benefit section and defined contribution section of the pension scheme, the amounts charged to expenditure in the statement of financial activities are the current service costs and gains and losses on settlements and curtailments. Service costs are shown separately as part of staff costs, settlements and curtailments. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown net of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The defined benefit pension section is funded, with the assets of the scheme held separately from those of the Group in a

separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuation is obtained at least triennially and is updated at each balance sheet date. The resulting pension scheme asset or liability is presented separately after other net assets on the face of the balance sheet.

Key assumptions that have been used to estimate the pension scheme liability include a discount rate of 1.4%; RPI inflation of 2.75% and CPI inflation of 2.35%.

#### **m) Governance and support costs**

Governance costs include the direct costs of administering the Society. Support costs represent the central services of the Society, including the cost of maintaining facilities shared by all or most aspects of the Society.

In 2020, this will include furlough support which has been shown within other income in the trading statement.

Governance and support costs, net of incidental income, have been allocated across the Society's activities according to the use made of those services. Individual support cost centres assessed their workloads, which were then used as a basis to allocate costs to user activities using numbers of staff or other more appropriate bases. Further detail of support costs is shown in note 3. Costs of premises occupied solely for the use of one activity are charged to that activity.

#### **n) Expenditure on charitable activities**

The analysis of expenditure by charitable activities to further animal welfare in this report identifies the direct operational costs and the support and governance costs described above.

#### **o) Expenditure on raising funds**

Fundraising costs include the salaries and overheads of the staff who directly undertake fundraising activities, plus allocated support and governance costs.

#### **p) Grants payable**

Grants to other organisations for animal welfare purposes and for scientific research into animal welfare matters are accounted for on the basis of approved allocations. The value of grants approved and communicated, but still to be paid as at the balance sheet date, are included in the balance sheet as current liabilities.

#### **q) Operating leases**

Rental costs under operating leases are included in total expenditure in annual instalments over the period of the leases.

#### **r) Fund accounting**

Endowment, restricted and unrestricted funds are disclosed separately in the financial statements. Endowment and restricted funds are subject to specific restrictions imposed by the donor or by the nature of the appeal or grant. Funds formally held as restricted are transferred to unrestricted funds (General Fund) as the original restrictions are met in accordance with the Charities SORP (FRS 102). Where the donor restrictions are for revenue purposes for activities normally carried out within the General Fund, transfers are made from the restricted fund to the General Fund to offset the costs as they are incurred. Further details are given in notes 15 and 16.

Designated funds are part of the General Fund set aside for a specific purpose by the Board. Details of designated funds are set out in note 17.

#### **s) Stocks**

Stocks are stated at the lower of cost and the net realisable value. Provision is made for slow moving or obsolete items.

#### **t) Prosecutions**

Prosecution costs are based on costs incurred during the period. We incur some of these costs when cases go to trial. These are shown as Costs recovered within Income from Charitable activities and refer to cash received during the period.

#### **u) Programme related investments**

Where appropriate, the Society will provide funds to downed branches to give liquidity. These are shown as an investment and then valued each year at the net realisable value.

# Notes to the accounts (continued)

YEAR ENDED 31 DECEMBER 2020

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL 2020 £'000	TOTAL 2019 £'000
<b>2 INCOME AND ENDOWMENTS</b>					
<b>a) Donations and legacies</b>					
Legacy income	52,136	2,117	0	54,253	68,969
Contributions and donations	40,766	2,189	0	42,955	38,403
<b>Total RSPCA donations and legacies</b>	<b>92,902</b>	<b>4,306</b>	<b>0</b>	<b>97,208</b>	107,372
Freedom Food donations	0	0	0	0	380
RSPCA Branches in Trusteeship	0	0	0	0	1,145
Less Gift Aid	(201)	0	0	(201)	(346)
<b>Total donations and legacies</b>	<b>92,701</b>	<b>4,306</b>		<b>97,007</b>	108,551

The income from donations and legacies in 2019 was £108,551k of which £100,147k was unrestricted and £8,404k was restricted.

## b) Income from charitable activities

Sale of Goods	928	0	0	928	2,407
Rehoming, veterinary and boarding income	1,476	0	0	1,476	2,519
Costs recovered	957	6	0	963	946
RSPCA Welfare assessment and licence fees	0	36	0	36	0
Other fees and charges received	276	0	0	276	0
<b>Total RSPCA income from charitable activities</b>	<b>3,637</b>	<b>42</b>	<b>0</b>	<b>3,679</b>	5,872
RSPCA other trading	0	0	0	0	1,303
RSPCA branches	0	0	0	0	670
Freedom Food's welfare assessment and licence fees	3,635	0	0	3,635	3,342
<b>Total income from charitable activities</b>	<b>7,272</b>	<b>42</b>	<b>0</b>	<b>7,314</b>	11,187

The income from charitable activities in 2019 was £11,187k of which £8,874k was unrestricted and £2,313k was restricted.

Costs recovered includes £596k awarded to the RSPCA in successful prosecutions (2019: £806k).

Other fees and charges received includes £0k of branch acquisition gains, arising on consolidation only (2019: £1,370k).

## c) Other trading activities

<b>RSPCA income (from social lotteries)</b>	<b>3,916</b>	<b>0</b>	<b>0</b>	<b>3,916</b>	4,203
Sale of goods	726	0	0	726	821
Income from royalties and sponsorship	435	0	0	435	482
RSPCA Branches in Trusteeship	0	0	0	0	1,508
<b>Total other trading activities</b>	<b>5,077</b>	<b>0</b>	<b>0</b>	<b>5,077</b>	7,014

The income from other trading activities in 2019 was £7,014k of which £5,493k was unrestricted and £1,521k was restricted.

## d) Investment income

Income from listed investments	1,638	71	9	1,718	1,620
Bank and other interest	53	9	0	62	13
<b>Total RSPCA investment income</b>	<b>1,691</b>	<b>80</b>	<b>9</b>	<b>1,780</b>	1,633
Bank interest from downed branches	0	0	0	0	47
<b>Total investment income</b>	<b>1,691</b>	<b>80</b>	<b>9</b>	<b>1,780</b>	1,680

The income from investments in 2019 was £1,680k of which £1,466k was unrestricted, £205k was restricted and £9k was in respect of endowment funds.



	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	ENDOWMENT FUNDS £'000	TOTAL 2020 £'000	TOTAL 2019 £'000
<b>2 INCOME AND ENDOWMENTS (CONTINUED)</b>					
<b>e) Gains on disposal of tangible fixed assets</b>					
Disposal of fixed assets	1,918	0	0	1,918	1,831
<b>Total RSPCA gains on disposal of tangible fixed assets</b>	<b>1,918</b>	<b>0</b>	<b>0</b>	<b>1,918</b>	<b>1,831</b>
Gains on disposal of downed branches	0	0	0	0	51
<b>Total gains on disposal of tangible fixed assets</b>	<b>1,918</b>	<b>0</b>	<b>0</b>	<b>1,918</b>	<b>1,882</b>

The gains on disposal of tangible fixed assets in 2019 was £1,822k, of which £1,831k was unrestricted and £51k was restricted.

