



# Trustees' report and accounts

**2022**



## Foreword from the Chair

I'm delighted to share with you our *Trustees' report and accounts* for 2022. This was a memorable year for all of us, with the sad death of Her Majesty the Queen marking the end of a defining era in our history.

Queen Elizabeth II had a lifelong passion for animals. She served as our patron during her reign, following in the footsteps of her great-great-grandmother Queen Victoria, who was another animal lover and our first patron in 1840. In a wonderful gesture, the Queen permitted us to create a new award to honour those who have made a significant contribution to animal welfare. Her dedication to animals and her many years of support for the RSPCA will never be forgotten.

Many of us will remember 2022 as a year of multiple storms and disruptions at home and abroad. As is often the case, these human crises also had significant impacts on animal welfare. But all our volunteers, supporters, partners and staff showed immense resilience and determination to protect animals' lives throughout this challenging year, and I'd like to thank each and every one of them.

The cost-of-living crisis meant many people were suddenly faced with the trauma of simply not having enough money to be able to look after their pets properly. Our branch teams and inspectors know their communities well and they swiftly anticipated the crisis, moving quickly to plug the gaps with practical support, from pet food donations to welfare advice. Their efforts have allowed many animals to stay in good, loving homes.

The war in Ukraine sent shockwaves around the world, but I am so proud that we stood with the country and that the RSPCA was able to help fleeing owners keep their beloved pets. Tragically, animals have been left behind in previous conflicts, so this was a real first.



It looks like things are not going to settle down any time soon and we are certainly likely to face more challenges in the future. An ageing society will put huge pressure on public spending, there will be the impacts of climate change and extreme weather events, economic uncertainty, population growth and no doubt further unrest overseas. All of these, as we've already seen in 2022, can have a direct impact on animal welfare.

But there is always hope of positive change in the world and we are determined to continue to make it a kinder and more compassionate place for animals. We know we're not alone in that desire, because in fact protecting animal welfare is important to most people. Our very first annual *Animal Kindness Index* confirmed what many of us probably suspected already – we are definitely a nation of animal lovers. The public thinks animal welfare matters and wants it to be protected in law and taught in schools.

### **Our vision reflects those values:**

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

### **And our mission to deliver this vision:**

*Our 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.*

That shared desire for a kinder world for animals is an incredibly powerful force. It drives the community action that is embedded in our history and in our DNA. With more than 1 million people

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acting as our eyes and ears by contacting us about animal welfare issues, 105,000+ new supporters coming on board, 26,000+ volunteer hours being donated and 8.8 million social media engagements being made in 2022 alone, we are pushing forward to bring ever more people on board – at least a million of them by 2030 – to help us deliver on our 10-year strategy, *Together for animal welfare*. In harnessing that sort of support we believe we can reach our ambitions to dramatically change animals’ lives for the better by then.

Throughout 2022, we continued to rescue, rehabilitate, care for and rehome or release many thousands of animals. But none of that happens in isolation – as a community-based organisation, we absolutely rely on individuals and communities to get behind us and get involved. For example, we brought on board 170 animal rescue volunteers to help us collect animals in need, and introduced a new volunteering programme to empower people to create safe spaces for the wild animals who share our world. Our inspectors gave out more than 28,000 advice notices to help animal owners better understand what they could do to protect their own animals. And our amazing volunteers donated whatever time they could, whether several hours a week walking dogs or socialising kittens, or just a few minutes to sign up to a campaign or share our advice and information online – it all makes such a difference. Together, we are so much stronger.

We are just over a year away from our 200th anniversary in 2024. This will be a real spotlight year for the RSPCA, when the public will have multiple chances to see us, to join us in celebrating our history and to reappraise our unique contribution to society

from the very birth of the animal welfare movement that began with us in 1824 and spread around the world. We are looking forward to reaching many new audiences and bringing more and more people on board to help us deliver the good lives for animals that we all want. It’s so exciting to anticipate what we’ll be able to achieve together.

This year, we say goodbye to our president, Richard Ryder. Richard has given many years of excellent service to the RSPCA and to animals. In recognition and gratitude, we have awarded him our highest honour, the Queen Victoria Gold Award.

Taking his place, I’d like to give a warm welcome to TV personality and wildlife expert Chris Packham, who has supported the RSPCA for many years. He is a strong, respected voice for animals whose commitment and passion can only help us achieve even more in the future.

Finally, let me finish by thanking the entire RSPCA community for their amazing achievements for animals once again this year. Our branches, volunteers, staff, partners and supporters make this the compassionate, pioneering organisation it has always been and will continue to be. The achievements highlighted in this report are thanks to all of them.

**René Olivieri**  
Chair, RSPCA

## Foreword from the Chief Executive

2022 was truly a year of disruption for so many of us, with fast-moving changes in government, the economy, the climate and on the world stage. The war in Ukraine, energy price hikes, ongoing Brexit impacts and a cost-of-living crisis meant that disruption became pretty much the new normal.

Issues like these inevitably impact on animals' lives and on the RSPCA itself – but we are experienced 'disruptors' too. For nearly 200 years we have literally been here to change the world for the better – and we've done it, time and time again. Now, from a position of real organisational strength and stability, we're anticipating and preparing for whatever challenges may lie ahead, so that we can carry on with our mission to achieve a world that is kinder to animals.

In times of uncertainty, people want hope and optimism, and animal welfare can provide that. We know it can easily be sidelined as a 'nice to have' when what may seem to be more pressing issues need to be addressed. Yet animals enrich and improve all our lives, and their lives are important in themselves. They are a vital part of the fragile ecosystem we all share. Most people recognise their importance and value – that's why the RSPCA came into being nearly 200 years ago and is still championing animal welfare today.

In 2022, the cost-of-living crisis immediately posed a huge threat to animal welfare and we mounted a strong response, investing £1.5 million to support pet owners and smaller charities. We set up a cost-of-living hub with a voucher scheme to help people pay for veterinary care. We also gave grants to smaller charities so they could keep their doors open, and expanded our hugely successful pet food bank scheme.

When the disastrous war in Ukraine caused people to flee their homes – often with their beloved pets in tow – we stepped in to make sure those pets were protected and didn't end up transferring diseases to pets already living here.



Because we are here both to help animals in need and to prevent suffering from happening in the first place, we stepped up our efforts to encourage people to put their time, their voices or their money into supporting us on both fronts – and so many of them did. We are making real progress towards building our million-strong network of dedicated animal welfare supporters, who will promote animal welfare across all our communities.

Despite the year's economic challenges, our fundraising remained stable, thanks in part to some exciting new partnerships. Our Omaze prize draw, for example, raised more than £1 million in one of Omaze's most successful draws.

Working together with all our partners – including our branches, other charities, communities and individuals – we were able to achieve so much. For example, we worked with the PDSA, which took over our public veterinary work, allowing our own vets to focus on animals suffering the very worst cruelty and neglect. We also worked with mental health and youth services, to help them spot signs of animal abuse. We began a new partnership with higher-welfare pet food brand McAdams. And we combined our voice with those of other animal charities to get real and lasting change for animals, such as the Sentience Act, a new law on cat microchipping and a ban on cruel glue traps.

Despite this progress, the government dithered and delayed on other promised animal welfare reforms – we still don't have a ban on the live export of animals for fattening and slaughter, for example. But with more than 100,000 supporters getting behind us, we kept up the pressure on this and a raft of other animal welfare demands.

We made advances towards our aim to have more than half of all farm animals reared under RSPCA welfare standards by 2030. Our farm assurance and food-labelling scheme RSPCA Assured strengthened its partnership with M&S, for example. In an industry first, this national retailer has become the first to commit to selling only slower-reared, higher-welfare fresh chicken.

Another challenge that continued throughout 2022 was the terrible avian influenza outbreak. We took a cross-organisational approach to tackle it through our branches and through our field operations, external affairs, advice and RSPCA Assured teams.

Meanwhile, discussions advanced with the Government and the Crown Prosecution Service (CPS) about transferring our prosecution function to it, so we can focus on building evidence to support animal welfare prosecutions. We continued to bring the perpetrators of animal cruelty to book though – 400 of them in 2022, including all the members of an organised puppy-trading ring.

As always, we faced huge demand for our services in 2022, particularly over our busiest spring and summer season. Our inspectors and rescue officers were under enormous pressure. I would particularly like to give my heartfelt thanks to all those frontline teams, who worked so hard through such challenging circumstances, providing vital care for animals. We are now reviewing the way we prioritise our frontline work to ensure that we focus our specialist officers where they can make the most difference, doing the job no other organisation does and helping the animals who need us the most.

Being a great place to work and volunteer is an essential part of our strategy. The better we support our people, the more they can achieve for animals. In 2022, we appointed a new head of equality, diversity and inclusion, took the age-positive pledge, embraced hybrid working and became a Disability Committed employer. To bring about our ambitions for animal welfare, it's vital that we attract the best talent and make sure our people truly reflect the diverse communities in which we work.

We are prioritising environmental sustainability too. Climate change, biodiversity loss and environmental degradation are

**“ Working together with all our partners – including our branches, other charities, communities and individuals – we were able to achieve so much. ”**

already impacting animal welfare and we must be part of positive solutions. We also recognise our own impact on the environment and began work in 2022 to address this.

We have been a strong voice for animals in 2022 through our exciting thought-leadership programme, which explores some of the really important issues facing animal welfare. We kicked off with our fascinating essay collection, *What have animals ever done for us?* Our first annual *Animal Kindness Index*, in partnership with the SSPCA, outlined attitudes towards animals in the UK today. We held our inaugural annual Wilberforce Lecture, with speaker Henry Dimbleby. We launched a commission on the future of animal welfare. And, because the needs of animals, people and the environment are inextricably linked, we began exploring how animal welfare interacts with social and climate justice.

As our bicentenary year approaches in 2024, next year will be an incredibly exciting time. Plans are well underway to create a year of events and activities that showcase our history and our future at the forefront of animal welfare. We'll use the opportunity to engage a whole new generation of supporters. They – and all our supporters – will help us write the next chapter of our fantastic organisation's history. As we move into our third century, we'll continue to be a positive disruptor so that we can achieve a kinder world for all animals.

**Chris Sherwood**  
RSPCA Chief Executive

RSPCA Inspector Lisa Lupson visits a puppy in her new home. She had suffered multiple fractures at the hands of her former owner.



## What we do

For nearly 200 years, the RSPCA has driven tremendous progress in the way humans treat animals, as well as lifting countless individual animals in need out of harm's way.

As we approach our 200th anniversary in 2024, we are in great shape to be able to tackle the continuous disruption and upheaval that have become part of today's world and that so often impact on animal welfare. Our bold modernisation plans have put us in a strong position to weather challenging times ahead so that we'll still be here for animals for generations to come.

### Our vision

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

### Our 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.

### Our 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 make animals' lives better

### Our values

#### 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
- we give animals a second chance at life
- we 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 have **integrity**:

- we are honest and trustworthy
- we act with integrity
- we do what's right.

# Key statistics in 2022

**138,925**

welfare incidents  
dealt with by  
our Inspectorate

**1,098,806**

calls to the RSPCA



**63,563**

complaints of  
alleged cruelty  
investigated



**28,514**

welfare notices  
and advice given  
out to improve  
animal care

**406**

equines taken in

**7,851**

dogs taken in

**21,092**

cats taken in

**2,801**

rabbits taken in

**7,814**

wild animals  
admitted to our  
wildlife centres



**36,227**

animals microchipped



**81,368**

treatments dispensed  
(not including neutering)

**55,846**

animals neutered

**807**

convictions secured  
in the magistrates'  
or crown courts  
for animal  
welfare offences\*

**400**

people convicted  
for animal  
welfare offences

Figures quoted relate to the RSPCA and its branches where relevant.

“As we approach our 200th anniversary in 2024, we are in great shape to be able to tackle the continuous disruption and upheaval...that so often impact on animal welfare.”

\* (some people are convicted for multiple offences)



Grey seals released in North Devon, following their rehabilitation at RSPCA West Hatch Wildlife Centre.

## Our 2021–2030 strategy:

## Together for animal welfare

In this, the RSPCA’s bicentenary decade, we are delivering our ambitious 10-year strategy, *Together for animal welfare*.

### Our ambitions

Eight bold ambitions, which will have a dramatic and positive impact on millions of animals’ lives, are driving us through to 2030.

#### We will:

- 1. Reduce** neglect, abuse and cruelty to companion animals, including exotic animals, in England and Wales by 50 percent
- 2. End** the illegal puppy and kitten trade in the UK
- 3. See** more than half of all UK farm animals reared to RSPCA welfare standards, with more people choosing higher-welfare labels and people eating less meat, fish, eggs and dairy from low-welfare farms
- 4. Secure** a global commitment to developing, validating and accepting non-animal technologies to replace animal experiments and end severe suffering for laboratory animals
- 5. Establish** animal protection as a significant UK Government goal, supported by an Animal Protection Commission – an independent, legally established public body
- 6. Achieve** statutory powers for RSPCA inspectors in England and Wales under the Animal Welfare Act 2006

**7. Secure** the adoption of a comprehensive Universal Declaration on animal welfare by the United Nations

**8. Recruit** one million RSPCA animal champions by 2030 to maximise our impact on animal welfare

This report summarises some of the main achievements we made towards our ambitions in 2022.

### Staying strong

The decisions we took when writing our strategy were designed to future-proof the RSPCA so that we can continue to survive and thrive through unforeseen events and crises as we head into our third century. Those decisions were put to the test immediately when the COVID-19 pandemic hit. Thankfully, they gave us a firm foundation to be able to carry on protecting animals and emerge stronger than ever.

The challenges continued through 2022, with an ongoing economic crisis, governmental upheavals, the war in Ukraine, a fluctuating legislative agenda, the climate emergency and a serious avian flu outbreak, all of which had the potential to have direct and indirect impacts on animal welfare.

Protecting animal welfare is not something we can do in isolation. By working together and with others to be part of the solution to these challenges, which have such far-reaching impacts, we can fully embrace the many opportunities for improving animals’ lives and for building a better, safer world for all of us.



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

	2022	2021
Telephone calls answered	1,098,806	1,081,018
Complaints of alleged cruelty investigated	63,563	51,505
Welfare improvement advice and notices dispensed	28,514	25,651
Cases reported to the RSPCA Prosecutions Department	873	642
Suspects reported to the RSPCA Prosecutions Department	1,182	922
Defendants convicted (youth offenders)	400 (3)	350 (4)
Convictions secured in the magistrates' or crown court (youth offenders)	807 (6)	751 (6)

**Table 2 Number of animals taken in, treated, neutered and microchipped by the RSPCA and its branches in England and Wales in 2022**

Animal treatments: hospitals, clinics and branches*				
Animals treated		Operations		
89,794		2,608		
Taken in				
Cats	Dogs	Wildlife and others	Total 2022	Total 2021
21,092	7,851	20,560	49,503	59,792
Neutered				
Cats	Dogs	Other animals	Total 2022	Total 2021
44,734	8,101	3,011	55,846	46,806
Microchipped				
Cats	Dogs	Other animals	Total 2022	Total 2021
30,652	3,086	2,489	36,277	37,497

\*(excluding neutering and microchipping)

“ The decisions we took when writing our strategy were designed to future-proof the RSPCA so that we can continue to survive and thrive through unforeseen events and crises as we head into our third century. ”

### Our decisions

BECAUSE WE WANT TO...	...WE DECIDED TO...
+ focus our vital resources where we can have the most impact for animals	+ adapt our frontline work, for example: <ul style="list-style-type: none"> <li>● moving away from public-facing veterinary work, to focus on the animals who need us most</li> <li>● partnering with other charities, organisations and communities to reach even more animals</li> </ul>
+ support animal owners through the cost-of-living crisis	+ pledge <b>£1.5 million</b> to expand our pet food bank schemes and increase capacity in smaller animal charities + launch a dedicated cost-of-living hub on our website to help struggling pet owners
+ improve animal welfare in a post-Brexit world	+ influence free trade deals being negotiated by the UK to protect our hard-won welfare standards + campaign even harder to improve welfare for animals in England and Wales through new laws
+ become thought leaders on animal welfare and ensure its status at the centre of debates on major issues	+ launch our annual <i>Animal Kindness Index</i> , a thought-provoking essay collection, and our inaugural Wilberforce Lecture + work to understand the implications of climate change on our operations – and our contribution to it – which we recognise needs sufficient focus
+ attract the best talent and make the RSPCA a great place to work	+ move to hybrid working + sell our former head office at Southwater and set up new, more accessible offices, so we can recruit talented candidates from a far wider geographical area + improve our focus on equity, diversity and inclusion + launch a people and culture plan offering additional support and benefits to our staff

### Our work falls into five priority areas.

1. RESCUE AND CARE

2. ADVOCACY

3. PREVENTION

4. SUPPORTERS

5. ORGANISATIONAL EFFECTIVENESS

**Strategic objectives**

We respond to calls from the public to our cruelty and advice line roughly **every 29 seconds**.