**f) Other income**

Other fees and charges	287	0	0	287	317
Furlough income	3,142	0	0	3,142	0
<b>Total RSPCA other income</b>	<b>3,429</b>	<b>0</b>	<b>0</b>	<b>3,429</b>	<b>317</b>
Other income from downed branches	0	0	0	0	36
<b>Total other income</b>	<b>3,429</b>	<b>0</b>	<b>0</b>	<b>3,429</b>	<b>353</b>

Total other income in 2019 was £353k of which £317k was unrestricted and £36k was restricted.

	UNRESTRICTED FUNDS			RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL 2020	TOTAL 2019
<b>3 EXPENDITURE</b>	DIRECT	SUPPORT COSTS	TOTAL				
<b>a) Charitable activities</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Field animal welfare:							
- hospitals and animal centres	26,874	8,347	35,221	1,555	0	36,776	39,329
- inspectorate	40,087	6,584	46,671	20	0	46,691	50,807
- prosecutions – animal care	2,472	414	2,886	0	0	2,886	4,976
Support to branches	6,606	432	7,038	0	0	7,038	5,643
Prosecutions – legal	2,515	215	2,730	0	0	2,730	4,462
Campaigns, communication, publications	3,829	860	4,689	148	0	4,837	5,049
Science	1,331	414	1,745	108	0	1,853	2,370
Education	1,580	511	2,091	200	0	2,291	2,255
International	531	42	573	304	0	877	821
<b>RSPCA total costs of charitable activities</b>	<b>85,825</b>	<b>17,819</b>	<b>103,644</b>	<b>2,335</b>	<b>0</b>	<b>105,979</b>	<b>115,712</b>
Deconsolidation of Branches/Branch charitable activities	0	0	0	11,964	0	11,964	2,753
Freedom Food charitable expenditure	3,409	0	3,409	0	0	3,409	3,720
<b>Total costs of charitable activities</b>	<b>89,234</b>	<b>17,819</b>	<b>107,053</b>	<b>14,299</b>	<b>0</b>	<b>121,352</b>	<b>122,185</b>

Expenditure on charitable activities in 2019 was £122,185k of which £115,606k was unrestricted and £6,579k was restricted.

	TOTAL 2020 £'000	TOTAL 2019 £'000
<b>Support to branches:</b>		
Branch support officers	1,431	1,407
Shared fundraising income grant *	4,175	4,380
Grants **	12,020	782
Cost of sales	861	1,190
Other support	515	637
<b>Total support to branches</b>	<b>19,002</b>	<b>8,396</b>

\*The shared fundraising income is a fixed rate payment to all branches based on the income collected by the Society in the previous year from the door-to-door campaign.

\*\*Grants includes the £11,964k arising in the deconsolidation of branches. In 2019, there were £366k disposals.

# Notes to the accounts (continued)

YEAR ENDED 31 DECEMBER 2020

b) Raising funds.	UNRESTRICTED FUNDS			RESTRICTED FUNDS	ENDOWMENT FUNDS	TOTAL 2020	TOTAL 2019
	DIRECT	SUPPORT COSTS	TOTAL				
	£'000	£'000	£'000				
Total RSPCA Fundraising activities	16,816	1,227	18,042	9	26	18,077	21,244
RSPCA Trading Limited income	1,114	0	1,114	0	0	1,114	1,392
RSPCA Branches in Trusteeship fundraising	0	0	0	0	0	0	1,161
<b>Total costs of raising funds</b>	<b>17,930</b>	<b>1,227</b>	<b>19,156</b>	<b>9</b>	<b>26</b>	<b>19,191</b>	<b>23,797</b>

Expenditure on raising funds in 2019 was £23,797k of which £22,582k was unrestricted and £1,207k was restricted and £8k was in respect of endowment funds.

## 3 EXPENDITURE (CONTINUED)

c) Support, governance and administration costs	Notes	TOTAL 2020	TOTAL 2019
		£'000	£'000
Governance		780	921
Finance and supporter service		3,780	3,718
Headquarters services		1,332	1,402
Central information technology and communications		5,775	4,854
Legal		528	753
Human resources and training		6,236	4,749
Property, printing, purchasing and transport		615	788
<b>Total support, governance and administration costs</b>		<b>19,045</b>	<b>17,185</b>
Allocation of support and governance costs			
Total cost		19,045	17,185
Charitable activities	3a	-17,819	(16,115)
Raising funds	3b	-1,227	(1,070)
		0	0

## d) Grants payable:

Expenditure on charitable activities include the following grants payable:

	TOTAL 2020	TOTAL 2019
	£'000	£'000
Support to branches	16,195	5,162
Science, International, other	1,226	644
<b>Total grants payable included in charitable activities</b>	<b>17,421</b>	<b>5,806</b>

## RECIPIENTS OF INSTITUTIONAL GRANTS:

	TOTAL 2020	TOTAL 2019
	£'000	£'000
RSPCA Branches – door-to-door grants	4,175	4,380
RSPCA Branches – neutering grants	51	197
RSPCA Branches – project grants	0	129
RSPCA Branches – other grants	11,969	456
Other	1,226	664
	<b>17,421</b>	<b>5,806</b>

### 3 EXPENDITURE (CONTINUED)

		<b>TOTAL 2020 £'000</b>	<b>TOTAL 2019 £'000</b>
<b>c) Support, governance and administration costs</b>	<b>Notes</b>		

#### e) Additional analysis of expenditure:

Included in total expenditure are fees payable in respect of:

	<b>TOTAL 2020 £'000</b>	<b>TOTAL 2019 £'000</b>
Auditor's remuneration – statutory audit	143	108
Auditor's remuneration – other services	30	8
Depreciation of fixed assets	4,469	4,506
Hire of equipment under operating leases	225	156
Premises rent	614	451
Trustee indemnity insurance	21	16
Other insurance excluding motors	303	345

#### f) Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	<b>TOTAL 2020 £'000</b>	<b>TOTAL 2019 £'000</b>
--	---------------------------------	---------------------------------

Employee costs included in the consolidated statement of financial activities:

Wages and salaries	52,073	52,614
Social security costs	5,118	5,286
Employer's contribution to pension schemes	5,230	5,296
<b>Total employment costs</b>	<b>62,421</b>	<b>63,196</b>

The emoluments of higher paid staff within the following scales were:

	<b>Number</b>	<b>Number</b>
£60,000–£69,999	12	25
£70,000–£79,999	15	12
£80,000–£89,999	5	3
£90,000–£99,999	4	1
£100,000–£109,999	2	1
£110,000–£119,000	0	1
£120,000–£129,999	2	0
£150,000–£159,000	1	1

Emoluments include salary, benefits in kind and exit costs, but exclude pension scheme contributions. 41 employees earning more than £60,000 in 2020 participated in the pension scheme (2019: 44). Of the higher paid staff disclosed in the table above, one left the Society during the year (2019: one).

Employer contributions of £289k were paid into the pension scheme on behalf of these employees in 2020 (2019: £315k).

In 2020, the Charity made termination payments of £2,414k (2019: £207k). The termination payments are a combination of compulsory and voluntary redundancy payments plus termination payments made under settlement agreements. The accounting policy is to recognise termination payment liabilities on communication of intention to pay and when quantifiable. Such payments are accounted for as staff costs. The payments were funded from unrestricted reserves.

No remuneration was paid to any trustee in their role as trustee. Costs and reasonable expenses incurred by trustees on behalf of the Society – such as travel, subsistence, telephone, postage and incidentals – are reimbursed. In 2020 12 trustees were reimbursed for expenses and/or had expenses paid by the Charity (2019: 23). In 2020, trustees were reimbursed £7k (2019: £56k) for out of pocket expenses and the Society paid £0k (2019: £7k) on their behalf for expenditure incurred while performing their duties as trustees.

Mr Kevin Degenhard, a trustee, was formerly employed by the Society, latterly as Chief Inspectorate Officer. He retired in 2015 after 41 years of service and was appointed a trustee in October 2019. He is currently receiving a pension from the Society pension scheme in accordance with his entitlement under the scheme rules. He lives in a shared equity property as a participant in the Society's shared equity housing scheme.

The key management personnel of the Parent Charity, the Society, comprised the Chief Executive, the Chief Operating Officer/Director of Field Operations, the Director of People and Culture, the Director of Advocacy and Policy, the Director of Engagement and Fundraising, the Director of Strategy and Transformation, the Interim Director of Finance, IT and Planning, the Chief Veterinary Officer, the Chief Legal Officer, and the Chief Inspectorate Officer.



# Notes to the accounts (continued)

YEAR ENDED 31 DECEMBER 2020

## 3 EXPENDITURE (CONTINUED)

The total employee benefits, including pension scheme contributions and employer's National Insurance, of the key management personnel of the Society were £1,462k (2019: £1,475k).

The key management personnel of the group comprise those of the Society and the key management personnel of its wholly owned subsidiaries, RSPCA Trading Ltd and Freedom Food Ltd. The key management of RSPCA Trading Ltd is the same as that of its parent company. The key management personnel of Freedom Food Ltd are the trustees, and the Chief Executive Officer whose total employee benefits total £104k (2019: £104k). The total employee benefits of key management personnel of the Group was therefore £1,566k (2019: £1,579k).

	FULL-TIME EQUIVALENTS 2020	TOTAL EMPLOYEES 2020	FULL-TIME EQUIVALENTS 2019	TOTAL EMPLOYEES 2019
<b>g) Staff numbers</b>				
<b>The analysis of the average number of employees by activity was as follows:</b>				
Hospitals and animal centres	582	699	739	854
Inspectorate	488	535	515	560
Prosecutions	15	16	17	18
Support to branches	30	31	36	37
Campaigns, communication, publications	60	65	60	68
Science	29	31	34	36
Education	36	45	32	43
International	3	3	3	3
Support and governance	159	169	148	160
Fundraising	86	88	84	88
<b>Total average employee numbers</b>	<b>1,488</b>	<b>1,682</b>	<b>1,668</b>	<b>1,867</b>

## 4 INTANGIBLE FIXED ASSETS

GROUP AND CHARITY	DEVELOPMENT PROJECT	
	2020	2019
Cost	£'000	£'000
At 1 January	9,706	5,779
Additions	1,604	3,927
Disposals	0	0
<b>At 31 December</b>	<b>11,310</b>	<b>9,706</b>
<b>Accumulated depreciation</b>		
At 1 January	548	0
Released on disposals	0	0
Charge for the year	971	548
<b>At 31 December</b>	<b>1,519</b>	<b>548</b>
<b>Net book value at 31 December</b>	<b>9,791</b>	<b>9,158</b>

Intangible assets relate to investments in systems in relation to call handling and a database of supporters

## 5 TANGIBLE FIXED ASSETS

### a) GROUP

	LEASEHOLD PROPERTY		FREEHOLD PROPERTY		EQUIPMENT	MOTOR VEHICLES	TOTAL
	EQUITY HOUSING	OTHER	EQUITY HOUSING	ANIMAL CENTRES & OTHER			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>							
At 1 January 2020	43	12,046	5,409	90,434	20,245	12,261	140,438
Additions	0	0	0	696	26	512	1,234
Disposals	0	(447)	(274)	(6,751)	(696)	(2,534)	(10,702)
<b>At 31 December 2020</b>	<b>43</b>	<b>11,599</b>	<b>5,135</b>	<b>84,379</b>	<b>19,575</b>	<b>10,239</b>	<b>130,970</b>
<b>Accumulated depreciation</b>							
At 1 January 2020	21	2,457	1,548	34,053	18,597	8,032	64,708
Released on disposals	0	(76)	(69)	(593)	(563)	(2,496)	(3,797)
Charge for the year	1	275	165	2,149	248	1,631	4,469
<b>At 31 December 2020</b>	<b>22</b>	<b>2,656</b>	<b>1,644</b>	<b>35,609</b>	<b>18,282</b>	<b>7,167</b>	<b>65,380</b>
<b>Net book value at 31 December 2020</b>	<b>21</b>	<b>8,943</b>	<b>3,491</b>	<b>48,770</b>	<b>1,293</b>	<b>3,072</b>	<b>65,590</b>
Net book value at 31 December 2019	22	9,589	3,861	56,381	1,648	4,229	75,730

### b) CHARITY

	LEASEHOLD PROPERTY		FREEHOLD PROPERTY		EQUIPMENT	MOTOR VEHICLES	TOTAL
	EQUITY HOUSING	OTHER	EQUITY HOUSING	ANIMAL CENTRES & OTHER			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>							
At 1 January 2020	43	11,599	5,409	83,894	19,557	12,139	132,641
Additions	0	0	0	696	26	512	1,234
Disposals	0	0	(274)	(211)	(8)	(2,412)	(2,905)
<b>At 31 December 2020</b>	<b>43</b>	<b>11,599</b>	<b>5,135</b>	<b>84,379</b>	<b>19,575</b>	<b>10,239</b>	<b>130,970</b>
<b>Accumulated depreciation</b>							
At 1 January 2020	21	2,381	1,548	33,585	18,041	7,928	63,504
Released on disposals	0	0	(69)	(125)	(7)	(2,392)	(2,593)
Charge for the year	1	275	165	2,149	248	1,631	4,469
<b>At 31 December 2020</b>	<b>22</b>	<b>2,656</b>	<b>1,644</b>	<b>35,609</b>	<b>18,282</b>	<b>7,167</b>	<b>65,380</b>
<b>Net book value at 31 December 2020</b>	<b>21</b>	<b>8,943</b>	<b>3,491</b>	<b>48,770</b>	<b>1,293</b>	<b>3,072</b>	<b>65,590</b>
Net book value at 31 December 2019	22	9,218	3,861	50,309	1,516	4,211	69,137

Included in freehold property other are properties in the course of construction costing £1,015k (2019 £300K).