We go out to rescue animals from harm and danger about **600 times a day**.

We take in, care for and rehome or rehabilitate **many thousands of animals** a year.

We bring **hundreds of perpetrators of animal cruelty** to justice each year.



## Rescue and care

**Responding to the public**

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
+ respond to calls from the public more quickly	+ introducing conversational AI on our website and the opportunity to escalate to a web chat with an agent if necessary	+ The public got the information they needed fast, while our call handlers dealt with more complex calls about animals in immediate need
+ handle rescue callouts more efficiently	+ using updated tasking software to pass incidents straight to the right officers	+ Animals in need received support from those best able to help
+ deliver savings of £9 million over eight years – this objective will be reviewed in 2023 to ensure it delivers the right impact for our beneficiaries	+ making efficiencies in the handling of reports from members of the public, driving £1.3 million of savings compared to 2021	+ Efficient use of our resources helps us to continue supporting animals and the public during an economic downturn

**Rescuing animals**

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
+ bring volunteer rescuers on board to support frontline officers	+ having around 367 paid rescuers on the ground, and 170 volunteer rescuers (NB: we did not have reliable data before 2022, so these figures represent our baseline going forward)	+ We rescued many thousands of animals from harm
+ promote better animal care	+ giving animal owners welfare improvement advice on 28,514 occasions, compared to 25,651 occasions in 2021	+ We helped owners to look after their animals, so they received the care they needed

## Helping animals – and their owners – from war-torn Ukraine

We know that human disasters, such as the horrific war in Ukraine, inevitably impact on animals too. As people fled from danger, it was so moving to see the incredible efforts they and aid workers made to get their pets to safety too. Immediately, our teams began collecting pet food and veterinary supplies to send to animals in need. We also supported organisations helping animals on the ground in Ukraine.

Behind the scenes, we worked with other animal welfare charities and the government to make it quicker and easier for refugees to enter the UK with their pets. We didn't want traumatised pet owners to have the added heartbreak of losing their beloved pets, so we adapted one of our animal centres as an isolation unit for up to 40 cats and dogs, to eliminate the risk of their bringing in diseases such as rabies.

### Caring for animals

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ ensure the best outcomes for animals in our care</li> </ul>	<ul style="list-style-type: none"> <li>+ developing an innovative Animal Voice approach under our Animal Journey programme, allowing us to understand animals' needs from their perspective and get an objective measurement of the impact of our care on their welfare</li> <li>+ piloting this approach with equines, alongside tailored care plans focused on individual animals' health, welfare and behavioural needs</li> </ul>	<ul style="list-style-type: none"> <li>+ The animals in our care will get even more tailored support, ensuring we can respond quickly to any issues</li> </ul>
<ul style="list-style-type: none"> <li>+ work more closely with partners</li> </ul>	<ul style="list-style-type: none"> <li>+ sharing our Animal Journey and Animal Voice work with our partners</li> <li>+ launching our first major veterinary partnership with the PDSA, which took over our public veterinary work in Manchester, Birmingham and Merthyr Tydfil</li> </ul>	<ul style="list-style-type: none"> <li>+ More of the animals in our care benefit from our in-house veterinary expertise</li> <li>+ Our vets can maximise animal welfare by working more closely with our frontline workers to understand, forecast and prepare for the challenges they face</li> </ul>

### Justice for animals

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ move towards handing over our prosecution work to the Crown Prosecution Service (CPS), while retaining our vital role in supplying evidence to support any animal cruelty prosecutions</li> </ul>	<ul style="list-style-type: none"> <li>+ holding discussions with the government, though with no timescales agreed as yet</li> <li>+ focusing on streamlining our in-house investigation and prosecution processes to put us in the best position once we have a decision</li> </ul>	<ul style="list-style-type: none"> <li>+ Animal welfare prosecution cases will have the accountability associated with the oversight of a public body</li> </ul>
<ul style="list-style-type: none"> <li>+ continue to prosecute animal cruelty cases in the meantime</li> </ul>	<ul style="list-style-type: none"> <li>+ bringing 400 individuals to justice for animal welfare offences</li> <li>+ mounting a sophisticated operation to break an organised puppy-trading ring and bring all the criminals involved to book</li> <li>+ achieving a 95 percent success rate in convictions</li> </ul>	<ul style="list-style-type: none"> <li>+ Publicity around cruelty and neglect prosecutions encourages people to think and talk about how humans should treat animals</li> <li>+ Prosecuting animal abusers drives home the message that cruelty is wrong and has no place in society</li> <li>+ Animals rescued from convicted abusers are not returned to them to be abused again</li> <li>+ Convicted abusers may be disqualified from keeping animals, to prevent them from causing harm to animals in the future</li> </ul>

**Strategic objectives**

We encourage the public to adopt **compassionate attitudes and behaviours** towards animals.

We work with the **manufacturing, farming, retail and hospitality** sectors to ensure high animal welfare is a priority.

We persuade legislators to improve animal welfare by **passing new laws**.

We work with **partners and governments** to promote high animal welfare standards.

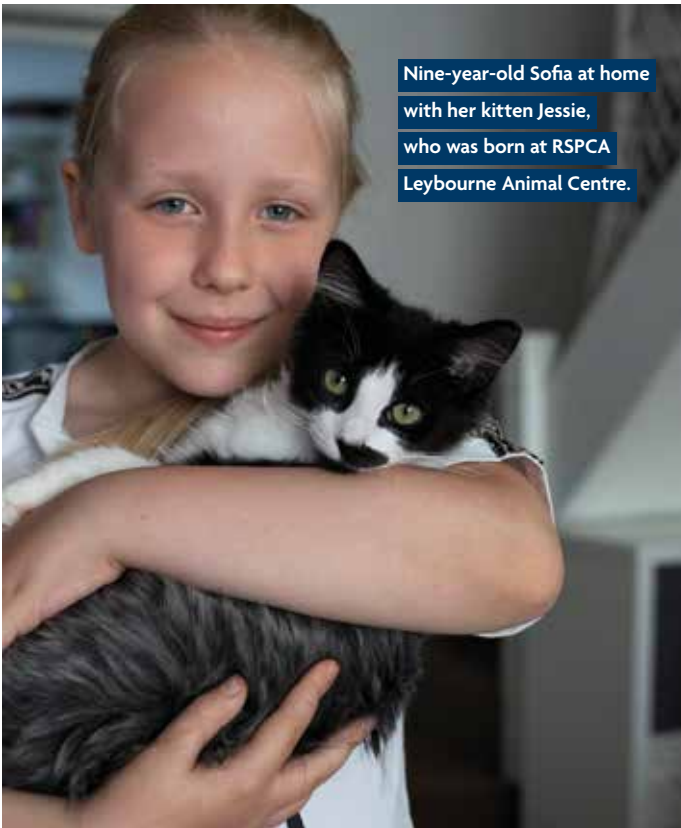


Abandoned, emaciated lurcher Bram was rehomed after being rescued and receiving rehabilitation at RSPCA Great Ayton Animal Centre.

Advocacy

**Changing attitudes and behaviours**

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<p>+ pull all our campaigning activity together under key themes</p>	<p>+ deciding on three campaign themes (currently in draft form only):</p> <ul style="list-style-type: none"> <li>● Together for animal welfare</li> <li>● Their pain, no gain</li> <li>● Don't forget respect</li> </ul>	<p>+ Our campaigns encourage new thinking and behaviour towards animals – for example, because 90 councils banned the use and release of sky lanterns and balloons in 2022 (and more are coming on board in 2023), fewer animals will come to harm and our rescuers will be able to focus on others in need</p>
<p>+ investigate the challenges and opportunities for animal welfare to 2050 and beyond</p>	<p>+ setting up a commission to examine the links between animal and human welfare, environmental sustainability and how we can achieve a cruelty-free future</p>	<p>+ Animal welfare is taking its rightful place at the centre of debates on major issues such as food security and sustainability, climate change and human wellbeing</p>
<p>+ establish the RSPCA as a thought leader</p>	<p>+ publishing a book of essays by high-profile thinkers, <i>What have animals ever done for us?</i></p> <p>+ kicking off our annual Wilberforce Lecture series, reflecting on the 200 years since one of the RSPCA's founders championed the first animal welfare legislation in 1822</p>	<p>+ People are prompted to think more deeply about how we engage with animals, the full impact our actions have and what we can do as individuals to support animal welfare</p>
<p>+ initiate an annual RSPCA communications moment around society's kindness to animals</p>	<p>+ launching the first annual RSPCA and Scottish SPCA <i>Animal Kindness Index</i></p>	<p>+ The overwhelming public support revealed for laws and education to protect animals and promote kindness will strengthen our efforts</p>



Nine-year-old Sofia at home with her kitten Jessie, who was born at RSPCA Leybourne Animal Centre.

### First Animal Kindness Index confirms we're a nation of animal lovers

Our very first annual *Animal Kindness Index* told us a lot about the UK and its attitudes to animals in 2022. Commissioned by the RSPCA and the Scottish SPCA, it revealed us to be a nation of animal lovers who see animal welfare as the responsibility of everyone, including governments.

Worryingly, the cost-of-living crisis is having an impact on pet owners, with 28 percent being concerned about being able to afford the right care for their pets. A huge rise in online searches for cheap vets or questions about self-treating pets tells an alarming story.

Overwhelmingly, people think animal welfare should be taught in schools, which supports our ambition to have it included in the National Curriculum.

“ Our very first annual *Animal Kindness Index*...revealed us to be a nation of animal lovers who see animal welfare as the responsibility of everyone, including governments. ”

### New animal welfare laws passed

Sadly, though the government made 39 promises that would make a real and lasting difference to animal welfare in its Action Plan for Animals in 2021, only three were completed into law in 2022 and 19 stalled. However, we continued to advocate for action and welcome the announcement that farmers who farm to higher welfare standards will receive subsidy payments.

- The Animal Welfare (Sentience) Act means animal sentience is recognised in law
- A ban was passed on the unlicensed use of cruel glue traps in England
- Cat microchipping is to be introduced for owned cats from April 2024

#### Changing laws

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
+ push for a UN declaration or convention on animal protection	+ securing a UN resolution, which acknowledges that animals are sentient and their welfare should be protected	+ This is a significant step towards better animal welfare worldwide
+ target illegal hare coursing	+ seeing hare coursing encompassed in the Police and Crime Act, along with increased sentencing	+ Fewer hares will suffer and, with police taking the lead on such cases, our frontline rescuers can focus on other animals in need
+ encourage the government to set up a new Sentience Committee	+ securing the Sentience Act and agreement to set up a government committee for England, which is now testing policy-makers' focus on animal sentience	+ Millions of animals will be protected from unnecessary harm with animal sentience now firmly at the heart of policy-making decisions

**Strategic objectives**

We put **preventing cruelty** at the heart of all our education work with children, young people and communities.

We encourage **compassion in children and young people** by producing engaging resources and encouraging activities in schools and local communities.

We provide accessible, **easy-to-follow information and advice** for the public to help them understand and meet animals' needs.

We work with partners to give **targeted support** where it is most needed in communities.

We undertake research to understand **when, how and why** cruelty happens and how to stop it happening again.



Birmingham Schools Engagement Officer Rachel Winsor talking to primary schoolchildren about getting involved in the Great British Spring Clean litter pick.

Prevention

**Nurturing children and young people**

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ continue to inspire young people to be kind to animals</li> </ul>	<ul style="list-style-type: none"> <li>+ reaching 421,412 children (mostly 7 to 11 year olds), teachers, youth workers and other professionals through our education programmes and resources</li> <li>+ engaging 17,743 disadvantaged young people (mostly 11 to 14 year olds) at our four education hubs in local communities</li> </ul>	<ul style="list-style-type: none"> <li>+ Inspiring compassion in children and young people can influence them for the rest of their lives and lead to a kinder society</li> <li>+ Working with young people who don't typically get to interact positively with animals can help build empathy and confidence</li> </ul>
<ul style="list-style-type: none"> <li>+ move towards getting animal welfare taught in all schools by 2030</li> </ul>	<ul style="list-style-type: none"> <li>+ starting conversations with the English and Welsh governments and establishing public support for the change</li> <li>+ preparing messaging and resources for educators and young people</li> </ul>	<ul style="list-style-type: none"> <li>+ Fewer cases of animal cruelty and neglect in the future could result from all children receiving vital animal welfare education at school, which will create a society of compassionate, informed young people</li> </ul>

“ We can put preventative measures in place to reduce the risk of harm to animals by preparing for future challenges. ”

### Practical support and advice for the public

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ provide the public with easy-to-access, relevant information on demand</li> </ul>	<ul style="list-style-type: none"> <li>+ reviewing the experience people have of our website to improve its accessibility, consistency and ease of use</li> <li>+ introducing a new digital design system – a toolkit that ensures a good user experience across the website</li> </ul>	<ul style="list-style-type: none"> <li>+ Better informed people make better decisions about animal welfare</li> </ul>
<ul style="list-style-type: none"> <li>+ collaborate with partners who are already in touch with those we want to reach</li> </ul>	<ul style="list-style-type: none"> <li>+ establishing partnerships with NHS mental health services, Relate and youth services</li> <li>+ providing training, information and advice to our partners</li> </ul>	<ul style="list-style-type: none"> <li>+ Partner agencies are now in a stronger position to spot any animal welfare concerns they may encounter and to work with us to keep animals safe</li> </ul>
<ul style="list-style-type: none"> <li>+ use partnership working to make a practical difference in communities</li> </ul>	<ul style="list-style-type: none"> <li>+ working with other animal and welfare charities – such as FareShare, Cats Protection, Dogs Trust and Battersea – to support pet owners during the cost-of-living crisis</li> <li>+ expanding our pet food bank initiative across England and Wales</li> <li>+ helping other animal rescue organisations to survive</li> </ul>	<ul style="list-style-type: none"> <li>+ Pet owners get the help they need for their animals, when they need it, if we share resources and work together, for example through joint distribution of pet food donations</li> </ul>

### Understanding cruelty

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ prepare for upcoming animal welfare issues</li> </ul>	<ul style="list-style-type: none"> <li>+ identifying illegal dog fertility clinics, a rabbit welfare crisis and a capacity crisis in our centres as upcoming areas for concern</li> <li>+ responding to the cost-of-living crisis, expanding our food bank work and offering other support to help keep pets in good homes with their owners</li> </ul>	<ul style="list-style-type: none"> <li>+ We can put preventative measures in place to reduce the risk of harm to animals by preparing for future challenges</li> </ul>
<ul style="list-style-type: none"> <li>+ identify where we can do the most good</li> </ul>	<ul style="list-style-type: none"> <li>+ plotting areas of deprivation, pet ownership and animal services on data maps</li> </ul>	<ul style="list-style-type: none"> <li>+ We can focus our cruelty prevention work in areas where animals are most at risk</li> </ul>
<ul style="list-style-type: none"> <li>+ continue academic research into the reasons behind cruelty</li> </ul>	<ul style="list-style-type: none"> <li>+ continuing a research project with the University of Kent</li> <li>+ working with a PhD student to review how our learning programme for young people involved in animal cruelty, <i>Breaking the chain</i>, affects their behaviour and attitudes</li> </ul>	<ul style="list-style-type: none"> <li>+ Where cruelty or neglect have already happened, we can and do step in to stop them happening again</li> </ul>



RSPCA South East Somerset Branch donates pet food to local food banks so pet owners who've fallen on hard times can feed their pets.





### **Feeding pets in hard times**

It's been a tough few years for pet owners, with first COVID-19 and then a cost-of-living crisis leaving many struggling to afford proper care for their beloved pets.

Our branches and inspectors working in communities know their local areas intimately and understand only too well how human emergencies can have a dramatic impact on pets. As soon as they saw that people were struggling due to COVID-19, they began setting up incredible local initiatives to help. As the cost-of-living crisis then took hold, more and more schemes sprang up right across the RSPCA. Teaming up with other local groups – such as food banks and food parcel distributors – they have been providing donated pet food and welfare support to help owners keep their pets safe and well in good homes.

Many thousands of animals have been protected through these initiatives. In our northern region alone, our teams sent out the equivalent of around 140,000 daily dog meals and 65,000 daily cat meals in 2022.

We are now in the process of joining all these initiatives up in our Pet Food Bank Partnership, with our branches, volunteers, inspectors, human food banks, local groups, pet food manufacturers and suppliers and other generous donors all working together to provide practical support wherever it is most needed.

Thanks to our dedicated branches, workers and volunteers operating in the heart of communities across England and Wales, fewer animals will suffer from lack of food or delays in basic health care through the current crisis, and fewer will be abandoned, to be rescued, cared for and rehomed by the RSPCA and other animal welfare charities.