The total value of inspectors' contributions to equity housing as at 31 December 2020 was £4,684k (2019: £4,864k). Should an inspector leave the scheme, the Society has an obligation to refund the inspector's share in the value of the related property at the time. It is intended that any Society obligation will be funded by the proceeds from the sale of the property.

Included in freehold and leasehold property other and freehold equity housing are houses currently occupied by pensioners of the Society. The relevant net book value at the balance sheet date comprises:

	LEASEHOLD PROPERTY		FREEHOLD PROPERTY	
	EQUITY HOUSING	OTHER	EQUITY HOUSING	OTHER
	£'000	£'000	£'000	£'000
Net book value				
<b>At 31 December 2020</b>	<b>0</b>	<b>88</b>	<b>408</b>	<b>2,171</b>
At 31 December 2019	0	91	425	2,289

# Notes to the accounts (continued)

YEAR ENDED 31 DECEMBER 2020

## 6 INVESTMENTS

	GROUP 2020 £'000	GROUP 2019 £'000	CHARITY 2020 £'000	CHARITY 2019 £'000
<b>a) Analysis of movements in the year</b>				
Market value at 1 January	88,605	99,797	87,643	98,718
Add additions to investments at cost	17,147	8,581	17,147	8,524
Less disposals at carrying value	(26,066)	(25,584)	(25,104)	(25,410)
Unrealised (losses)/gains on valuation at 31 December	(1,945)	5,811	(1,945)	5,811
<b>Fair value at 31 December</b>	<b>77,741</b>	<b>88,605</b>	<b>77,741</b>	<b>87,643</b>
Cost at 31 December	58,715	67,191	58,715	66,065
<b>b) Analysis of investments held at 31 December</b>				
<b>Listed Investments:</b>				
Properties trust – UK	7,799	8,353	7,799	8,353
Equity shares – UK	27,731	21,514	27,731	20,552
Government and corporation stocks	1,115	60	1,115	60
Unit trusts – fixed interest	12,053	15,248	12,053	15,248
Unit trusts – UK equity	8,674	12,176	8,674	12,176
Unit trusts – overseas equity	16,349	25,265	16,349	25,265
<b>Total listed securities</b>	<b>73,721</b>	<b>82,616</b>	<b>73,721</b>	<b>81,654</b>
<b>Unlisted securities:</b>				
Investment property (legacy and donated)	0	682	0	682
Cash	4,020	5,307	4,020	5,307
<b>Total investments at fair value</b>	<b>77,741</b>	<b>88,605</b>	<b>77,741</b>	<b>87,643</b>
<b>c) Programme related investments</b>				
<b>Loans to branches less provisions</b>	<b>1,389</b>	<b>1,049</b>	<b>1,389</b>	<b>1,411</b>

The total loss on investments were £505k (2019: gain £7,177k) of which £541k was unrestricted (2019: gain £6,031k), £14k was restricted (2019: gain £349k) and a gain of £50k was in respect of endowment funds (2019: gain £797k).

The following investments comprised over 5% (considered material) of the portfolio as at 31 December	£'000
Schroder QEP Global Core Fund, Units - - Income, Schroder Unit Trusts Limited, 0766108	10,131
Schroder Institutional Sterling, Broad Market Bond Fund, Units - - Income Gross, Schroder Unit Trusts Limited, B06RTZ2	8,720
Schroder Global Sustainable Growth, Shs - - QV- Distribution, Schroder Int. Selection Fund SICAV, BKLF434	6,227
Charities Property Fund, Units, 208075	4,097

## 7 STOCKS

	GROUP 2020 £'000	GROUP 2019 £'000	CHARITY 2020 £'000	CHARITY 2019 £'000
<b>Fundraising goods, uniforms, field equipment, publications and catering</b>	<b>386</b>	<b>197</b>	<b>0</b>	<b>0</b>



**8 DEBTORS**

	GROUP 2020 £'000	GROUP 2019 £'000	CHARITY 2020 £'000	CHARITY 2019 £'000
Income Tax and VAT recoverable	1,254	1,553	1,254	1,553
Prepayments	1,068	1,455	1,068	1,144
Accrued legacy income	60,636	71,435	59,856	70,526
Group debtors	0	0	1,150	682
Other debtors	2,007	2,115	1,395	1,392
<b>Total debtors</b>	<b>64,965</b>	<b>76,558</b>	<b>64,723</b>	<b>75,297</b>

**9 CREDITORS**

Amounts falling due within one year

Trade creditors	5,126	5,724	4,876	5,434
Branches	4,329	5,040	4,329	5,040
Accruals and deferred income	6,172	5,134	5,294	4,718
Other creditors	230	569	243	247
<b>Total creditors</b>	<b>15,857</b>	<b>16,467</b>	<b>14,742</b>	<b>15,439</b>

**10 PROVISIONS FOR LIABILITIES AND CHARGES**

	AT 1 JANUARY 2020 £'000	CHARGED TO SOFA £'000	UTILISED/ RELEASED £'000	AT 31 DECEMBER 2020 £'000
Taxation provision	331	0	(89)	242
Other provision	0	550	0	550
<b>Total provisions</b>	<b>331</b>	<b>550</b>	<b>(89)</b>	<b>792</b>

All of the provisions above relate to the Parent Charity.

**11 COMMITMENTS**

At 31 December 2020, the group had the following capital and other budgeted project commitments.

	2020 £'000	2019 £'000
Contracted	0	955
Authorised but not contracted	5,635	8,249

All commitments relate to the Parent Charity.

Included in contracted capital commitments are amounts of £372k (2019: £605k) relating to intangible assets in the course of construction.

**12 CONTINGENT LIABILITIES AND ASSETS**

The Society has given an indemnity to repay £5m related to a legacy bequest should the estate be claimed against.

The Society is the legal tenant for 12 properties where the beneficial tenant is an RSPCA branch. In the event of the financial failure of the beneficial tenant, the Society would be obliged to continue the tenancy.

**13 FINANCIAL INSTRUMENTS**

The Group and parent financial instruments comprise fixed asset investments measured at fair value through profit or loss and other financial assets which comprise cash, group debtors, and other debtors and financial liabilities which comprise trade creditors, branches and other creditors, measured at amortised cost.

**14 TRUSTEESHIPS**

The Society holds property title deeds and investments as custodian trustee for certain branches.

# Notes to the accounts (continued)

YEAR ENDED 31 DECEMBER 2020

15 ANALYSIS OF MOVEMENT OF FUNDS YEAR ENDED 31 DECEMBER 2020	AT 1 JANUARY 2020	INCOME	EXPENDITURE	TRANSFERS BETWEEN FUNDS*	OTHER RECOGNISED GAINS / (LOSSES)	AT 31 DECEMBER 2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Endowment funds</b>						
Bowmer fund	493	0	0	0	(3)	490
The A&D Simpson fund	2,240	0	(2)	0	2	2,240
Wyndham Cottle Charity – capital fund	2,710	0	(2)	0	3	2,711
MT & VL Wythe charitable trust	1,046	9	(18)	0	(1)	1,036
Albekier fund	1,904	0	(2)	0	56	1,958
Other endowment funds**	1,640	0	(2)	(1,631)	(7)	0
<b>Total endowment funds</b>	<b>10,033</b>	<b>9</b>	<b>(26)</b>	<b>(1,631)</b>	<b>50</b>	<b>8,435</b>
<b>Restricted funds</b>						
Animal centres – capital funds	42	55	(50)	(47)	0	0
Animal centres – operational	1,216	587	(573)	375	0	1,605
Birmingham fund	68	32	0	0	0	100
Overseas funds	0	442	(305)	(105)	(32)	0
Regional funds	1,794	759	(1,079)	0	0	1,474
Tubney Grant fund	3,545	4	(76)	0	0	3,473
Other restricted funds	866	2,549	(261)	(1,984)	18	1,188
Branches under Board Trusteeship	11,964	0	(11,964)	0	0	0
<b>Total restricted funds</b>	<b>19,495</b>	<b>4,428</b>	<b>(14,308)</b>	<b>(1,761)</b>	<b>(14)</b>	<b>7,840</b>
<b>Unrestricted funds</b>						
Pension reserve	(36,512)	2,076	0	0	(4,283)	(38,719)
General fund	106,836	110,012	(113,718)	(228)	(541)	102,361
Fair value reserve – investments	21,414	0	0	(1,706)	0	19,708
Designated funds	97,499	0	(12,491)	5,326	0	90,334
<b>Total unrestricted funds</b>	<b>189,237</b>	<b>112,088</b>	<b>(126,209)</b>	<b>3,392</b>	<b>(4,824)</b>	<b>173,684</b>
<b>Total group funds</b>	<b>218,765</b>	<b>116,525</b>	<b>(140,543)</b>	<b>0</b>	<b>(4,788)</b>	<b>189,959</b>

\*The transfer between funds reflects an exercise completed during the year to derestrict historic arrangements where possible.

\*\*Following legal advice, on 18 November 2020 the trustee board passed a resolution to transfer two endowment funds to general reserves and to a restricted income (overseas) fund. This has resulted in £1.6m transferring from endowment funds.

YEAR ENDED 31 DECEMBER 2019	AT 1 JANUARY 2019	INCOME	EXPENDITURE	TRANSFERS BETWEEN FUNDS	OTHER RECOGNISED GAINS / (LOSSES)	AT 31 DECEMBER 2019
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Endowment funds</b>						
Bowmer fund	444	9	0	0	40	493
The A&D Simpson fund	2,048	0	(2)	0	194	2,240
Wyndham Cottle Charity – capital fund	2,453	0	(2)	0	259	2,710
MT & VL Wythe charitable trust	1,046	0	0	0	0	1,046
Albekier fund	1,760	0	(2)	0	146	1,904
Other endowment funds	1,522	0	(2)	(38)	158	1,640
<b>Total endowment funds</b>	<b>9,273</b>	<b>9</b>	<b>(8)</b>	<b>(38)</b>	<b>797</b>	<b>10,033</b>

15 ANALYSIS OF MOVEMENT OF FUNDS (CONTINUED)	AT 1 JANUARY 2019 £'000	INCOME £'000	EXPENDITURE £'000	TRANSFERS BETWEEN FUNDS £'000	OTHER RECOGNISED GAINS / (LOSSES) £'000	AT 31 DECEMBER 2019 £'000
<b>Restricted funds</b>						
Animal centres – capital funds	0	19	(96)	119	0	42
Animal centres – operational	0	1,136	(579)	659	0	1,216
Birmingham fund	246	129	0	(307)	0	68
Overseas funds	258	115	(184)	(227)	38	0
Regional funds	2,583	807	(519)	(1,077)	0	1,794
Tubney Grant fund	3,253	21	(127)	398	0	3,545
Other restricted funds	5,772	4,265	(653)	(8,750)	228	862
Branches under Board Trusteeship	11,475	6,038	(5,628)	0	83	11,968
<b>Total restricted funds</b>	<b>23,587</b>	<b>12,530</b>	<b>(7,786)</b>	<b>(9,185)</b>	<b>349</b>	<b>19,495</b>
<b>Unrestricted funds</b>						
Pension reserve	(28,704)	2,000	(776)	0	(9,032)	(36,512)
General fund	106,954	116,128	(117,001)	(5,276)	6,031	106,836
Fair value reserve – investments	15,475	0	0	5,939	0	21,414
Designated funds	109,350	0	(20,411)	8,560	0	97,499
<b>Total unrestricted funds</b>	<b>203,075</b>	<b>118,128</b>	<b>(138,188)</b>	<b>9,223</b>	<b>(3,001)</b>	<b>189,237</b>
<b>Total group funds</b>	<b>235,935</b>	<b>130,667</b>	<b>(145,982)</b>	<b>0</b>	<b>(1,855)</b>	<b>218,765</b>

General fund includes other charitable funds and subsidiary company undertakings (note 18) but excluding branches. Further detail on the purpose and usage of the endowment and restricted funds is shown on page 50. Where the Society receives restricted income relating to an activity carried out within the general fund, the income is allocated to the relevant restricted fund and a transfer is then made from that fund to reimburse the general fund as the expenditure is incurred.