**“ Our branches and inspectors working in communities know their local areas intimately and understand only too well how human emergencies can have a dramatic impact on pets. ”**

**Strategic objectives**

Our supporters are **essential to everything** we do.

They directly **improve the lives of animals** in need by providing all our funding.

They also **drive societal change** in attitudes and behaviour by getting behind our campaigns, promoting our fundraising appeals and sharing our messages.

Many thousands of volunteers and supporters get involved in **fundraising and animal care** activities in their communities.

RSPCA Brighton Branch's stand at Brighton Pride was organised and run by staff and volunteers.



# Supporters

**Engaging more supporters**

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ engage more supporters in new ways, including on social media</li> </ul>	<ul style="list-style-type: none"> <li>+ looking carefully at who we could engage and what we could achieve together</li> <li>+ recruiting 105,226 new supporters</li> <li>+ running tailored, research-based appeals, such as a festive raffle and TV adverts encouraging donations and gifts in wills</li> <li>+ offering new ways to engage, such as a #50MilesforAnimals event</li> <li>+ increasing our social media audience by more than 48,000, with more than 8.8 million social media engagements</li> </ul>	<ul style="list-style-type: none"> <li>+ Animals in need benefit directly from the financial and campaigning support of all the people who engage with our work</li> </ul>
<ul style="list-style-type: none"> <li>+ review our brand</li> </ul>	<ul style="list-style-type: none"> <li>+ looking carefully at how well our brand represents the RSPCA of today</li> <li>+ understanding how our audiences feel about the RSPCA</li> </ul>	<ul style="list-style-type: none"> <li>+ We can continue to be here for animals with a brand that reflects our true nature and increases our relevance for the people most likely to support us in the future</li> </ul>
<ul style="list-style-type: none"> <li>+ develop a broad volunteer base reflecting local communities and modern society</li> </ul>	<ul style="list-style-type: none"> <li>+ providing inclusive volunteer training and support designed to attract and keep our brilliant volunteers on board to deliver our strategy</li> <li>+ seeing more than 26,000 hours of volunteering hours donated by our supporters</li> </ul>	<ul style="list-style-type: none"> <li>+ Many of the animals in our care depend on our dedicated volunteers on the ground in their communities, who care for, rehome or release them, fundraise for them and promote our animal welfare messages</li> </ul>

## “ Ambassadors and influencers help spread our messages and encourage people to take active steps to improve animal welfare. ”

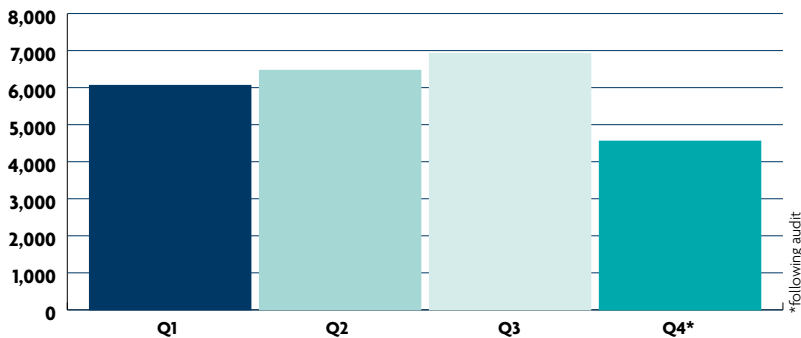
WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
+ plan for our 200th anniversary celebrations in 2024	+ using an approach that puts audiences' needs at the core of planned events and activities + holding warm-up celebrations, such as an exhibition at Horsham Museum	+ More people will be inspired by what we've achieved for animals over nearly 200 years – with the support of animal lovers like them – and will want to get involved to help us achieve even more
+ advance our work to develop a million-strong movement for animal welfare	+ starting work on an ambitious new approach to community engagement	+ This new approach will enable more animal lovers to work together with us, improving the lives of many more animals
+ improve our supporters' engagement and commitment	+ mapping our supporters' lifetime journey	+ Showing our supporters the difference they make and how vital they are to animals in need helps to keep them on board
+ have a new approach to establishing a positive ongoing relationship with supporters	+ encouraging engagement and retention when we bring people on board by celebrating our past and our successes, while focusing on our relevance now and in the future	+ Showing new supporters that they are part of an effective, established, successful and ever-evolving organisation assures them their contributions will always make a difference

### Forging partnerships

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
+ connect with effective ambassadors and influencers	+ engaging 70 VIPs in our frontline, media, fundraising campaigns and advocacy work	+ Ambassadors and influencers help spread our messages and encourage people to take active steps to improve animal welfare – on social media alone they reached more than 16.5 million people
+ put measures in place to grow our income	+ building on relationships with 38 philanthropic trusts and grant-giving bodies + raising more than £1 million with our Omaze House Draw and £350,000 from the players of the People's Postcode Lottery	+ Income via a broader range of partners builds our financial sustainability and ensures we can deliver our plans to improve the lives of more animals
+ establish new business partnerships	+ linking with higher-welfare pet food brand McAdams + making a deal with Thortful greetings cards to produce a line of celebrity-illustrated RSPCA greetings cards	+ The welfare of farm animals used in pet food production is brought to the public's attention by our links with McAdams + Thortful cards promote our work and tap into the public's animal-loving nature
+ build on our existing partnerships	+ implementing plans to maintain or grow income from these partnerships	+ Our food bank programme, in partnership with Pets at Home, is delivering essential food and support for veterinary care to pets in homes deeply affected by the cost-of-living crisis, allowing them to stay with the families who love them

# Volunteering summary 2022

## Total number of volunteers by quarter (averages, allowing for starters and leavers)



## Total number of volunteer hours donated



\* not complete data – reported by a limited number of volunteers across 16 sites

## Standout activities by role



## Volunteers by role



## Key features of 2022

- The volunteering team structure was reviewed and redesigned. The business case for the new volunteer experience team was signed off by the RSPCA Board in December 2022.
- The emerging cost-of-living crisis and fuel crisis (March 2022) became of increasing concern to the volunteering team and was monitored closely.
- Volunteers Week 1–7 June 2022 was a highlight of the year with content shared across internal and external platforms including Instagram quizzes, a video from a veterinary nurse student and a ‘team talk’ from one of our specialist seal rehab volunteers.
- We carried out an audit of inactive microvolunteers in the last quarter who had not completed a task in the previous 12 weeks. Following a full review and an opportunity for volunteers to re-engage with the RSPCA, 3,873 volunteers were removed, hence the drop in overall volunteer numbers in the final quarter of 2022.





The RSPCA Chiltern Branch's volunteers help animals in the local areas of Aylesbury, Buckingham and Dacorum.

**Strategic objectives**

We recruit, develop and support a **diverse and talented team** of RSPCA employees.

We ensure **financial sustainability** and robust stewardship of our assets.

We find **innovative, efficient technical solutions** to the challenges we face.

We base our decision-making on interrogations of **our organisational performance**.

We have **strong, effective governance** backed up by in-house legal support.

Staff working at the RSPCA's control centre in Rotherham.

# Organisational effectiveness

**People and culture**

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ improve our equity, diversity and inclusion (ED&amp;I) record</li> </ul>	<ul style="list-style-type: none"> <li>+ creating and appointing our first head of ED&amp;I role</li> <li>+ becoming a Disability Committed employer</li> <li>+ running a successful Pride event</li> <li>+ doubling our number of black and minority ethnic (BAME) Inspectorate officers</li> <li>+ signing up to the Age Positive Pledge</li> </ul>	<ul style="list-style-type: none"> <li>+ We can improve the public's attitudes and actions towards animals and better serve the communities in which we operate by truly being part of them</li> </ul>
<ul style="list-style-type: none"> <li>+ develop leadership and management opportunities</li> </ul>	<ul style="list-style-type: none"> <li>+ engaging first-line managers in a Lead First leadership and development programme (shortlisted for a national training award), with 81 percent taking part</li> <li>+ introducing apprenticeship programmes for managers</li> </ul>	<ul style="list-style-type: none"> <li>+ With a 100 percent skills increase reported so far, teams are better managed and supported to do the best they can for animals</li> <li>+ Employee relations cases dropped from 13 in 2021 to three in 2022, suggesting better management, which ultimately makes teams more effective for animals</li> </ul>
<ul style="list-style-type: none"> <li>+ develop a fair reward and pay system</li> </ul>	<ul style="list-style-type: none"> <li>+ introducing a tool whereby employees can publicly recognise colleagues' contributions to our values</li> <li>+ negotiating a new pay and progression framework with Unite the Union</li> <li>+ moving the RSPCA pension scheme to a new provider</li> </ul>	<ul style="list-style-type: none"> <li>+ An open, transparent pay framework and recognition of performance motivates our people to achieve as much as they can for animal welfare</li> <li>+ Safe, secure pension arrangements encourage loyalty and long-term commitment to our animal welfare goals</li> </ul>

<p>+ begin implementing our wellbeing strategy</p>	<p>+ introducing mental health training for inspectors</p> <p>+ initiating new procedures around firearms and the use of drugs when inspectors sadly have to euthanase animals</p>	<p>+ Helping our people feel more able to open up about any mental health issues means we can offer them the support they need to do their vital and often very challenging work</p>
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## People and culture

KEY PEOPLE DATA:	2022	2021
Headcount	<p>(at 31 December 2022)</p> <p>Total – 1,554 workers 1,440 employees (92.5%) 61 casuals (4.0%) 53 contractors (3.5%) 3.4% declaring a disability</p>	<p>(at 31 December 2021)</p> <p>Total 1,505 workers 1,404 employees (93%) 54 casuals (4%) 47 contractors (3%) 2.81% declaring a disability</p>
Employee turnover	<p>(January–December 2022)</p> <p>Voluntary (permanent employees only): 13.8% (which compares favourably to the UK third sector average of 19.4% in 2021)*</p> <p>Overall turnover: 14.0%</p> <p>Voluntary (permanent and fixed-term employees): 15.5%</p> <p>Overall turnover: 15.7%</p>	<p>(January–December 2021)</p> <p>Voluntary (permanent employees only): 11.48% (which compares favourably to the UK third sector average of 16% in 2020)*</p> <p>Overall turnover: 11.62%</p> <p>Voluntary (permanent and fixed-term employees): 13.05%</p> <p>Overall turnover: 13.19%</p>
Average days lost to sickness	<p>(12 months to 31 December 2022)</p> <p>9.27 days (the median number of sick days taken per employee in the UK third sector in 2021 was 8.3)*</p> <p>Average employee headcount for 2022 was 1,593 including casuals</p>	<p>(12 months to 31 December 2021)</p> <p>9.16 days (the median number of sick days taken per employee in the UK third sector in 2020 was 9.1)*</p> <p>Average employee headcount for 2021 was 1,465 including casuals</p>
Gender split as identified by the employee	<p>(at 31 December 2022)</p> <p>Female: 62.7% Male: 23.3% Transgender: &lt;1% Prefer not to say: 2.4% Blank response: 11.5%</p>	<p>(at 31 December 2021)</p> <p>Female: 59.5% Male: 24.5% Transgender: &lt;1% Prefer not to say: 3% Blank response: 12%</p>
Ethnic origin	<p>(at 31 December 2022)</p> <p>English/Welsh/Scottish/Northern Irish/British: 82% BAME: 1% Other: 2% Prefer not to say: 3% Blank response: 12%</p>	<p>(at 31 December 2021)</p> <p>English/Welsh/Scottish/Northern Irish/British: 81% BAME: 2% Other: 3% Prefer not to say: 3% Blank response: 11%</p>
LGBTQ+	<p>(at 31 December 2022)</p> <p>Bisexual: 1.91% Gay man: 1.58% Gay woman/lesbian: 2.44%</p>	<p>(at 31 December 2021)</p> <p>Bisexual: 1.31% Gay man: 1.59% Gay woman/lesbian: 2.48%</p>

\*Source Agenda Consulting



### **Chief executive's remuneration**

The chief executive's remuneration was benchmarked and reviewed in May 2022.

The RSPCA chief executive is paid a total cash payment (including base pay and car allowance) of £162,217.

This is at the median of the range for chief executives of charities of a similar size, according to data collected from Top Charities XPert HR and All Charity Survey data.

### **Executive pay**

The remuneration for any members of our senior management team must be approved in advance of a formal offer being made by the chief executive and the director of people and culture, or by the chair of trustees in respect of the remuneration of the chief executive. Consideration is given to pay data provided by the head of reward. This will normally include salary benchmark information, internal relativities and the pay band and job family information.

**In 2022, the RSPCA and its branches took in 21,902 cats.**



## Gender pay gap

Our mean gender pay gap is 13.8 percent, a reduction of 1.5 percent on 2021's figure. The median gender pay gap has remained fairly static at 18.2 percent (against 17.9 percent in 2021). The mean gap reduction indicates a gender pay disparity reduction across the organisation as a whole. The larger median gap reflects our entry-level roles being filled predominantly by women, a situation seen in other animal welfare charities. We are developing an action plan to address this and hope to see a slight decrease in both our mean and median pay gap by 2024.

## Pay progression

During 2019/2020, we removed our previous incremental pay framework and moved to an affordable, transparent and market-based pay range approach. In 2020, we committed to working with Unite the Union to resolve any pay anomalies arising from this change. After constructive and collaborative discussions and a member ballot, we put a new pay framework in place and made an investment to rectify anomalies.



## Financial sustainability

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ grow and diversify our income streams</li> </ul>	<ul style="list-style-type: none"> <li>+ approving a plan to grow our engagement and income generation over the next three years</li> </ul>	<ul style="list-style-type: none"> <li>+ As a strong and sustainable organisation, we'll continue to support the animals most in need</li> </ul>
<ul style="list-style-type: none"> <li>+ continue to invest in our strategy and the 10 work streams in our strategic transformation programme</li> </ul>	<ul style="list-style-type: none"> <li>+ appointing an assistant director for transformation and streaming our transformation work into four programmes</li> <li>+ delivering critical foundational aspects of our digital programme</li> <li>+ broadening our Animal Journey programme to focus on providing an end-to-end service that puts animal welfare first</li> <li>+ defining a 3-Tier prevention approach</li> <li>+ initiating our brand programme</li> <li>+ completing our management information programme</li> </ul>	<ul style="list-style-type: none"> <li>+ We will continue to evolve our organisation to be more flexible, efficient and effective, enabling us to help more animals who need us</li> </ul>
<ul style="list-style-type: none"> <li>+ sell our former head office building at Southwater</li> </ul>	<ul style="list-style-type: none"> <li>+ completing the sale and committing to hybrid working on a long-term basis for most office-based staff</li> </ul>	<ul style="list-style-type: none"> <li>+ Hybrid working means we can attract and retain dedicated and talented people who want to contribute to animal welfare, wherever they are based and whatever their circumstances</li> </ul>
<ul style="list-style-type: none"> <li>+ change our procurement approach to deliver increased value</li> </ul>	<ul style="list-style-type: none"> <li>+ reviewing our strategy and completing a roadmap to strengthen our commercial activity and relationships with key suppliers</li> </ul>	<ul style="list-style-type: none"> <li>+ Securing better value from our suppliers will ensure we maximise our work's impact on animal welfare</li> </ul>

## Technology

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ move to cloud-based solutions</li> </ul>	<ul style="list-style-type: none"> <li>+ launching a digital transformation programme</li> <li>+ establishing more than 100 servers in the cloud</li> <li>+ modernising our website and moving it to the cloud</li> </ul>	<ul style="list-style-type: none"> <li>+ Our teams can work more effectively and reach more animals through reliable and more user-friendly technology</li> </ul>
<ul style="list-style-type: none"> <li>+ provide key IT equipment for our Inspectorate and renew essential communications equipment</li> </ul>	<ul style="list-style-type: none"> <li>+ completely replacing devices critical to investigative and rescue work</li> </ul>	<ul style="list-style-type: none"> <li>+ Animals in need are reached and rescued from harm more quickly and efficiently</li> </ul>
<ul style="list-style-type: none"> <li>+ monitor and coordinate our technology change activity</li> </ul>	<ul style="list-style-type: none"> <li>+ coordination through a digital advisory board</li> <li>+ implementing a project-planning tool</li> <li>+ establishing super users and change champions to ensure new technology is embraced by the whole organisation</li> </ul>	<ul style="list-style-type: none"> <li>+ Benefit to animals is at the heart of each part of our strategy – the project-planning tool helps us check we are on track to deliver benefits with each project and helps us reduce both cost and risk in major change activities</li> </ul>

## Governance and leadership

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ launch an internal governance review</li> </ul>	<ul style="list-style-type: none"> <li>+ reviewing our approach to risk management and compliance, and developing our policy framework and support for our board and committees</li> </ul>	<ul style="list-style-type: none"> <li>+ With improved efficiency and decision-making at all levels we can be sure the whole of our organisation is focused on improving the lives of animals in line with our strategy</li> </ul>
<ul style="list-style-type: none"> <li>+ prepare for external benchmarking of our governance against the highest charity governance and leadership standards, including the Charity Governance Code</li> </ul>	<ul style="list-style-type: none"> <li>+ beginning project work to do this</li> </ul>	<ul style="list-style-type: none"> <li>+ Continued good, effective monitoring of our governance ensures our efficiency as an organisation and our ability to effect the changes for animal welfare set out in our strategy</li> </ul>

## Branch network

WE SAID WE'D...	...AND WE DID IT BY...	THE IMPACT ON ANIMALS
<ul style="list-style-type: none"> <li>+ improve support and communication among and with branches</li> </ul>	<ul style="list-style-type: none"> <li>+ holding regular interactive briefing sessions, all of which were attended by more than two-thirds of our branches</li> </ul>	<ul style="list-style-type: none"> <li>+ Animals in our branches' care benefit from the use of shared approaches to animal welfare and governance</li> </ul>
<ul style="list-style-type: none"> <li>+ strengthen the network and its relationship with the National Society</li> </ul>	<ul style="list-style-type: none"> <li>+ agreeing to a new governance framework for a modern, equitable partnership</li> <li>+ introducing formal guidance for temporary trustees</li> </ul>	<ul style="list-style-type: none"> <li>+ Branches will deliver impactful animal welfare and cruelty prevention in local communities sustainably and efficiently by working together</li> <li>+ Branches that may have been through difficult times will be guided back to stability by well-trained, capable temporary trustees, so that they can continue protecting animals in their communities</li> </ul>
<ul style="list-style-type: none"> <li>+ begin implementing our action plan for branch resources</li> </ul>	<ul style="list-style-type: none"> <li>+ developing a centralised, searchable resource and networking platform</li> </ul>	<ul style="list-style-type: none"> <li>+ Branches are supported to deliver best practice in animal welfare</li> </ul>

## The year ahead

As we move into year three of our strategy, with our eight bold ambitions in mind (see page 8), all our preparation and decision-making over the last few years have put us in a strong position to meet the challenges and make the most of the opportunities ahead. Every year, we examine what has gone well and what has not gone so well, and our three-year business planning process means we can review our activity and prioritise our resources. We review and learn lessons from key projects and programmes too.