16 ANALYSIS OF GROUP NET ASSETS YEAR ENDED 31 DECEMBER 2020	TOTAL FIXED ASSETS £'000	INVESTMENTS £'000	NET CURRENT ASSETS £'000	PROVISIONS £'000	PENSION SCHEME LIABILITY £'000	TOTAL NET ASSETS £'000
<b>As at 31 December 2020</b>						
<b>Endowment funds</b>	<b>0</b>	<b>8,560</b>	<b>(125)</b>	<b>0</b>	<b>0</b>	<b>8,435</b>
<b>Restricted funds</b>	<b>414</b>	<b>1,909</b>	<b>5,517</b>	<b>0</b>	<b>0</b>	<b>7,840</b>
<b>Unrestricted funds</b>	<b>74,967</b>	<b>68,661</b>	<b>69,567</b>	<b>(792)</b>	<b>(38,719)</b>	<b>173,684</b>
<b>Total group funds</b>	<b>75,381</b>	<b>79,130</b>	<b>74,959</b>	<b>(792)</b>	<b>(38,719)</b>	<b>189,959</b>

YEAR ENDED 31 DECEMBER 2019	TOTAL FIXED ASSETS £'000	INVESTMENTS £'000	NET CURRENT ASSETS £'000	PROVISIONS £'000	PENSION SCHEME LIABILITY £'000	TOTAL NET ASSETS £'000
<b>As at 31 December 2019</b>						
<b>Endowment funds</b>	<b>0</b>	<b>10,021</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>10,033</b>
<b>Restricted funds</b>	<b>7,285</b>	<b>2,850</b>	<b>9,360</b>	<b>0</b>	<b>0</b>	<b>19,495</b>
<b>Unrestricted funds</b>	<b>77,603</b>	<b>76,783</b>	<b>71,694</b>	<b>(331)</b>	<b>(36,512)</b>	<b>189,237</b>
<b>Total group funds</b>	<b>84,888</b>	<b>89,654</b>	<b>81,066</b>	<b>(331)</b>	<b>(36,512)</b>	<b>218,765</b>

Unrestricted funds include other charitable funds, revaluation reserve, designated funds and the pension reserve.



# Notes to the accounts (continued)

YEAR ENDED 31 DECEMBER 2020

## 17 DESIGNATED FUND MOVEMENTS

	AT 1 JANUARY 2020 £'000	ADDITIONS IN YEAR £'000	UTILISED/ RELEASED £'000	DEPRECIATION AND DISPOSALS £'000	AT 31 DECEMBER 2020 £'000
Intangible fixed assets fund	9,158	1,604	0	(971)	9,791
Tangible fixed assets fund	69,137	552	0	(4,781)	64,908
Capital and project commitments	9,204	3,170	(6,739)	0	5,635
Other designations	10,000	0	0	0	10,000
<b>Total designations</b>	<b>97,499</b>	<b>5,326</b>	<b>(6,739)</b>	<b>(5,752)</b>	<b>90,334</b>

The intangible and tangible fixed asset funds represent the net book value of the fixed assets of the Society. Capital and project commitments relate to a number of commitments authorised at 31 December 2020 (Note 11). Other designations is to support field and branch operations.

## 18 SUBSIDIARY COMPANY UNDERTAKINGS

	RSPCA TRADING LIMITED		FREEDOM FOOD LIMITED		RSPCA BRANCHES IN BOARD TRUSTEESHIP*	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Income and endowments from:</b>						
Donations and legacies	0	0	0	380	0	2,117
Charitable activities	0	0	3,635	3,342	0	2,266
Other trading activities	1,316	1,739	0	0	0	1,521
Investments	0	0	0	0	0	47
Gains on disposal of tangible fixed assets	0	0	0	0	0	51
Other	0	0	0	0	0	36
<b>Total income</b>	<b>1,316</b>	<b>1,739</b>	<b>3,635</b>	<b>3,722</b>	<b>0</b>	<b>6,038</b>
<b>Expenditure on:</b>						
Charitable activities	0	0	3,409	3,720	11,964	4,467
Raising funds	1,114	1,392	0	0	0	1,161
<b>Total expenditure</b>	<b>1,114</b>	<b>1,392</b>	<b>3,409</b>	<b>3,720</b>	<b>11,964</b>	<b>5,628</b>
Net gains/(losses) on investments	0	0	0	0	0	83
<b>Net income/expenditure</b>	<b>202</b>	<b>347</b>	<b>226</b>	<b>2</b>	<b>(11,964)</b>	<b>493</b>
Taxation	0	0	0	0	0	0
Gift-aid payable	(201)	(346)	0	0	0	0
<b>Surplus/(deficit)</b>	<b>1</b>	<b>1</b>	<b>226</b>	<b>2</b>	<b>(11,964)</b>	<b>493</b>
Total assets	1,179	889	2,705	2,004	0	12,630
Total liabilities	1,176	(887)	(1,082)	(607)	0	(666)
<b>Total funds at 31 December</b>	<b>3</b>	<b>2</b>	<b>1,623</b>	<b>1,397</b>	<b>0</b>	<b>11,964</b>

\* The results of branches in Board Trusteeship are for the period in Trusteeship, the results for branches coming into or leaving Board Trusteeship during the year are included pro rata. The results also include acquisition gains and disposal losses which arise on consolidation only.

### a) RSPCA Trading Limited (Company No: 1072608)

Since 1991 this company has been used for direct sales, royalties and special events. The issued share capital is owned by the RSPCA and, where company law allows, all potentially taxable profits, after recovery of available losses, are transferred to the RSPCA by a qualifying distribution by way of a Deed of Covenant.

### b) Freedom Food Limited (Company No: 02723670; Charity Nos: 1059879, SC038199)

Freedom Food Limited, a wholly-owned subsidiary of the RSPCA, is being used by the Society for the encouragement of the adoption of RSPCA approved standards of animal welfare of livestock farming operations.

### c) RSPCA Enterprises Limited (Company No: 04044564)

Dormant for the entire year.

## 18 SUBSIDIARY COMPANY UNDERTAKINGS (CONTINUED)

### d) RSPCA Branches under Board Trusteeship

The 150 RSPCA branches are separately registered charities that usually manage their own affairs. Where a branch ceases to be under active management, the Board previously appointed temporary trustees from the Society to ensure that the affairs of the branch continue to be administered. These branches were classed as Branches in Board Trusteeship, and the Society was deemed to control these branches by the definition included in the Charities SORP 2019 (FRS 102). Following the governance changes more fully explained in the Trustees Report the Board no longer consider that it has control over the Branches in Board Trusteeship. The 15 branches in Board Trusteeship at 31 December 2019 are treated as disposals on 1 January 2020. A consolidation loss on disposal of £11,964 is reported in the consolidated SOFA.

The following material branches were in Board Trusteeship during the year ended 31 December 2019:

Branch	Charity No.	DATE IN BOARD TRUSTEESHIP	2019 Total Income £'000	2019 Total Funds £'000
Isle of Thanet	209365	17/10/2012	530	1,118
Isle of Wight	205311	01/08/2013	716	2,871
Sussex, Chichester & District	206300	17/04/14	0	0
North Devon	207708	15/09/2017	211	1,068
Solent	205096	07/11/17	1,540	3,783
Preston & District	232256	25/04/18	376	1,044
Other branches in Board Trusteeship			1,991	2,910
			5,364	12,794

### 19 BRANCH LEGACIES

During 2020, the Society received £10.0m (2019: £9.2m) in legacies payable to branches. These are not shown in the statement of financial activities. The sums received are paid to branches as soon as the recipient branch has been identified.

### 20 LEGACIES NOTIFIED

As at 31 December 2020, the Society had been notified of 7 (2019:14) high value legacies (over £500k) with an estimated value of £4.6m (2019: £10.4m). Interim payments of £0.5m have been received, the balance is included in the legacy income accrual (note 8).