Owner Ron Stanley feeding the sheep  
on his RSPCA Assured farm Pentwyncoch  
Isaf in South Wales.



**Below is a summary of what we will do in our priority areas over the next two years.**

### RESCUE AND CARE

We face a looming animal welfare crisis due to:

- an increase in the cost of living, leaving many owners struggling to look after their animals
- increased pet ownership during the pandemic leading to more abandonments now
- a shortage of veterinary provision across the industry
- not enough capacity at our animal centres to meet increased demand.

### IN 2023, WE WILL...

- Roll out Animal Voice – our science-informed tool to assess and measure animal welfare – to more species.
- Make the most of our resources and help the animals most in need by trialling new triage services.
- Lead a joined-up, cross-sector response to the crisis.
- Help caring owners keep their animals and reduce demand on our services by providing effective advice and support.
- Build capacity for those animals who do have to be taken into our care.

### FROM 2023 TO 2025, WE WILL...

- Review our role and the ways in which we can best help animals through our Animal Journey programme.
- Ensure animals get the care they need, when they need it, from the organisations that are best able to help them.

### ANIMAL WELFARE IMPACTS

- Animals will get the help they need, more quickly.
- More animals will be able to stay with their owners in loving homes.
- We will be better able to take those animals most in need into our care.

### ADVOCACY

We aim to maximise our impact on animal welfare by continuing our work to become a thought leader, ensuring our arguments are included in wider debates.

### IN 2023, WE WILL...

- Launch three thematic campaigns showing how animal welfare interconnects with other issues.
- Review our farm animal welfare assurance scheme, RSPCA Assured, to ensure it can meet our strategic indicator of half of UK farm animals being reared under RSPCA welfare standards by 2030.
- Improve the way the public cares for and protects wildlife through new initiatives.
- Increase our calls to phase out the use of animals in research and reduce the number of experiments that cause them severe suffering.

### FROM 2023 TO 2025, WE WILL...

- Continue growing our animal welfare movement by reforming and increasing our public campaigning.
- Encourage people to eat less, eat better and to choose higher-welfare foods.
- Move towards a phase-out of greyhound racing and discourage poor breeding in brachycephalic (short-nosed/flat-faced) animals by leading debates on human behaviour relating to companion animals and those used in sports.

### ANIMAL WELFARE IMPACTS

- The public and politicians will be more conscious of animal welfare and the impact human actions can have on it.
- More farm animals will be raised to RSPCA welfare standards.
- Fewer animals will suffer in laboratories.
- Fewer animals will be bred for their looks over their welfare.

RSPCA Chief Executive Chris Sherwood  
visiting RSPCA Felledge Animal  
and Equine Centre.





Eight cats arriving at RSPCA Brighton Animal Centre after being transferred from RSPCA Birmingham Animal Centre.

## PREVENTION

As it says in our name, the prevention of cruelty to animals is fundamental to the RSPCA. We have developed a new 3-Tier approach to drive this work forward in line with our strategy.

1. We want to **inspire and engage** every member of the public – not just RSPCA supporters – to understand the small steps they can take in their lives to promote positive treatment of animals.
2. We want vulnerable communities to get **early help and support** to prevent cruelty and neglect, and we want to help struggling, caring owners to keep their pets through difficult times.
3. Where cruelty or neglect have occurred, we want to **intervene to prevent** them happening again, by providing education, advice and support to individuals, groups and specific stakeholder groups.

## IN 2023, WE WILL...

- Embed ownership of our new 3-Tier approach to prevention within our executive leadership team and across the organisation.
- Develop ways of working and awareness of prevention messaging internally, in preparation for building our reach and impact in relation to Tier 1 prevention (inspire and engage).
- Pilot more strategic collaborations with external partners who have complementary expertise, to grow our Tier 2 capacity (early help and support).
- Consider human behaviour change alongside animal welfare outcomes while delivering Tier 3 (intervene and resolve).

## FROM 2023 TO 2025, WE WILL...

Build our organisational infrastructure, mindset and ways of working to deliver a dramatic impact in preventing cruelty to animals.

To make this happen we will:

- target the whole population, not just those individuals or communities where there is a problem or those who already support the RSPCA
- build an evidence base of what works in promoting animal welfare and preventing cruelty and neglect
- use evidence, data and insights so that we can be operationally strategic and proactive, rather than tactical and reactive.

## ANIMAL WELFARE IMPACTS

- Animals will benefit from the whole population having a better understanding of how they can prevent or reduce animal suffering and promote positive animal welfare.
- There will be fewer cases of unintended animal cruelty and neglect.
- After cruelty has happened, the people involved will be less likely to abuse or neglect animals again.



RSPCA runner  
Rohit Anand passing  
the 8.5-mile Great  
North Run cheer point.

## SUPPORTERS

Our aim is to help as many animals in need as we can, by actively engaging with more of the people and communities we want to reach.

### IN 2023, WE WILL...

- Give volunteers ways to support us while also progressing their own development.
- Begin an investment programme to grow voluntary income.
- Offer more relevant, attractive ways for a greater diversity of people to engage with us.
- Improve the way people see us and understand the impact of what we do.

### FROM 2023 TO 2025, WE WILL...

- Give our volunteers a positive experience of working with us, by aligning their contributions with our strategy.
- Help more animals by delivering shared goals with our operational partners and with our branches, and by showing them that we value them.
- Inspire people from all communities to support us with their time, money and voices and to unite around a clear understanding of what we stand for.
- Develop a more inclusive brand.

## ANIMAL WELFARE IMPACTS

- We can continue to improve animal welfare in the long term and deliver our strategy if we have more people who are truly representative of the public behind us and working alongside us.

## ORGANISATIONAL EFFECTIVENESS

We are investing in our future by:

- improving our processes and systems through a digital transformation programme
- developing a one-team approach across the RSPCA
- focusing on our environmental, social and governance (ESG) work
- strengthening our branch network
- focusing on equity, diversity and inclusion in our new people and culture plan
- focusing on health and safety compliance and culture.

### IN 2023, WE WILL...

- Improve our data protection practices with tailored training across the RSPCA.
- Roll out a new governance framework for our branches alongside refreshed rules.
- Ensure we meet policy and regulatory requirements by coordinating compliance and assurance activities and implementing new governance, risk and compliance frameworks.
- Publish an ESG policy outlining our sustainability and ESG reporting plans.
- Adopt a new digital ecosystem to support our Animal Journey programme.
- Make our website more user-friendly and personalised.
- Build a great culture of cross-team collaboration.
- Ensure a healthy, safe work environment for a diverse workforce.
- Reward people for their contributions.

### FROM 2023 TO 2025, WE WILL...

- Improve our data quality and analysis across the organisation.
- Develop continuous, fast-moving improvement across our digital landscape.
- Pull together all the information across the RSPCA in two new knowledge-management systems (known as single view of the truth systems).
- Reduce our manual workload by reducing the digital complexity of our communications.
- Recruit, nurture and retain great people who connect deeply with our values and purpose.
- Focus on equity, diversity and inclusion in our recruitment.
- Develop a risk-management culture throughout the organisation.
- Continue to deliver our ambitious change agenda through our four transformation programmes.

## ANIMAL WELFARE IMPACTS

- All of these improvements are about future-proofing and strengthening the RSPCA so that we can continue to deliver our vital work to improve millions of animals' lives well into the future.

# Financial review

In 2022, the group consolidated the financial turnaround initiated in 2021. The table below provides a five-year summary of the consolidated Statement of Financial Activities (SOFA) and shows that we have significantly improved our financial position in the context of a difficult operating environment.

	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
Total income	152.1	151.8	116.5	130.7	142.0
Net (expenditure)/ income (*)	15.8	44.4	(24.5)	(8.1)	(23.7)
Net movement in funds	14.1	70.5	(28.8)	(17.2)	(5.7)

(\*) total net income defined as income after expenditure and the net gains/losses on investments

## The Statement of Financial Activities

The group surplus generated in 2022 reflects the strengthening of the financial health of the organisation. It can be explained by a number of different factors.

- It was another solid year for legacy income, with high-value notifications and progress towards the resolution of the delays at the Probate Registry. Consolidated income totalled £152.1 million (2021: £151.8 million).
- The RSPCA benefited from £7.6 million gains on disposal of property assets, including our former head office at Southwater, West Sussex.
- Expenditure on charitable activities across the group increased to £104.4 million (2021: £93.2 million), a planned increase as we return to higher levels of activity following the pandemic years.
- A loss on investments of £9.6 million (£8.0 million gain in 2021) reduced the operating surplus, but still left the organisation with a positive net movement in funds.
- An actuarial loss on the pension scheme of £1.7 million compared to a gain in 2021 of £26.1 million.

Funds in the group increased by £14.1 million (2021: increase of £70.5 million), while funds in the charity increased by £13 million (2021: increase of £69.8 million).

The RSPCA-only surplus post-actuarial loss for the year, as reported in the charity Statement of Financial Activities, was £13.0 million (2021: surplus £69.8 million).

## The balance sheet

Overall the group's total funds for the year were £274.5 million (2021: £260.5 million).

Fixed assets reduced marginally by £0.2 million. The £17.5 million reduction in tangible fixed assets from disposal of former animal centres, the former head office building at Southwater, and pensioner and shared equity properties was offset by an increase in investments of £17.6 million.

Current assets increased by £13.0 million shared equally between cash and debtors. Cash balances have been boosted by positive net operating results and strong legacy cash income, while the debtor balance increases are primarily driven by higher legacy income accruals. Short-term creditors reduced marginally, by £1.0 million, mostly due to improvements in processing operations.

As a result, net current assets increased by £14.0 million year on year.

The group's cash flows were atypical in 2022 with strong cash inflows in the first half of the year from the sale of property assets. Overall the group's cash position increased by £7.4 million to £30.8 million at the end of 2022.

## Future performance

Financial sustainability is a key priority for the RSPCA and we have reviewed our reserves policy to give consideration to the current financial risks we face. The excellent result in 2022 will allow us to designate further funds to support the delivery of our ambitious strategy; to grow income, modernise the organisation and maximise the impact for animal welfare.

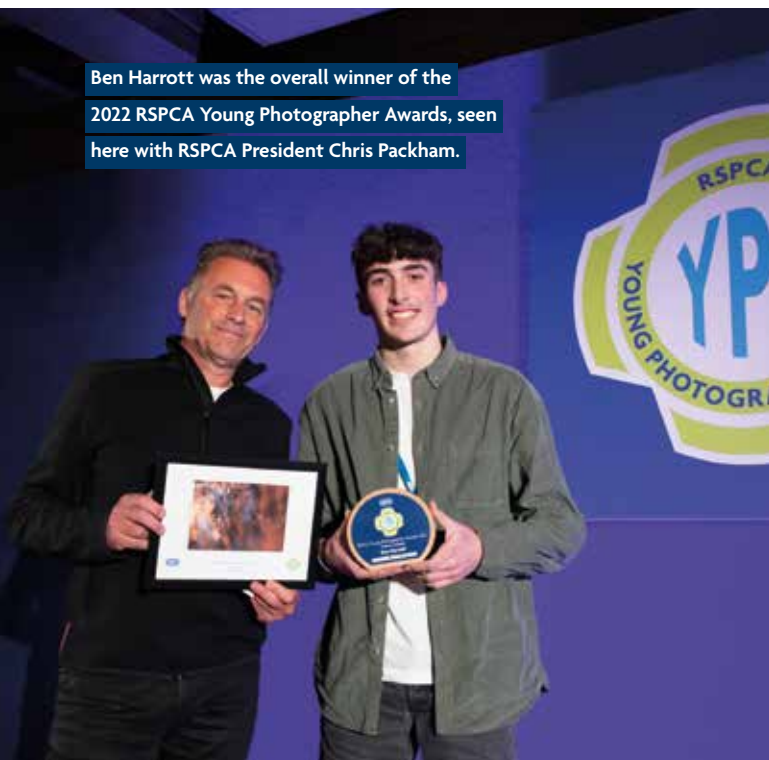
Looking ahead, we continue to monitor the tragic events in Ukraine and their knock-on impact on the global economy. The predicted recession in the UK may adversely impact income generation.

The cost-of-living crisis fuelled by inflationary pressures and high energy prices is likely to affect donation income as people necessarily restrict their outgoings. It is also impacting our own costs and those of anyone managing or caring for animals. Our 'perfect storm' plan in the shorter term, and the medium-to-long-term planned investment in growing engagement and income generation respond to those risks.

Market volatility has impacted our investments in 2022 and the trend is likely to continue in the foreseeable future. We are working with our advisers to consider whether we need to make any changes to our investment strategy as a result.

We are confident that, despite these challenges, we will continue to provide our critical services for animals in need.

Ben Harrott was the overall winner of the 2022 RSPCA Young Photographer Awards, seen here with RSPCA President Chris Packham.



## Pension arrangements

The RSPCA operates a pension arrangement that is held separately under the RSPCA Pension Scheme (the Scheme) and has defined benefit and defined contribution sections. The Scheme has a trustee board, which includes an independent trustee. The trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The trustees delegate some of these functions to their professional advisers where appropriate.

Based on FRS 102, the financial reporting standard in the UK, the amount by which the liabilities exceed the assets of the defined benefit section of the pension scheme decreased by £0.3 million in 2022 to £10.8 million (2021: £11.1 million). The small improvement in scheme funding is mostly due to significant improvement from the change in financial actuarial assumptions partly offset by substantial losses on the Scheme's assets.

Since 2021, and following a strategic review of pension arrangements, the defined contribution (DC) pension provision offered by the charity is through a master trust arrangement with Legal & General.

## Reserves

The RSPCA holds two types of reserve – restricted and unrestricted. The group reserves additionally include restricted and unrestricted reserves held in the subsidiary companies.

Restricted reserves are 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 2022, the balance of restricted reserves within the charity was £19.5 million (2021: £20.4 million).

Unrestricted reserves are funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. They are made up of:

### ● Designated funds (£141.4m)

A permanent designated fund is matched to fixed assets, as this cannot be quickly utilised to realise cash in the event this is required. The part of the general fund represented by fixed assets is therefore excluded from the free reserves calculation, as generally a charity could not dispose of all or the majority of these assets and continue its operations as a going concern.

Designated funds are also set aside for approved capital expenditure and investment in strategic projects such as the medium-to-long-term investment in engagement and income generation and the organisational transformation programme (see Note 18 for details).

As at 31 December 2022, the balance of designated funds was £141.4 million (2021: £142.4m).

### ● General funds (£121.0m)

Free reserves are calculated as total funds, less restricted reserves and designated funds. This definition takes full account of the pension liability.

The pension reserve represents the pension liability recorded in the consolidated and charity balance sheet and is calculated annually for accounting purposes under FRS 102. This liability does not result in any immediate requirement to pay this amount to the pension scheme, and ongoing cash contributions into the Scheme are met through budgeted income, so there is no requirement to ring-fence an amount equal to the full deficit from other reserves to cover this liability.

The Board reviewed the reserves policy during the year and free reserves will continue to be held for the following reasons:

- to meet working capital requirements
- to protect the RSPCA against income fluctuations
- to fund strategic initiatives over the three-year planning period
- as an 'adversity' or continuity reserve – to protect the RSPCA's operations against unplanned adverse events.

Consideration has been given to the level of reserves required to meet the risk in each of these categories and the following target levels have been agreed:

- a working capital reserve of between £10 million and £20 million
- a reserve to protect against falls in legacy income of £10 million
- a continuity reserve of £65 million
- a total free reserve of between £85 million and £95 million.



Designated funds to support the long-term strategic investment in the organisation have been reviewed as follows.

- It was agreed that the £30 million contingency fund against market fluctuations would be re-designated for initiatives underpinning the long-term sustainability of the RSPCA. This is broken down into £15 million to support the organisational transformation programme and a new £15 million fund to upgrade our estate of clinics, hospitals, animal, wildlife and equine centres. Both programmes are expected to span over the next five years.
- A further £5 million will also be designated for the investment in growing our income over the next three years and two new designated funds were also created – a £10 million fund to support branches, through a match-funded development opportunity, and a £5 million fund to finance our ‘perfect storm’ response (for example contributions to food bank schemes and increase in boarding and rehoming capacity) to a combination of external factors, including an increase in abandonment of animals, shortage of veterinary provision and cost increases, and internal challenges, which together are creating a very real animal welfare crisis.

The new allocation is summarised in the table below.

	<b>31 December 2022 £m</b>	31 December 2021 £m
Transformation programme	<b>30</b>	15
Engagement and income generation	<b>25</b>	20
Improvements of our estate of clinics, hospitals, animal, wildlife and equine centres	<b>15</b>	–
Branch development fund	<b>10</b>	–
Perfect storm programme	<b>5</b>	–
Funds to support transfer to PDSA	<b>1</b>	–
Contingency fund against market fluctuations	–	30
<b>Total designated funds to support the long-term strategic investment</b>	<b>86</b>	65

The Board reviews this policy annually.

At 31 December 2022, the charity’s free reserves stood at £110.2 million (2021: £95.3 million), which is slightly above the top end of our target range. Given the current economic uncertainty and long-term nature of the RSPCA’s transformation journey, we believe this is the more prudent approach at this stage.



Young puppy Reggie was found in a rucksack abandoned in woods. Here he’s back visiting RSPCA Millbrook Animal Centre with his new owner.

## Investments

The RSPCA holds investments to support fluctuations in its cash flow, to fund structural growth and as a continuity reserve. The value of the RSPCA’s investments at 31 December 2022 was £133.4 million (2021: £115.2 million). Net losses of £9.6 million are reported in the group Statement of Financial Activity (SOFA) for 2022 (2021: gains of £8.0 million). 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 investment professionals to help maximise the overall return within acceptable risk parameters, while ensuring that the strategy remains fit for purpose.

### Investment strategy review

Thanks to strong performance and the sale of property assets in 2022, it was possible to invest an additional £25 million in the portfolio in July 2022.

### Market overview

A number of ongoing pressures were applied to stock markets in 2022.

- Concerns surrounding the Russian invasion of Ukraine exacerbated inflationary pressures.
- European stocks suffered inflationary pressures, which were at the forefront of policy decision-making, heightened by geopolitical risks resulting in a sharp rise in the price of oil and gas.
- The Asian stock market had a difficult year driven by the Omicron variant, which spread largely unmitigated across



A One Fun Day and Dog Show event at RSPCA Millbrook Animal Centre.

China, sparking concerns of a new wave of infections as tourism and travelling recommenced.

- Central banks around the world have had to balance the pressure of inflation with an already slowing growth rate, maintaining an aggressive stance throughout the year.
- Growth stocks have been under pressure from rising yields and have underperformed their economically linked value peers, reversing a trend that has been seen for the last decade.

In the fourth quarter, markets rounded off a tumultuous 2022 with gains. Boosted by China's relaxation of its zero-COVID policy, Asian shares rose, while European equities also advanced strongly. Positive returns were seen across a range of sectors, particularly economically sensitive areas, such as energy, financials, industrials and consumer discretionary. Other parts of the market, such as consumer staples, lagged behind.

There are signs that inflation is starting to slow down in 2023, but we must still contend with the slowdown that results from the steep rises in interest rates we have seen over the past year. If inflation cools quickly, this slowdown could be relatively shallow and short-lived, as central banks signal a willingness to cut interest rates to support growth in the second half of 2023.

However, the path of inflation remains far from certain and markets could become more volatile if it becomes apparent that interest rates will need to rise higher – or stay high for longer – than is currently anticipated.

Russia's bombardment of Ukrainian cities indicates that there is little prospect of a de-escalation of the conflict in the near future. Aside from the humanitarian cost, this will have global

economic implications as the world grapples with continued uncertainty over energy and agricultural supplies.

High levels of inflation and geopolitical uncertainty have made meeting inflation plus return targets more challenging in the shorter term, but we remain confident in our ability to meet targets over the longer term.

### Fund performance

The portfolio achieved a return of -6.1% in the 12 months to 31 December 2022 (+11.2% in 2021), compared to the return target (CPI+4.0%) of 14.6%. Over the past five years the portfolio has returned an annualised 2.7% p.a. The ARC PCI Balanced 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 Index return was -8.8% over the previous 12 months and 1.7% over a five-year annualised basis. Therefore our portfolio has outperformed its benchmark over the last 12 months and the last five years on an annualised basis.

### 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 also have a requirement for investment managers/funds to be signatories to the UN's six principles for socially responsible investment.

We review our existing policies on an ongoing basis and look to enhance them where possible.

# 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 charity 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 including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland – United Kingdom Generally Accepted Accounting Practice). 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
- observe the methods and principles in the Charities SORP
- 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## RSPCA people

The RSPCA is committed to recruiting, developing and supporting a diverse and talented team of employees and volunteers who reflect the diversity across the communities in which we operate.

We are developing a seven-year equity, diversity and inclusion (ED&I) plan, which will interweave with our people plan and allow us to ensure our work benefits from the contributions, reach and insights of a true cross-section of society. It will set out the case for why ED&I is important to animal welfare. We aim to use the insights acquired from our LGBTQ+ inclusion work to reach out to more ethnically diverse groups, with whom we have historically failed to connect. Ahead of the official launch of that plan we have started to look at how we can diversify our recruitment, celebrate the diversity we have in the organisation already and inform and educate our staff, volunteers and branches on different cultures.



Building bird nesting boxes in the wood workshop at RSPCA Newbrook Farmhouse Education Centre in Birmingham.

## Our ED&I vision statement

The RSPCA will be a diverse, inclusive and supportive place to work and volunteer that promotes the importance of people from all communities being themselves as they work together to deliver our strategic ambition. We will actively collaborate with existing and new customers from diverse communities and our partners to create a world where animals are respected and treated with kindness and compassion.

As part of developing our culture we will be introducing a new engagement platform, MyView, which will provide invaluable insights into how our staff and volunteers are feeling. Developing continuous listening will help us be a great place to work and volunteer. By the end of 2022, we had chosen a provider for this.

Through effective engagement and by listening to staff working in our support functions, we took the decision to move to hybrid working on a more permanent basis. With the introduction of more flexible working policies this move will help us recruit and retain the best talent.

We have significantly invested in wellbeing and launched our wellbeing strategy in 2022. The wellbeing strategy has so far led us to:

- expand Trauma Risk Management (TRiM) within the RSPCA
- enhance our employee assistance package
- introduce a new occupational health provider
- set out mental health training for managers and inspectors
- introduce a panel to support the removal and reinstatement of firearms/drugs used when inspectors sadly have to euthanase animals.

We are improving the wellbeing and safety of those who work and volunteer with us. There is a structured three-year plan to remove known risks and we have brought in expertise to help identify and reduce our levels of risk. The MyView platform will play a key role in this.

We will be training managers and leaders to the Institution of Occupational Safety and Health standards and we are providing updates on managing risk to the RSPCA Board.

## RSPCA branches

At the end of 2022 there were 140 separately registered RSPCA branches managed by their own locally elected charity trustees and run by volunteers, subject to rules made by the RSPCA. The finances of partner branches are not consolidated into the RSPCA's financial statements and therefore each branch is responsible for publishing its own annual trustees' report and accounts.

The RSPCA Acts, the national charity's rules and the branch rules regulate the relationship between the RSPCA and the branches. Each branch is established as an unincorporated charitable association, but the Board of Trustees has delegated to the Branch Affairs Committee powers to intervene in a branch's affairs in certain circumstances, for instance where the number of local trustees falls below the required minimum. 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.

The Branch Affairs Committee comprises three trustees with one of them acting as chair and 10 regional chairs elected from the 10 regions.

Much of the RSPCA's direct animal welfare work 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 (domestic and wildlife), including catteries; there are also 30 clinics run by branches. The National Society works closely with RSPCA branches in delivering animal welfare aims and strategy, and provides direct and indirect support to the branches when required.

## Grants policy

The RSPCA provides various grants to our network of branches, including a share of the door-to-door fundraising activities that we undertake in the form of a grant on an annual basis and grants for neutering.

Our international department administers grants from the restricted Overseas Fund to project partners abroad, in most instances within the scope of planned collaboration in joint activity such as training events, workshops or conferences, or in advocacy or the development of animal welfare policy or standards. In the case of disasters and other emergencies, grants may also be awarded to organisations working on the ground in affected areas for direct animal rescue, treatment and care. Recipient organisations agree to a set of conditions within which any given award must be spent.

## The RSPCA Board of Trustees

The Board of Trustees has a maximum of nine elected members plus up to three co-opted members who, as charity trustees, have the legal responsibility for the effective use of the charity's resources in accordance with the objects of the RSPCA and for providing effective leadership and direction. Trustees serve for a term of three years but are eligible for re-appointment subject to term limits specified in the RSPCA rules.

Nine members of the Board are elected by the membership of the RSPCA. All candidates for election to the Board must have been members of the RSPCA for not less than 12 months immediately preceding nomination. The Board can appoint up to three people who possess special qualifications or experience as co-opted trustees.

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 2022 together with other statutory information is given on page 79 and forms part of this report.

The RSPCA 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 a National Council for Voluntary Organisations (NCVO) report on developing a trustee training strategy for the RSPCA.

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 meets at least six times a year, with additional meetings if required, 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, an Investment Committee, an Animal Welfare Committee, a Governance and Nomination Committee and the Branch Affairs Committee.

These committees determine, monitor and evaluate the RSPCA's strategic direction and performance as delegated by the Board. In addition, a Remuneration Committee has been established to review the chief executive's remuneration each year. A summary of each committee's terms of reference is given here.

#### **Finance, Audit and Risk Committee**

The Finance, Audit and Risk Committee (FARCOM) helps the Board effectively and sustainably deliver on our strategy by safeguarding and ensuring the proper use of RSPCA assets, reserves and resources.

It has oversight of:

- the annual *Trustees' report and accounts*
- budgeting and financial reporting
- external audit
- risk management
- land and property management
- income generation
- people and culture
- the transformation programme.

FARCOM reviews its terms of reference and its own effectiveness annually, recommending necessary changes to the Board. It is chaired by the treasurer and is formed of annually appointed trustees and independent co-opted members, who add specialist skills or experience. Members are offered ongoing training and support to ensure their skills and knowledge are up to date. Meetings are usually attended by the directors of finance and business services, strategy and transformation, engagement and income generation and people and culture.

#### **Investment Committee**

This committee has strategic oversight and direction of the RSPCA's investment assets. The investment portfolio is divided into three sections:

- short-term reserves
- a medium-term income reserve
- a long-term continuity reserve.

The Investment Committee undertakes the long-term stewardship of these important assets in order to further the RSPCA's aims.

In particular, it determines, implements and reviews an investment strategy and establishes a detailed statement of investment principles and policies, which sets out:

- the investment objectives
- risk tolerance
- liquidity requirements
- time horizon
- an ethical and responsible investment policy
- operational arrangements for implementation, monitoring and reporting.

The committee consists of the treasurer (chair), at least one other trustee and up to two co-opted members with relevant expertise. Members are selected using a skills assessment and offered ongoing training and support.

Veterinary nurses prepare a dog for surgery in the Bristol Animal Rescue Centre clinic.



### Animal Welfare Committee

This committee has the following responsibilities and purposes.

#### *Advocacy, prevention and policy development*

- Review of advocacy and prevention programmes in the annual corporate plan in line with the strategy
- Recommendations to the Board on new strategies to advance advocacy and prevention aims
- Regular reviews of animal welfare policies and recommendation of changes to the Board

#### *International*

- Strategy reviews for international prevention work delivery
- Monitoring of effective delivery of the strategy internationally
- Determination of the uses of restricted funds overseas in line with the strategy

#### *RSPCA Assured*

- Recommendations to the Board on significant amendments to the RSPCA's farm animal welfare standards
- Reviewing the relationship between the RSPCA and RSPCA Assured and its strategic achievements

#### *Inspectorate*

- Monitoring of Inspectorate and National Control Centre performance in line with the strategy
- Annual reviews of the Inspectorate's Special Operations Unit strategic objectives

### *Animal care and veterinary services*

- Monitoring the effectiveness of the RSPCA licensing scheme for its animal establishments, including those run by branches
- Advice to the Board on systemic issues affecting the quality of animal care and rehoming
- Reviewing our strategy delivery via vet services
- Oversight of regulatory compliance and recommendations of changes to the Board

### *Prosecutions*

- Monitoring the effectiveness of animal welfare prosecutions in the delivery of our strategy
- Reviewing the prosecutions policy and recommending changes to the Board

### **Governance and Nomination Committee**

This independently chaired committee has the following tasks:

- development of our governance policies and procedures
- oversight of trustees' complaints and sanctions
- arrangement of trustees' skills audits
- review of Board effectiveness
- oversight of elected trustees' recruitment and training.

It also assists the Board in having a clear, agreed and effective approach to equity, diversity and inclusion throughout the RSPCA and in its own practice.

The Governance and Nomination Committee (GNC) consists of three Board members and up to two independent co-opted members who bring relevant expertise. A chair is elected from the co-opted members and a vice-chair from the trustee members. The chief legal officer assists the GNC.

### **Branch Affairs Committee**

The Branch Affairs Committee (BAC) oversees branch governance and effective communication across the RSPCA network:

- the National Society
- RSPCA regional boards
- RSPCA branches
- affiliated charities.

Its purpose is to provide our branches with leadership, to represent their views and to promote harmonious working relationships within the network.

It consists of three trustees (including the chair of the committee) and 10 regional chairs elected from our 10 regions.

There are five main areas of work.

- Decision-making on branch matters
- Consultation and information sharing, including advising the Board on branch matters and needs, and relationship management within the network
- Mediation and facilitation of cooperation across the network
- Communication of RSPCA strategy and best-practice charity governance across the network
- Overseeing effective, sustainable network performance against Board priorities

All BAC activities must be accommodated within budgets agreed by the Board and must comply with the strategic direction set by the Board. The BAC reports to each Board meeting on activities and governance issues, providing a rigorous and transparent assessment of performance and effectiveness within the network.

The BAC chair sits on the Board and reports to each BAC meeting on the strategic direction set by the Board and any matters it wants to raise with the BAC.

#### **Remuneration Committee**

This committee oversees, reviews and makes recommendations relating to the RSPCA chief executive's remuneration. It has three skilled or experienced members, including the treasurer as chair, who are appointed annually. Employees cannot be members. Officers have authority for final decision-making.

When reviewing the chief executive's salary annually, the committee takes into account:

- market information on typical salaries for comparable chief executive roles, provided by HR professionals
- the overall pay and reward strategy of the RSPCA
- the total reward package, including annual leave allowance, pension, etc.
- the outcome of an annual performance appraisal.

#### **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. We work with legislators and the public to change behaviour and improve outcomes for animal welfare as well as providing direct support through our emergency helpline at our National Control Centre

and responding to requests for help via our Inspectorate and animal rescue service.