There are 314 cases notified in 2020 (excluding life interest and life interest residuary) which it has not been possible to value.

### 21 RELATED PARTY TRANSACTIONS

RSPCA branches are separately registered charities. The Society has an arm's length trading relationship with most branches. Loans and grants are made to branches when charitable objectives delivered by the branch would be enhanced (see note 6c). Branches are represented on the regional boards whose Chairs are represented on the Branch Affairs Committee which reports to the RSPCA Board of Trustees.

During 2020 the Society provided the services of farm livestock officers to Freedom Food Limited which reimbursed the Society for the cost of £380k. In 2019 the same services were donated to Freedom Food Limited.

There were no branches in Board Trusteeship during 2020, all being disposed of on 1 January 2020. In 2019 the Society paid £592k in grants, made sales of £196k and made purchases of £293k from such branches.

RSPCA Trading Limited accrued a qualifying distribution to be paid to the Society of £201k (2019, £346K) and made sales to the Society of £155k (2019, £235k for the Society and branches in Board Trusteeship).

At the year end the Society was owed £1,107k (2019, £680k) by RSPCA Trading Limited. Freedom Food Limited was owed £32k from the Society (2019, £2k owed to the Society). In 2019 the Society was owed £56k from branches in Board Trusteeship and additionally had a loan outstanding from a branch in Board Trusteeship of £362k.

### 22 OPERATING LEASE COMMITMENTS

The Group and Charity had total commitments at the year end under operating leases expiring as follows:

	GROUP 2020 £'000	GROUP 2019 £'000	CHARITY 2020 £'000	CHARITY 2019 £'000
	vehicles and equipment	vehicles and equipment	vehicles and equipment	vehicles and equipment
Less than one year	179	194	130	130
One to five years	111	278	65	196
Over five years	0	0	0	0
	290	472	195	326

# Notes to the accounts (continued)

YEAR ENDED 31 DECEMBER 2020

## 23 PENSIONS

The Society operates a pension arrangement called the RSPCA Pension Scheme (the Scheme) which has defined benefit and defined contribution sections. The defined benefit section of the Scheme provides benefits based on salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for the defined contribution section.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Society must agree with the trustees of the Scheme the contributions to be paid to meet any shortfall against the Statutory Funding Objective and contributions to pay for future accrual of benefits.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2018, and the next due as at 31 March 2021. In the event that the valuation reveals a larger deficit than expected the Society may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely if the position is better than expected, it's possible that the contributions may be reduced.

The Society expects to pay contributions of around £2,000,000 in the year to 31 December 2021 (plus expenses which are met directly). The contributions will be reviewed as part of the 2021 actuarial valuation.

The Scheme has a trustee board which features an independent trustee. The trustees have responsibility for obtaining valuations of the fund, payments and investing the schemes assets. The trustees delegate some of these functions to their professional advisers where appropriate.

Principal actuarial assumptions	2020	2019
Discount rate	1.40%	2.05%
Inflation (RPI)	2.75%	2.95%
Inflation (CPI)	2.35%	2.15%
Revaluation of deferred pensions:		
Excess over GMP	2.35%	2.15%
GMP	Fixed	Fixed
Increases for pensions in payment:		
GMP accrued before 5 April 1988	Nil	Nil
GMP accrued after 5 April 1988	2.00%	1.85%
XS Pension accrued before 31 March 2008	2.30%	2.10%
Pension accrued after 31 March 2008	1.85%	1.70%
Post-retirement mortality	104% of the S2PA tables for males and 96% of the S2PA tables for females with CMI 2019 projections (with initial addition of 0%) using a long-term improvement rate of 1.25% p.a.	104% of the S2PA tables for males and 96% of the S2PA tables for females with CMI 2017 projections using a long-term improvement rate of 1.25% p.a.
Commutation (using commutation factors in force at each review date)	Members are assumed to take 25% of their pension as tax free cash	Members are assumed to take 25% of their pension as tax free cash
Retirement	50% of in-service deferred members retire at age 60, and 10% retire at each age between 61 and 65; deferred members retire at age 60	50% of in-service deferred members retire at age 60, and 10% retire at each age between 61 and 65; deferred members retire at age 60
Withdrawal	Allowance for members to leave employment before retirement	Allowance for members to leave employment before retirement
Life expectancy at age 65 of male aged 45	22.7	23.2
Life expectancy at age 65 of male aged 65	21.3	21.8
Life expectancy at age 65 of female aged 45	25.5	25.8
Life expectancy at age 65 of female aged 65	23.9	24.3



## 23 PENSIONS (CONTINUED)

### The asset split is as follows:

	2020 £'000	2019 £'000
Global equities	57,837	48,768
LDI funds	97,235	91,185
Diversified credit	25,743	23,850
Private multi asset	46,534	43,013
Multi asset funds	54,944	50,077
Currency hedging	878	0
Property	13,049	13,280
Cash	10,880	1,140
<b>Total assets</b>	<b>307,100</b>	<b>271,313</b>

### Balance sheet

	2020 £'000	2019 £'000
Fair value of assets	307,100	271,313
Present value of funded obligations	(345,819)	(307,825)
<b>Deficit in scheme</b>	<b>(38,719)</b>	<b>(36,512)</b>

### Amount recognised in SOFA

	2020 £'000	2019 £'000
Administration costs	0	0
Interest on liabilities	6,225	7,601
Interest on assets	(5,497)	(6,825)
Past service costs	0	0
Settlement and curtailment cost	(804)	0
<b>Total charge to SOFA</b>	<b>(76)</b>	<b>776</b>

### Remeasurements over the year

	2020 £'000	2019 £'000
Loss/(gain) on assets in excess of interest	(36,697)	(23,747)
Experience losses on liabilities	(3,749)	(1,366)
Losses/(gains) from changes to demographic assumptions	(6,718)	0
Losses/(gains) from changes to financial assumptions	51,447	34,145
<b>Total remeasurements</b>	<b>4,283</b>	<b>9,032</b>

### Change in value of assets

	2020 £'000	2019 £'000
Fair value of assets at start	271,313	246,670
Interest on assets	5,497	6,825
Company contributions	2,000	2,000
Benefits paid	(8,407)	(7,929)
Administration costs	0	0
Return on assets less interest	36,697	23,747
<b>Fair value of assets at end</b>	<b>307,100</b>	<b>271,313</b>
<b>Actual return on assets</b>	<b>42,194</b>	<b>30,572</b>

# Notes to the accounts (continued)

YEAR ENDED 31 DECEMBER 2020

## 23 PENSIONS (CONTINUED)

Change in value of defined benefit liabilities	2020 £'000	2019 £'000
Value of liabilities at start	307,825	275,374
Past service costs	0	0
Interest on liabilities	6,225	7,601
Benefits paid	(8,407)	(7,926)
Change due to settlements and curtailments	(804)	0
Experience (gain)/loss on liabilities	(3,749)	(1,366)
Changes to demographic assumptions	(6,718)	0
Changes to financial assumptions	51,447	34,145
<b>Value of liabilities at end</b>	<b>345,819</b>	<b>307,825</b>

## Purpose of funds

### ENDOWMENT FUNDS

#### Bowmer Fund

The terms of this fund require that 50 percent of the income is reinvested to provide an increase of income over time. The balance of the income is for general purposes.