#### **Safeguarding**

Since the launch of our safeguarding policy, Google site (including a Google reporting form) and structure, safeguarding has become embedded across the RSPCA. There is a safeguarding structure consisting of leads and deputies from each directorate, all of whom have had training from the Social Care Institute for Excellence. This training was also delivered to trustees and executives, as well as to staff who may be required to offer safeguarding support to colleagues.

E-learning safeguarding training is mandated to all colleagues as part of their induction, to be renewed every two years. Inspectorate colleagues continue to receive regular additional safeguarding training from their safeguarding lead and deputy.

As a result the number of safeguarding concerns recorded by the RSPCA and subsequent follow-up actions taken – namely reporting to the appropriate authority – has increased.

The RSPCA has recently partnered with Safeguarding Associates for Excellence for a review of current safeguarding practices, with a view to further improving on our policies, process and structure. Recommendations from the audit will be reviewed by the RSPCA Executive Leadership Team prior to implementation.

#### **Why the environment matters**

Our strategy is fostering collaboration to build a better world in which all animals have a chance at a good life. This requires understanding the risk that environmental degradation, climate change and biodiversity loss pose to our mission, and our contribution to these. The most vulnerable will be the most affected by these crises, making the environment a top priority on the RSPCA's agenda.

To address this challenge we have appointed an environmental and sustainability manager and established five focus areas.

##### ● **Engaging colleagues and understanding our impact**

We opened the conversation with colleagues to gain insight into the issues important to them. We also began identifying the environmental impacts, issues, risks and opportunities across the organisation and reviewed our contribution (positive and negative) to the United Nations' Sustainable Development Goals.

##### ● **Measuring performance**

We are collecting our environmental data and have started developing our carbon footprint to enable us to track our performance and support informed target setting.

RSPCA Assured Assessor

Barrie Gibson (left) and the

Barracks Farm owner with a herd  
of five-month-old calves.



#### ● Driving down emissions

Our fleet is material to our carbon footprint; we are working to reduce emissions through increasing vehicle efficiency and changing technology.

#### ● Regulatory compliance

We gained a better understanding of regulatory requirements relevant to our operations to support proactive management of legal compliance and reduce risk.

#### ● Better together

Together we are stronger and able to go further and faster. We initiated an animal charity sustainability benchmarking group to share knowledge and drive performance improvement across peer organisations.

We have a lot to do, and in 2023 we plan to:

- develop a phased approach to decarbonising our fleet
- undertake a climate vulnerability assessment of our operations so we can understand and work to manage climate risks
- establish environmental performance targets, including carbon reduction
- further engage stakeholders to ensure our environmental policy and long-term plan prioritises the significant impacts, risks and opportunities important to them
- develop a sustainability plan that allows us to continue our work while minimising negative impacts.

### Risk management

Our new risk management framework will continue to evolve

and be embedded. It will inform our decision making and ensure consideration of the risks attached to budget setting and our forward-planning process.

The Board of Trustees is responsible for identifying and managing the strategic and operational risks the RSPCA is exposed to, so that:

- trustees can make informed decisions and take timely action
- the RSPCA can make the most of opportunities and develop them with the confidence that any risks will be managed
- forward and strategic planning can be improved
- our aims can be successfully achieved.

The Finance, Audit and Risk Committee (FARCOM) supports the Board to carry out its risk-related governance responsibilities.

Key organisational risks are identified using the classifications set out in the Charity Commission guidance on risk management (CC26).

Risks are assessed and managed through strategic and operational risk registers, and the impact and likelihood of their occurrence are evaluated. Actions to mitigate the risks are detailed.

The Executive Leadership Team (ELT) takes responsibility for creating an environment where risks can be identified and escalated, and a culture that encourages transparency in reporting.

A risk action log (each assigned an owner) and a risk change log will be maintained so that FARCOM can:

- effectively review progress in risk management
- identify the emergence of any new risks
- ensure risk-mitigating actions are being implemented.

We have identified the following as our biggest risks.



	<b>RISK</b>	<b>MITIGATION</b>
<b>Governance</b>	Failure to comply with key internal and external regulation exposes the RSPCA to financial loss, reputational damage and an inability to deliver our strategy.	<p>Risk owners and functions are in place to own and manage risk and compliance.</p> <p>Policies, frameworks, tools, techniques and support are available to enable risk management and compliance in the first line.</p> <p>Functions are in place to oversee and specialise in compliance and the management of risk including data protection, health and safety, data security, gambling and firearms. Monitoring is performed locally by the subject matter experts.</p>
<b>Operational risk</b>	Safeguarding policies and procedures fail to identify and support the needs of vulnerable adults and children within the organisation and with whom it comes into contact (staff, volunteers and the public).	<p>A comprehensive safeguarding policy is in place.</p> <p>Training is provided to all staff with further in-depth training for safeguarding leads.</p> <p>A process of reporting serious incidents is in place and ensures appropriate controls, measures and monitoring.</p>
	Lack of consistent, quality service could result in poor animal welfare outcomes for animals in our care.	<p>Major incident procedure in place supported by a Business Continuity Group.</p> <p>Strong relationships with government agencies, e.g. Defra, are in place to provide clear communications and support.</p> <p>A complaints procedure is in place and monitored as part of internal controls.</p>
	Failure of third-party suppliers to comply with contractual obligations could result in financial losses, reputational damage and disruption to service delivery.	<p>Significant resource and governance has been applied to our contract with Capita and a plan of engagement has been agreed.</p> <p>The procurement strategy and related policies are being reviewed and internal controls are in place to ensure compliance and best practice are embedded within our due diligence processes.</p>
<b>Financial risk</b>	RSPCA lacks future financial stability that might prevent the successful delivery of the 2030 strategy.	<p>Improved financial controls, reporting and analysis are in place to enable informed decision making.</p> <p>New and improved policies and procedures to support improved performance and sustainability have been developed.</p> <p>A three-year business planning approach is in place to provide a budget-setting process and visibility of overall costs.</p>
<b>Environmental and external risks</b>	Risk of damage to our reputation and public perception, which could result in financial losses and a negative impact on our ability to deliver our strategy.	<p>An escalation process and feedback loop is in place to report negative media and social media to service-delivery teams.</p> <p>Reactive statements are prepared to deal with a variety of potential reputational issues.</p> <p>Potential negative stories are proactively sold into the media to control negative publicity.</p>
<b>Law and regulatory compliance risk</b>	Risk of illness, injury or death of staff, volunteers and the public through breaches of health and safety law and/or a lack of sufficient health and safety practices or non-compliance.	<p>An external health and safety review has taken place and an action plan developed for the recommendations.</p> <p>A revised health and safety policy was approved, which ensures clear roles and responsibilities and provides clear expectations and guidance.</p> <p>Employee welfare and mental health awareness training for all managers is in place.</p>



An animal care assistant gives Princess an enrichment toy at Bristol Animal Rescue Centre.

## Slavery and human trafficking

The RSPCA has a statement on its website setting out the steps we are taking to combat slavery and human trafficking in our supply chain.

See: [rspca.org.uk/utilities/modernslavery](https://rspca.org.uk/utilities/modernslavery)

## Fundraising governance

The RSPCA is committed to responsible fundraising that complies with the regulatory standards for fundraising and ensures our fundraising is delivered in a manner consistent with our values. We are registered with the Fundraising Regulator and adhere to the Code of Fundraising Practice. Any third-party agencies we use for the purpose of fundraising are contractually obliged to adhere to the relevant codes of practice. The fundraising that we enter into is through our events team, through legacies, trusts and philanthropists. The RSPCA lottery and the seasonal raffles we run are a high form of income for the RSPCA.

We adhere to a vulnerable persons policy and our frontline staff who work with the lottery also have training where they are shown how they may be able to identify vulnerable donors or gamblers.

We complete an annual complaints return for the Fundraising Regulator of fundraising complaints reported. Our latest return shows the RSPCA received 50 fundraising complaints in the last reporting period. The complaint numbers for the previous reporting period was 64. The reporting period for fundraising complaints was 31 March 2021 to 1 April 2022.

In 2022, out of a total of 79 incidents reported to the Data Protection (DP) team, two were in relation to RSPCA fundraising activities. In total DP recorded 29 actual breaches, which were independently investigated on a case-by-case basis from the time of our becoming aware of the breach. Our standard is to complete investigations within three to five days of receiving the breach notification; however investigations may extend beyond five days depending on the complexity of the incident.

One of the fundraising-related incidents was reported and investigated by the Information Commissioner's Office (ICO), which resulted in an apology being sent to the individual involved and confirmation that their account had been suppressed and opted out of further communications. A confirmation and acknowledgement was sent to ICO.

In comparison to 2021, we have noticed a decrease in total breach incidents recorded (92 cases reported in 2021, versus 79 cases reported in 2022) as well as in actual breaches (49 in 2021, versus 29 in 2022).

## Performance

Our fundraising costs for 2022 were £22.3 million (2021: £22.2 million). Our income from fundraising, excluding legacies, decreased by £0.4 million in 2022 to £43.0 million (2021: £43.4 million). Our aim was to maintain our income as far as possible during the cost-of-living crisis by adapting and enhancing our fundraising offering, so that our supporters would have a valued and fulfilling experience and could have a positive impact on animal welfare, while building the fundraising team to ensure income sustainability to fund our services.

## 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 19.

RSPCA Trading Limited undertakes non-primary purpose trading and the profit from its activity is donated under a deed of covenant to the RSPCA at year end. In 2022, RSPCA Trading had an income of £1.4 million (2021: £1.2 million). Outgoing resources were £1.0 million (2021: £0.9 million) and £0.4 million of profit was donated to the RSPCA (2021: £0.3 million).

Freedom Food Limited, which trades as RSPCA Assured, promotes RSPCA-approved welfare standards in livestock farming. RSPCA Assured activities generated an income of £5.3 million (2021: £4.5 million) and incurred costs of £4.3 million (2021: £3.7 million) resulting in a net surplus of £1.0m (2021: £0.8m surplus).

# Summary financial report

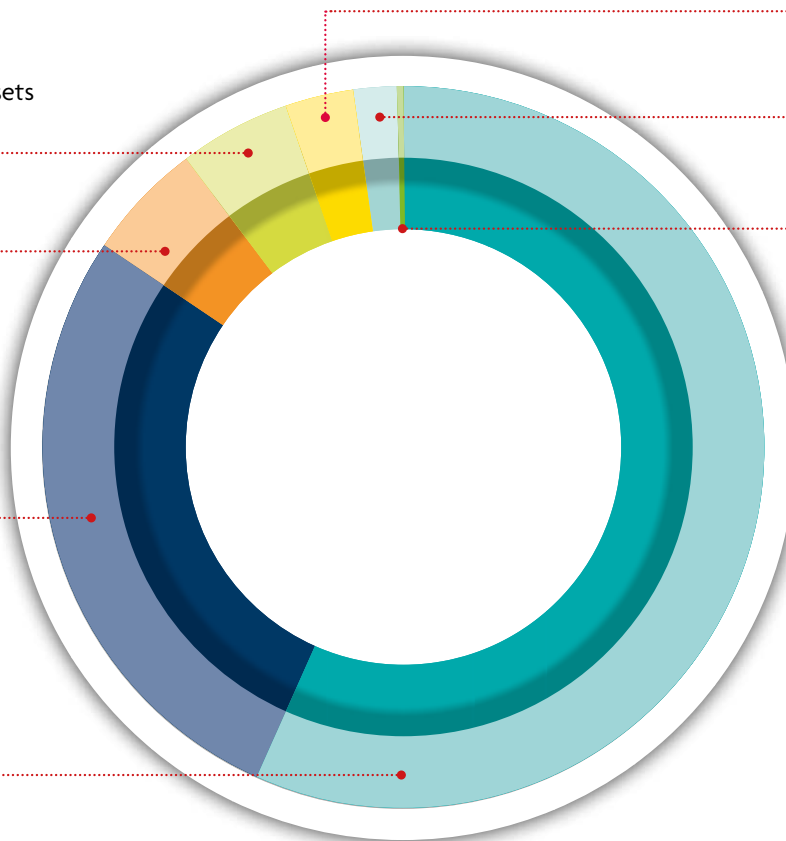
## 2022 Income

Gain on disposal of fixed assets  
**£7.6m (2021: £2.7m)**

Charitable activities  
**£8.0m (2021: £7.6m)**

Contributions and donations  
**£42.6m (2021: £43.2m)**

Legacy income  
**£86.2m (2021: £90.9m)**



Other income  
**£4.6m (2021: £4.7m)**

Investment income  
**£2.8m (2021: £2.0m)**

Furlough income and fees  
**£0.3m (2021: £0.7m)**

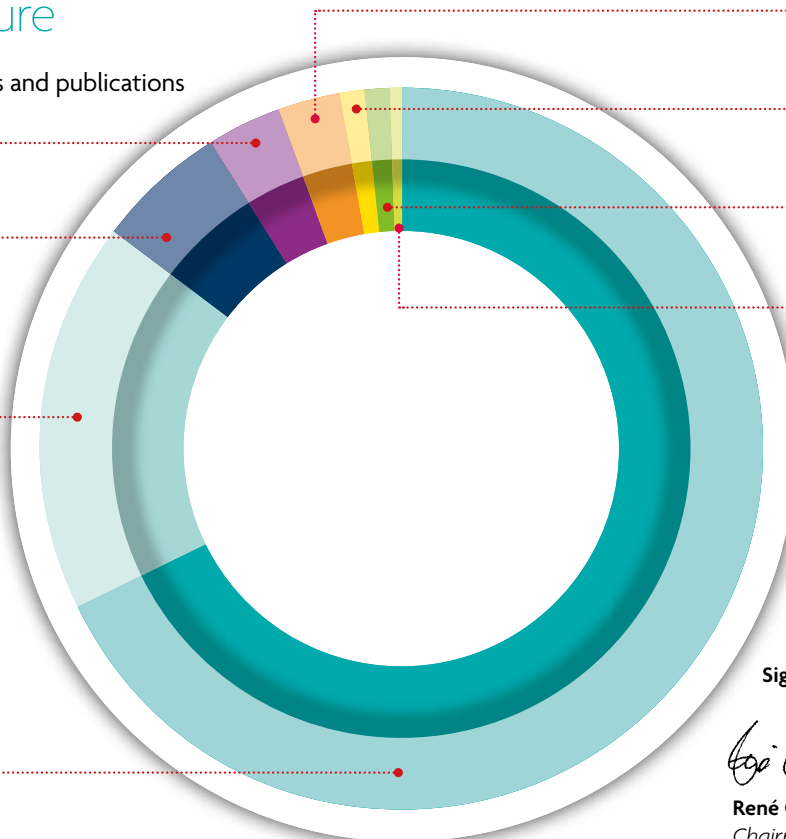
## 2022 Expenditure

Campaigns, communications and publications  
**£4.5m (2021: £3.5m)**

Support to branches  
**£7.3m (2021: £7.0m)**

Cost of raising funds  
**£22.3m (2021: £22.2m)**

Field animal welfare  
**£85.9m (2021: £76.1m)**



Prosecutions/legal  
**£3.4m (2021: £2.6m)**

Science  
**£1.5m (2021: £1.4m)**

Education  
**£1.2m (2021: £2.0m)**

International  
**£0.6m (2021: £0.7m)**

Signed on behalf of the RSPCA Board

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

**Karen Harley**  
Treasurer,  
RSPCA

27 June 2023

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

## Opinion

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 2022 which comprise the consolidated and charity Statement of Financial Activities, the consolidated and charity balance sheets, the consolidated cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2022 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or 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 other information comprises the information included in the *Trustees' report and accounts* other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the *Trustees' report and accounts*. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the *Trustees' report*; or
- sufficient accounting records have not been kept 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 Statement of trustees' responsibilities on page 35, 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 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 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

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

## The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.



The RSPCA South and South West Rope Rescue Team rescues a sheep that has become stuck on a cliffside in Devon. After several hours the team got the ewe to a higher point on the cliff and successfully caught her.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the RSPCA Rules, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the *Trustees' report*, remaining alert to new or unusual transactions which may not be in accordance with the governing documents or requirements imposed by the Charity Commission and other regulators.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Animal Welfare Act 2006, data protection, health and safety legislation and employment law. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and the completeness of income generated from donations, legacies, charitable activities, and other trading income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, performing specific audit procedures on legacies reflected within the legacy system but not the accounting records, reviewing the reconciliation between the donor system and accounting records, considering after-date receipts and minutes of meetings of those charged with governance to identify any instances of unrecognised income.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council'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.

RSM UK Audit LLP

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
25 Farringdon Street, London EC4A 4AB  
28 June 2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Charity statement of financial activities

Year ended 31 December 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	TOTAL 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	TOTAL 2021 £'000
<b>Income and endowments from:</b>									
Donations and legacies	2a	124,413	4,844	–	129,257	130,381	3,884	–	134,265
Charitable activities	2b	2,772	113	–	2,885	3,109	–	–	3,109
Other trading activities	2c	3,340	–	–	3,340	3,661	–	–	3,661
Investments	2d	2,567	189	7	2,763	1,793	80	112	1,985
Gains on disposal of tangible fixed assets	2e	7,582	–	–	7,582	2,698	–	–	2,698
Other	2f	837	–	–	837	1,096	–	–	1,096
<b>Total income</b>		<b>141,511</b>	<b>5,146</b>	<b>7</b>	<b>146,664</b>	<b>142,738</b>	<b>3,964</b>	<b>112</b>	<b>146,814</b>
<b>Expenditure on:</b>									
Charitable activities	3a	95,770	5,092	–	100,862	88,365	1,248	–	89,613
Raising funds	3b	21,507	–	19	21,526	21,582	–	16	21,598
<b>Total expenditure</b>		<b>117,277</b>	<b>5,092</b>	<b>19</b>	<b>122,388</b>	<b>109,947</b>	<b>1,248</b>	<b>16</b>	<b>111,211</b>
Net (losses)/gains on investments		(8,803)	–	(827)	(9,630)	6,712	–	1,330	8,042
<b>Net income/(expenditure)</b>		<b>15,431</b>	<b>54</b>	<b>(839)</b>	<b>14,646</b>	<b>39,503</b>	<b>2,716</b>	<b>1,426</b>	<b>43,645</b>
Transfers between funds	16	109	(109)	–	–	–	–	–	–
<b>Other recognised gains:</b>									
Actuarial (loss)/gain on defined benefit pension scheme	25	(1,687)	–	–	(1,687)	26,140	–	–	26,140
<b>Net movement in funds</b>		<b>13,853</b>	<b>(55)</b>	<b>(839)</b>	<b>12,959</b>	<b>65,643</b>	<b>2,716</b>	<b>1,426</b>	<b>69,785</b>
<b>Reconciliation of funds:</b>									
Fund balances brought forward at 1 January:		237,701	10,556	9,861	258,118	172,058	7,840	8,435	188,333
<b>Fund balances carried forward at 31 December:</b>		<b>251,554</b>	<b>10,501</b>	<b>9,022</b>	<b>271,077</b>	<b>237,701</b>	<b>10,556</b>	<b>9,861</b>	<b>258,118</b>

All gains and losses recognised in the current and preceding financial year are included in the Statement of Financial Activities.

The notes on pages 51 to 77 form part of these accounts.

# Consolidated statement of financial activities

Year ended 31 December 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	TOTAL 2022 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	TOTAL 2021 £'000
<b>Income and endowments from:</b>									
Donations and legacies	2a	124,018	4,844	–	128,862	130,125	3,884	–	134,009
Charitable activities	2b	2,644	5,330	–	7,974	7,633	–	–	7,633
Other trading activities	2c	4,577	–	–	4,577	4,712	–	–	4,712
Investments	2d	2,568	192	7	2,767	1,793	80	112	1,985
Gains on disposal of tangible fixed assets	2e	7,582	–	–	7,582	2,698	–	–	2,698
Other	2f	346	–	–	346	728	–	–	728
<b>Total income</b>		<b>141,735</b>	<b>10,366</b>	<b>7</b>	<b>152,108</b>	<b>147,689</b>	<b>3,964</b>	<b>112</b>	<b>151,765</b>
<b>Expenditure on:</b>									
Charitable activities	3a	95,562	8,859	–	104,421	91,965	1,248	–	93,213
Raising funds	3b	22,280	–	19	22,299	22,219	–	16	22,235
<b>Total expenditure</b>		<b>117,842</b>	<b>8,859</b>	<b>19</b>	<b>126,720</b>	<b>114,184</b>	<b>1,248</b>	<b>16</b>	<b>115,448</b>
Net (losses)/gains on investments		(8,803)	–	(827)	(9,630)	6,712	–	1,330	8,042
<b>Net income/(expenditure)</b>		<b>15,090</b>	<b>1,507</b>	<b>(839)</b>	<b>15,758</b>	<b>40,217</b>	<b>2,716</b>	<b>1,426</b>	<b>44,359</b>
Transfers between funds	16	(2,329)	2,329	–	–	–	–	–	–
<b>Other recognised gains:</b>									
Actuarial (loss)/gain on defined benefit pension scheme	25	(1,687)	–	–	(1,687)	26,140	–	–	26,140
<b>Net movement in funds</b>		<b>11,074</b>	<b>3,836</b>	<b>(839)</b>	<b>14,071</b>	<b>66,357</b>	<b>2,716</b>	<b>1,426</b>	<b>70,499</b>
<b>Reconciliation of funds:</b>									
Fund balances brought forward at 1 January:		240,041	10,556	9,861	260,458	173,684	7,840	8,435	189,959
<b>Fund balances carried forward at 31 December:</b>		<b>251,115</b>	<b>14,392</b>	<b>9,022</b>	<b>274,529</b>	<b>240,041</b>	<b>10,556</b>	<b>9,861</b>	<b>260,458</b>

All gains and losses recognised in the current and preceding financial year are included in the Statement of Financial Activities.

The notes on pages 51 to 77 form part of these accounts.

# Consolidated and charity balance sheets

Year ended 31 December 2022

	Notes	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
<b>Fixed assets</b>					
Intangible assets	4	7,725	8,691	7,610	8,691
Tangible assets	5	43,785	61,312	43,774	61,296
Investments	6	133,446	115,165	133,446	115,165
Programme-related investments	6c	–	34	–	34
<b>Total fixed assets</b>		<b>184,956</b>	185,202	<b>184,830</b>	185,186
<b>Current assets</b>					
Stocks	7	227	545	–	–
Debtors	8	85,861	79,967	85,330	79,994
Cash at bank and in hand		30,772	23,396	27,672	21,005
<b>Total current assets</b>		<b>116,860</b>	103,908	<b>113,002</b>	100,999
<b>Creditors</b>					
<b>Amounts falling due within one year</b>	9	<b>(15,891)</b>	(16,902)	<b>(15,359)</b>	(16,417)
<b>Net current assets</b>		<b>100,969</b>	87,006	<b>97,643</b>	84,582
<b>Total assets less current liabilities</b>		<b>285,925</b>	272,208	<b>282,473</b>	269,768
<b>Creditors</b>					
<b>Amounts falling due after more than one year</b>					
Provisions for liabilities and charges	11	(575)	(646)	(575)	(546)
Defined benefit pension liability	25	(10,821)	(11,104)	(10,821)	(11,104)
<b>Total net assets</b>		<b>274,529</b>	260,458	<b>271,077</b>	258,118
<b>The funds of the charity:</b>					
Endowment funds	16	9,022	9,861	9,022	9,861
Restricted income funds	16	14,392	10,556	10,501	10,556
Unrestricted income funds:					
Pension reserve	16	(10,821)	(11,104)	(10,821)	(11,104)
Other charitable funds	16	120,571	108,775	121,010	106,435
Designated funds	16	141,365	142,370	141,365	142,370
<b>Total funds</b>		<b>274,529</b>	260,458	<b>271,077</b>	258,118

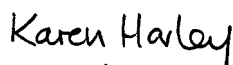
The notes on pages 51 to 77 form part of these accounts.

These accounts were approved and authorised for issue by the RSPCA Board of Trustees and signed on its behalf by:



René Olivieri  
Chairperson, RSPCA Board of Trustees

27 June 2023



Karen Harley  
Treasurer, RSPCA



# Consolidated cash flow statement

Year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	A	<b>10,787</b>	21,528
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,620	1,967
Interest received		147	18
Proceeds from the sale of property, equipment and motor vehicles		22,066	4,692
Purchase of intangibles		(174)	(55)
Purchase of property, plant and equipment		(856)	(2,192)
Proceeds from sale of investments		17,062	16,980
Purchases of investments		(37,562)	(42,998)
(Increase)/decrease in portfolio cash		(6,714)	(3,364)
Disposal/(addition) of programme related investments		–	1,355
<b>Net cash provided by investing activities</b>		<b>(3,411)</b>	(23,597)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>7,376</b>	(2,069)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>23,396</b>	25,465
<b>Cash and cash equivalents at the end of the reporting period</b>	B	<b>30,772</b>	23,396
<b>Notes to the consolidated cash flow statement</b>			
<b>A) Reconciliation of net income to net cash flow from operating activities</b>			
Net income for the reporting period		15,758	44,359
Depreciation and amortisation charges		4,342	5,631
Losses/(gains) on investments		9,630	(8,042)
Dividends and interest from investments		(2,767)	(1,985)
Profit on disposal of fixed assets		(7,582)	(2,698)
Decrease/(increase) in stocks		318	(159)
(Increase)/decrease in debtors		(5,894)	(15,002)
(Decrease)/increase in creditors		(1,011)	1,045
(Decrease)/increase in provisions		(37)	(146)
Pension costs less contributions payable		(2,171)	(2,004)
Pension scheme finance costs		201	529
<b>Net cash provided by operating activities</b>		<b>10,787</b>	21,528
<b>B) Analysis of cash and cash equivalents</b>			
Cash in hand		30,772	23,396
<b>Total cash and cash equivalents</b>		<b>30,772</b>	23,396

No separate cash flow has been produced for the charity as permitted by FRS Section 1.12(b).

The notes on pages 51 to 77 form part of these accounts.

# Analysis of change in net debt

Year ended 31 December 2022

	At 1 January 2022 £'000	Cash flows £'000	At 31 December 2022 £'000
<b>Cash and cash equivalents:</b>			
Cash in hand	23,396	7,376	30,772
<b>Total</b>	<b>23,396</b>	<b>7,376</b>	<b>30,772</b>

# Notes to the accounts

Year ended 31 December 2022

## 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.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following *Accounting and Reporting by Charities* preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the *Accounting and Reporting by Charities: Statement of Recommended Practice* effective from 1 April 2005 which has since been withdrawn.

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this entity, which are intended to give a true and fair view of the assets, liabilities, financial position and result of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent entity information presented within the consolidated financial statements: Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures.

The financial statements and corresponding notes are prepared in the functional currency of the entity (sterling), and all monetary values are rounded to the nearest whole £1,000.

### b) Going concern

The trustees assess the reasonableness of the assumption of the charity to continue as a going concern for a period of 12 months from the date the financial statements are signed.

It is widely acknowledged that the current economic environment is not one of optimism. The global energy and food supply shocks resulting from Russia's invasion of Ukraine intensified throughout 2022, leading to rising energy, food, and other goods prices. CPI inflation peaked at a 40-year high in October 2022, and the Bank of England responded by raising the base interest rate to its highest level in 14 years.

The macroeconomic context presents challenges to the RSPCA in several ways including: challenges to investment performance; a potential decrease in donations and a fall in the value of legacies from falling property prices; as well as continued inflationary pressure on the expenditure the RSPCA incurs in carrying out its charitable activities.

Despite the ongoing uncertainties, the charity has had another successful year with a net surplus of £13m for 2022, driven by continuing high levels of legacy and donation income. The group also generated a surplus of £14.1m for 2022. At 31 December 2022, free reserves within the charity were £110.2m and £109.8m for the group.

Although the free reserves of the charity as at 31 December 2022 exceed the top of the range of that specified by the Reserves Policy (£95m) detailed on page 32 of the *Trustees' annual report and accounts*, it is deemed an appropriate approach to take in the current economic climate and the long-term transformational journey of the RSPCA. The surplus returned has allowed trustees to further designate funds to support the investment in growing engagement and income generation, and transform the RSPCA to ensure it is able to deliver the impact set out in our strategy in a sustainable way.

The trustees have approved a three-year strategic 2023–2025 plan with a balanced net operating position to support long-term financial sustainability in the context of the above economic risks. An overall net deficit is targeted in 2023 due largely to structural long-term investment.

A combination of a healthy level of reserves, designations to support key strategic investments, a cautious budget and sufficient cash to meet the charity's needs means that the trustees consider it appropriate for the accounts to be prepared on a going concern basis.

### c) Key judgements and estimates

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.

**Defined benefit pension scheme** – The RSPCA operates a pension arrangement called the RSPCA Pension Scheme (the Scheme) which has defined benefit and defined contribution sections. Although closed for further accrual, the position of the defined benefit element of the Scheme at 31 December each year is calculated by actuarial valuation. By nature, the actuarial valuation includes estimates and assumptions which include: discount rate, inflation rates (CPI and RPI), post-retirement mortality rates, commutation, retirement ages and withdrawal rates. The position of the Scheme at the balance sheet date is disclosed in the Pensions Note, Note 25.

**Legacies** – Legacies are recognised following a grant of probate.

All pecuniary legacy cases have an estimated value based on the amount expected to be received as identified by the will. All residuary legacy cases have an estimated value which is calculated based on the information available, including the value of the estate and the contents of the will. Early stage estimates will include a deduction for administration costs, estimated at 5%. Valuations on cases which are contentious include a further deduction of 20% to take into account the risk. Estimates are regularly updated based on information available at the time and aim to be as accurate as possible at all times. The value of accrued legacy income at the balance sheet date is separately disclosed in the Debtors Note, Note 8.

# Notes to the accounts continued

Year ended 31 December 2022

## d) Consolidation

The financial statements consolidate the results of the RSPCA and its wholly owned subsidiaries (see Note 19). The consolidation is prepared on a line-by-line basis. Intragroup transactions, balances and realised profits have been eliminated on consolidation. 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 around 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 RSPCA.

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. The RSPCA's Board of Trustees does not have the 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 do not have any control of these branches at this time in accordance with Charities SORP (FRS 102), and the branches are not consolidated.

## e) 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 dividend income is recognised on a receivable basis and therefore accrued at the year end where it has not yet been received. Other investment income is recognised when the charity's entitlement is measurable.

Legacies are deemed receivable from the date of probate, provided that sufficient information has been received to enable the charity 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 5% 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 RSPCA to be valued as receivable. Pecuniary legacies are valued at the amount notified to the RSPCA. The RSPCA 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.

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*.

Gift Aid on donation income is recognised when the RSPCA becomes entitled to it, it is probable and can be measured reliably. Entitlement is taken at the point the underlying donation is received.

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.

## f) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

## i) 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.

### ii) 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.

### iii) Governance and support costs

Governance costs include the direct costs of administering the RSPCA. Support costs represent the central services of the RSPCA, including the cost of maintaining facilities shared by all or most aspects of the charity. Governance and support costs, net of incidental income, have been allocated across the RSPCA'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.

### iv) 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.

### v) Prosecutions

Prosecution costs are based on costs incurred during the period. Prosecution costs are incurred when cases go to trial. These are shown as costs recovered within Income from charitable activities and refer to cash received during the period.

### vi) Operating leases

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

## g) Financial assets and liabilities

The charity holds both financial assets and financial liabilities which are accounted for in accordance with Section 11 of the Charities SORP (FRS 102).

Basic financial assets held by the RSPCA include trade and other debtors, equity shares, property trusts, government and corporation stocks, and alternatives.

Debtors are recognised at the amount receivable, and are carried at amortised cost.

Investments are re-valued at the end of the reporting period to their fair value. The arising unrealised gain or loss is charged to the SOFA.

Basic financial liabilities held by the charity include trade and other creditors (excluding deferred income). Trade and other creditors are recognised at the amount payable, and are carried at amortised cost.

# Notes to the accounts continued

Year ended 31 December 2022

## h) Properties

Freehold and leasehold properties are shown at cost. Equity housing properties are owned by the charity, 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 RSPCA and the inspector in proportion to their shares in the property.

The inspector's share in an existing RSPCA property, or an additional investment in an equity property, is treated by the charity as sale proceeds for that proportion of the property sold. Depreciation is charged on the cost of the charity's equity share of the property using a 40-year useful life. The inspector is entitled to purchase the remaining equity owned by the charity in the property at market value at date of sale. The equity housing scheme is closed to new entrants.

The RSPCA undertakes an annual impairment review, and where significant impairment is incurred, impairment losses are recognised in the SOFA representing the write-down of the net book value (depreciated historical cost) of the property to the revalued estimate.

## i) Computers and other equipment

The RSPCA capitalises any computers, computer software, equipment and motor vehicles, if they have a cost price above £5,000 and fulfil the recognition criteria as per FRS 102. Assets hired as part of an operating lease arrangement are not capitalised.

## j) 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% 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. This equates to a rate of between 10% and 33% per annum.

## k) Intangible assets

Intangible assets are shown at cost. Any expenditure fulfilling the recognition criteria of an intangible asset as per FRS 102 and the SORP with a cost price of above £5,000 is capitalised as such. 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.

## l) Investments

Stocks and shares are measured at bid value at the balance sheet date. Included in investments is portfolio cash held within the investment portfolios which fluctuates with purchases and disposals of investment holdings.

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 fair value at the balance sheet date. 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.