#### The A & D Simpson Fund

Income from this fund is shared between animal facilities in London.

#### Wyndham Cottle Charity

Following the transfer of the activities supported by this fund to the Gonsal Farm Equine Centre, the former property was sold. The proceeds, together with the then existing investments, are invested to provide the income to support the ongoing activities of the fund.

#### MT & VL Wythe Charitable Trust

The assets of this fund were added to the RSPCA's funds in 2006. The income from this fund is shared equally between the RSPCA, The People's Dispensary for Sick Animals and The Blue Cross.

#### Albekier Fund

The income from this fund is used for the RSPCA's cat neutering scheme in London.

### RESTRICTED FUNDS

The restricted funds of the Group comprise the unexpended balances of donations, bequests and grants held on trust to be applied for specific purposes.

#### Animal centre capital funds

These funds represent legacies or donations received towards capital projects at the RSPCA's national Society animal centres. On completion of the project, the completed asset is transferred to the General Fund. For smaller projects or where the project is coming only partially from these restricted funds, a transfer is made to meet the costs as they are incurred.

#### Animal centre operational funds

These funds represent regular, one-off and legacy donations that are used to fund the RSPCA's animal centres.

#### Birmingham Fund

The Society took over the activities of the RSPCA Birmingham Branch and funds are being used to meet expenditure related to ongoing animal welfare issues within the Birmingham area.

#### Overseas funds

Income on the Overseas Fund is used to provide assistance for animal welfare overseas. This heading also includes a small donation for animal welfare work in Iraq and will be used when it is safe to do so. The Mabel Postle Fund – a legacy for the overseas work of the RSPCA is administered alongside the Overseas Fund and used for overseas emergencies.

#### Regional funds

These comprise 10 separate funds to be used for regional purposes. The funds are hybrid and include restricted and designated elements. Additional disclosure has been provided by their classification as restricted.

#### The Tubney Grant Fund

The Tubney Charitable Trust is providing funding to a project aiming to work with the commercial duck farming industry to deliver a significant welfare improvement for ducks. A further grant of £3.43m was received from the Tubney Charitable Trust in 2011. The ten year grant is to enable expansion of the RSPCA's farm animals department and to facilitate expansion and strengthening of the RSPCA's overall work on improving the welfare of farm animals.

#### Other restricted funds

Donations and legacies received for specific aspects of the RSPCA's operations. The balance represents projects still to be completed at the year-end or the excess of restricted income over current net expenditure.

## Principal addresses

#### Principal office

Royal Society for the  
Prevention of Cruelty  
to Animals  
Wilberforce Way  
Southwater  
Horsham  
West Sussex RH13 9RS

#### Bankers

Coutts & Co  
Commercial Banking  
440 Strand  
London WC2R 0QS

#### Investment advisers

Barnett Waddingham

#### Independent auditors

BDO LLP  
Chartered  
Accountants  
55 Baker Street  
London W1U 7EU

#### Pension advisers

Xafinity Consulting  
Limited  
Phoenix House  
1 Station Hill  
Reading  
Berkshire RG1 1NB



# RSPCA Board/Council 2020

## BOARD OF TRUSTEES

### Who served in 2020.

#### Chair

René Olivieri<sup>3 5 10</sup>

(re-appointed as a co-opted trustee 16 December 2020)

#### Vice Chair

David Thomas<sup>2</sup>

(re-elected to the Board 16 December 2020)

#### Treasurer

Barbara Gardner<sup>15 6</sup>

(re-elected to the Board 16 December 2020)

#### Deputy Treasurer

Karen Harley<sup>15 9</sup>

(re-elected to the Board 16 December 2020)

Richard Booker<sup>13 6</sup>

Kevin Degenhard<sup>2</sup>

José Parry<sup>2</sup>

Sally Phillips<sup>2 4</sup>

Brenda Shore<sup>2 3</sup>

David Smith<sup>11 0</sup>

(re-appointed as a co-opted trustee 16 December 2020)

Imogen Walker<sup>4</sup>

Caroline Waters<sup>2 4 6</sup>

(re-appointed as a co-opted trustee 16 December 2020)

Rene Olivieri was re-appointed as Chair for a three-year term on 16 December 2020. The current term of office of the Vice Chair, Treasurer and Deputy Treasurer expires at the conclusion of the Society's AGM in 2021.

## CO-OPTED COMMITTEE MEMBERS

### Who served in 2020.

Jane Cotton<sup>4</sup>

(re-appointed 16 December 2020)

Tom Franklin<sup>4</sup>

(re-appointed 16 December 2020)

Stuart Howells<sup>15</sup>

(re-appointed 16 December 2020)

Emma Robertson<sup>5</sup>

(re-appointed 16 December 2020)

Gillian Switalski<sup>2</sup>

(re-appointed 16 December 2020)

The Rules of the Society empower the Board to appoint committees of the Board and entrust to these committees such powers and duties as the Board sees fit. The 2020 committees are listed below. During 2020 Board members have served as indicated for some or all of that year on committees of the Board, or the boards of directors of subsidiary companies of the RSPCA.

#### Committees

1. Finance, Audit and Risk Committee (FARCOM)
2. Animal Welfare Committee
3. Branch Affairs Committee

4. Governance & Nominations Committee

5. Investment Committee

6. Remuneration Committee

7. RSPCA Pension Scheme Limited board

8. RSPCA Enterprises Limited board

9. RSPCA Trading Limited board

10. Freedom Food Limited board

## PATRON

Her Majesty The Queen

## PRESIDENT

Dr Richard Ryder

## VICE PRESIDENTS

Baroness Fookes of Plymouth

Bill Oddie

Brian Blessed

Chris Packham

Dr Brian May

Caroline Lucas

Peter Egan

Satish Kumar

## SENIOR MANAGEMENT

### at July 2021

#### Chief Executive

Chris Sherwood

#### Chief Operating Officer / Director of Field Operations

John Kerslake

#### Director of People and Culture

Fiona Evans

#### Director of Advocacy and Policy

Emma Slawinski

#### Director of Engagement and Fundraising

Tracey Pritchard

#### Director of Strategy and Transformation

Emily Tierney

#### Interim Director of Finance, IT and Planning

Ben Freeman

#### Chief Veterinary Officer

Caroline Allen

#### Chief Legal Officer

Ray Goodfellow

#### Chief Inspectorate Officer

Dermot Murphy



**Royal Society for the Prevention of Cruelty to Animals**

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