## m) Stocks

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

## n) 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 Note 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 18.

## o) Pension costs

For the defined benefit section of the pension scheme, net interest on the net defined benefit liability/asset is recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

## p) Taxation

As a charity, the RSPCA 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 charity is also able to partially recover Value Added Tax (VAT). Expenditure subject to VAT that is not recoverable by the charity is recorded in the accounts inclusive of the VAT.

The RSPCA is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the RSPCA 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.

RSPCA Trading Limited makes a qualifying donation of taxable profit to the charity to the full extent allowable. Unless material any corporation tax liability arising in RSPCA Trading Limited is included within the resources expended by the group.

# Notes to the accounts continued

Year ended 31 December 2022

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
<b>2. Income and endowments</b>					
<b>a) Donations and legacies</b>					
<b>CHARITY</b>					
Legacy income	83,793	2,428	–	86,221	90,850
Contributions and donations	40,620	2,416	–	43,036	43,415
<b>Total RSPCA donations and legacies</b>	<b>124,413</b>	<b>4,844</b>	<b>–</b>	<b>129,257</b>	134,265
<b>GROUP</b>					
Legacy income	83,793	2,428	–	86,221	90,850
Contributions and donations	40,620	2,416	–	43,036	43,415
<b>Total RSPCA donations and legacies</b>	<b>124,413</b>	<b>4,844</b>	<b>–</b>	<b>129,257</b>	134,265
Less Gift Aid	(395)	–	–	(395)	(256)
<b>Total donations and legacies</b>	<b>124,018</b>	<b>4,844</b>	<b>–</b>	<b>128,862</b>	134,009

The income from donations and legacies in 2021 for the group (charity) was £134,009k (£134,265k) of which £130,125k (£130,381k) was unrestricted and £3,884k (£3,844k) was restricted.

<b>b) Income from charitable activities</b>					
<b>CHARITY</b>					
Sale of goods	889	37	–	926	930
Rehoming, veterinary and boarding income	1,039	1	–	1,040	1,090
Costs recovered	844	3	–	847	1,045
Other fees and charges received	–	72	–	72	44
<b>Total RSPCA income from charitable activities</b>	<b>2,772</b>	<b>113</b>	<b>–</b>	<b>2,885</b>	3,109
<b>GROUP</b>					
Sale of goods	889	37	–	926	930
Rehoming, veterinary and boarding income	1,039	1	–	1,040	1,090
Costs recovered	716	3	–	719	1,045
Other fees and charges received	–	72	–	72	44
<b>Total RSPCA income from charitable activities outside of the group</b>	<b>2,644</b>	<b>113</b>	<b>–</b>	<b>2,757</b>	3,109
Freedom Food's welfare assessment and licence fees	–	5,217	–	5,217	4,524
<b>Total income from charitable activities</b>	<b>2,644</b>	<b>5,330</b>	<b>–</b>	<b>7,974</b>	7,633

The income from charitable activities in 2021 for the group (charity) was £7,633k (£3,109k) of which £7,663k (£3,109k) was unrestricted and nil was restricted. Costs recovered include £603k awarded to the RSPCA in successful prosecutions (2021: £665k).

# Notes to the accounts continued

Year ended 31 December 2022

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
<b>2. Income and endowments (continued)</b>					
<b>c) Other trading activities</b>					
<b>CHARITY</b>					
<b>RSPCA income (from social lotteries)</b>	<b>3,340</b>	–	–	<b>3,340</b>	3,661
<b>GROUP</b>					
<b>RSPCA income (from social lotteries)</b>	<b>3,340</b>	–	–	<b>3,340</b>	3,661
Sale of goods	686	–	–	686	645
Income from royalties and sponsorship	551	–	–	551	406
<b>Total group other trading activities</b>	<b>4,577</b>	–	–	<b>4,577</b>	4,712
The income from other trading activities in 2021 for the group (charity) was £4,712k (£3,661k) of which £4,712k (£3,661k) was unrestricted and nil was restricted.					
<b>d) Investment income</b>					
<b>CHARITY</b>					
Income from listed investments	2,430	182	7	2,619	1,967
Bank and other interest	137	7	–	144	18
<b>Total investment income</b>	<b>2,567</b>	<b>189</b>	<b>7</b>	<b>2,763</b>	1,985
<b>GROUP</b>					
Income from listed investments	2,431	182	7	2,620	1,967
Bank and other interest	137	10	–	147	18
<b>Total investment income</b>	<b>2,568</b>	<b>192</b>	<b>7</b>	<b>2,767</b>	1,985
The income from investments in 2021 for the group and charity was £1,985k of which £1,793k was unrestricted, £80k was restricted and £112k was in respect of endowment funds.					
<b>e) Gains on disposal of tangible fixed assets</b>					
<b>CHARITY AND GROUP</b>					
Disposal of fixed assets	7,582	–	–	7,582	2,698
<b>Total RSPCA gains on disposal of tangible fixed assets</b>	<b>7,582</b>	–	–	<b>7,582</b>	2,698
The gains on disposal of tangible fixed assets for the group and charity in 2021 was £2,698k, of which £2,698k was unrestricted and nil was restricted.					
<b>f) Other income</b>					
<b>CHARITY</b>					
Other fees and charges	837	–	–	837	688
Furlough income	–	–	–	–	408
<b>Total charity other income</b>	<b>837</b>	–	–	<b>837</b>	1,096
<b>GROUP</b>					
Other fees and charges	346	–	–	346	320
Furlough income	–	–	–	–	408
<b>Total group other income</b>	<b>346</b>	–	–	<b>346</b>	728
Total other income in 2021 for the group (charity) was £728k (£1,096k) of which £728k (£1,096k) was unrestricted and nil was restricted.					

# Notes to the accounts continued

Year ended 31 December 2022

	Unrestricted funds			Restricted funds (Direct) £'000	Endowment funds (Direct) £'000	Total 2022 £'000	Total 2021 £'000
	Direct £'000	Support costs £'000	Total £'000				
<b>3. Expenditure</b>							
<b>a) Charitable activities</b>							
<b>CHARITY</b>							
Field animal welfare:							
Hospitals and animal centres	24,757	10,952	35,709	3,548	–	39,257	32,433
Inspectorate	31,299	8,489	39,788	619	–	40,407	37,821
Prosecutions – animal care	2,156	371	2,527	2	–	2,529	2,122
Support to branches	6,687	527	7,214	119	–	7,333	7,001
Prosecutions – legal	3,139	225	3,364	–	–	3,364	2,612
Campaigns, communications, publications	3,669	946	4,615	–	–	4,615	3,529
Science	1,080	400	1,480	62	–	1,542	1,443
Education	365	379	744	428	–	1,172	1,985
International	287	42	329	314	–	643	667
<b>RSPCA total cost of charitable activities</b>	<b>73,439</b>	<b>22,331</b>	<b>95,770</b>	<b>5,092</b>	<b>–</b>	<b>100,862</b>	89,613
<b>GROUP</b>							
Field animal welfare:							
Hospitals and animal centres	24,629	10,952	35,581	3,548	–	39,129	32,433
Inspectorate	31,299	8,489	39,788	619	–	40,407	37,821
Prosecutions – animal care	2,156	371	2,527	2	–	2,529	2,122
Support to branches	6,687	527	7,214	119	–	7,333	7,001
Prosecutions – legal	3,139	225	3,364	–	–	3,364	2,612
Campaigns, communications, publications	3,589	946	4,535	–	–	4,535	3,529
Science	1,080	400	1,480	62	–	1,542	1,443
Education	365	379	744	428	–	1,172	1,985
International	287	42	329	314	–	643	667
<b>RSPCA total cost of charitable activities outside of the group</b>	<b>73,231</b>	<b>22,331</b>	<b>95,562</b>	<b>5,092</b>	<b>–</b>	<b>100,654</b>	89,613
Freedom Food charitable expenditure	–	–	–	3,767	–	3,767	3,600
<b>Total cost of charitable activities</b>	<b>73,231</b>	<b>22,331</b>	<b>95,562</b>	<b>8,859</b>	<b>–</b>	<b>104,421</b>	93,213

Expenditure on charitable activities in 2021 for the group (charity) was £93,213k (£89,613k) of which £91,965k (£88,365k) was unrestricted and £1,248k (£1,248k) was restricted.



# Notes to the accounts continued

Year ended 31 December 2022

	Total 2022 £'000	Total 2021 £'000
<b>3. Expenditure (continued)</b>		
<b>a) Charitable activities (continued)</b>		
<b>CHARITY AND GROUP</b>		
<b>Support to branches:</b>		
Branch support officers	1,622	1,409
Shared fundraising income grant*	3,904	3,993
Grants	450	149
Cost of sales	931	672
Other support	426	778
<b>Total support to branches</b>	<b>7,333</b>	<b>7,001</b>

\*The shared fundraising income grant is a fixed rate payment to all branches based on the income collected by the charity from door-to-door campaigns.

	Unrestricted funds			Restricted funds (Direct) £'000	Endowment funds (Direct) £'000	Total 2022 £'000	Total 2021 £'000
	Direct £'000	Support costs £'000	Total £'000				
<b>b) Raising funds</b>							
<b>CHARITY</b>							
Total RSPCA fundraising activities	19,479	2,028	21,507	–	19	21,526	21,598
<b>GROUP</b>							
Total RSPCA fundraising activities	19,479	2,028	21,507	–	19	21,526	21,493
RSPCA Trading Limited expenditure	773	–	773	–	–	773	742
<b>Total cost of raising funds</b>	<b>20,252</b>	<b>2,028</b>	<b>22,280</b>	<b>–</b>	<b>19</b>	<b>22,299</b>	<b>22,235</b>

Expenditure on raising funds in 2021 for the group (charity) was £22,235k (£21,598k) of which £22,219k (£21,582k) was unrestricted, £16k (£16k) was in respect of endowment funds, and nil (nil) was restricted.

# Notes to the accounts continued

Year ended 31 December 2022

	Total 2022 £'000	Total 2021 £'000
<b>3. Expenditure (continued)</b>		
<b>c) Support, governance and administration costs</b>		
<b>CHARITY AND GROUP</b>		
Governance	1,740	918
Finance, transformation and supporter service	6,592	4,307
Headquarters services	1,843	1,030
Central information technology and communications	6,584	5,984
Legal	578	488
Human resources and training	6,285	4,847
Property, printing, purchases and transport	737	939
<b>Total support, governance and administration costs</b>	<b>24,359</b>	<b>18,513</b>
<b>Allocation of support and governance costs</b>		
Total cost	24,359	18,513
Charitable activities	(22,331)	(17,062)
Raising funds	(2,028)	(1,451)
	–	–
<b>d) Grants payable</b>		
<b>CHARITY AND GROUP</b>		
Expenditure on charitable activities includes the following grants payable:		
Support to branches*	4,354	4,142
Science, international, other	407	625
<b>Total grants payable included in charitable activities</b>	<b>4,761</b>	<b>4,767</b>
<b>Recipients of institutional grants:</b>		
RSPCA branches – door-to-door grants	3,904	3,993
RSPCA branches – neutering grants	102	149
RSPCA branches – other grants	348	–
Other	407	625
<b>Total institutional grants paid</b>	<b>4,761</b>	<b>4,767</b>

\* Support to branches is made up of the shared fundraising income grant (£3,904k) and other grants payable to branches (£450k).

# Notes to the accounts continued

Year ended 31 December 2022

	Total 2022 £'000	Total 2021 £'000
<b>3. Expenditure (continued)</b>		
<b>e) Additional analysis of expenditure</b>		
<b>CHARITY</b>		
Included in total expenditure are fees payable in respect of:		
Auditor's remuneration – statutory audit	104	106
Depreciation of tangible fixed assets	3,196	4,476
Amortisation of intangible fixed assets	1,130	1,155
Hire of equipment under operating leases	107	130
Premises rent	1,238	112
Trustee indemnity insurance	31	29
Other insurance excluding motors	535	333
Net interest on the defined benefit pension scheme	201	529
<b>GROUP</b>		
Included in total expenditure are fees payable in respect of:		
Auditor's remuneration – statutory audit	148	135
Depreciation of fixed assets	3,202	4,476
Amortisation of intangible fixed assets	1,140	1,155
Hire of equipment under operating leases	267	186
Premises rent	1,238	112
Trustee indemnity insurance	31	29
Other insurance excluding motors	553	346
Net interest on the defined benefit pension scheme	201	529
<b>f) Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel</b>		
<b>GROUP</b>		
Employee costs included in the Consolidated statement of financial activities:		
Wages and salaries	48,354	42,772
Social security costs	4,974	4,417
Employer's contribution to the defined contribution pension scheme	5,076	4,600
<b>Total employment costs</b>	<b>58,404</b>	<b>51,789</b>

# Notes to the accounts continued

Year ended 31 December 2022

	Total 2022	Total 2021
<b>3. Expenditure (continued)</b>		
<b>f) Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)</b>		
The emoluments of higher-paid staff within the following scales were:		
£60,000–£69,999	35	17
£70,000–£79,999	10	10
£80,000–£89,999	12	6
£90,000–£99,999	2	2
£100,000–£109,999	1	–
£110,000–£119,999	1	1
£120,000–£129,999	2	–
£130,000–£139,999	1	1
£150,000–£159,999	–	1
£160,000–£169,999	1	–

Emoluments include salary, benefits in kind and exit costs, but exclude pension scheme contributions. 65 employees earning more than £60,000 in 2022 participated in the pension scheme (2021: 38).

Employer contributions of £522k were paid into the pension scheme on behalf of these members in 2022 (2021: £302k).

In 2022, The charity made termination payments of £262k (2021: £186k). 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 made to any of the trustees in their role as trustee. Costs and reasonable expenses incurred by trustees on behalf of the charity – such as travel, subsistence, telephone costs, postage and incidentals – are reimbursed. In 2022 seven trustees were reimbursed for expenses and/or had expenses paid by the charity (2021: 8). In 2022, trustees were reimbursed £1k (2021: 2k) for expenses relating to transport, overnight accommodation and subsistence and other miscellaneous items. The RSPCA paid £0k (2021: £2k) on their behalf.

Mr Kevin Degenhard, a trustee, was formerly employed by the RSPCA, 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 charity's pension scheme in accordance with his entitlement under the scheme rules. He lives in a shared-equity property as a participant in the RSPCA's shared-equity housing scheme.

The key management personnel of the parent charity, the RSPCA, comprised the trustees, chief executive, the chief operating officer, the director of people and culture, the director of policy, prevention and campaigns, the director of engagement and income generation, the director of strategy and transformation, the director of finance and business services, the chief veterinary officer, the chief legal officer, and the chief inspectorate officer.

The total employee benefits – including pension scheme contributions and employer's National Insurance – of the key management personnel of the RSPCA were £1,364k (2021: £1,306k).

The key management personnel of the group comprise those of the RSPCA and the key management personnel of its wholly owned subsidiaries, RSPCA Trading Limited and Freedom Food Limited. The key management of RSPCA Trading Limited is the same as that of its parent charity. The key management personnel of Freedom Food Limited is comprised of the chief executive officer whose total employee benefits total £102k (2021: £116k). The total employee benefits of key management personnel of the group was therefore £1,466k (2021: £1,411k). Redundancy payments made to group key management personnel within the year totalled £46k (2021: nil).

# Notes to the accounts continued

Year ended 31 December 2022

	Full-time equivalents 2022	Total employees 2022	Full-time equivalents 2021	Total employees 2021
<b>3. Expenditure (continued)</b>				
<b>g) Staff numbers</b>				
The analysis of the average number of employees by activity was as follows:				
Hospitals and animal centres	529	610	515	621
Inspectorate	406	438	393	429
Prosecutions	11	11	11	12
Support to branches	37	38	33	34
Campaigns, communication, publications	40	43	47	51
Science	19	22	22	25
Education	30	39	31	41
International	2	2	2	2
Support and governance	195	207	164	176
Fundraising	92	96	87	91
<b>Total average employee numbers</b>	<b>1,361</b>	<b>1,506</b>	1,305	1,482
			<b>2022 £'000</b>	2021 £'000
<b>4. Intangible fixed assets</b>				
<b>CHARITY</b>				
<b>Cost</b>				
At 1 January			11,365	11,310
Additions			49	55
Disposals			–	–
<b>At 31 December</b>			<b>11,414</b>	11,365
<b>Accumulated depreciation</b>				
At 1 January			2,674	1,519
Released on disposals			–	–
Charge for the year			1,130	1,155
<b>At 31 December</b>			<b>3,804</b>	2,674
<b>Net book value at 31 December</b>			<b>7,610</b>	8,691

Intangible assets relate to investments in systems in relation to call handling and a database of supporters. Amortisation is charged to the SOFA on a straight-line basis against the underlying activity to which the intangible asset relates. Both systems have been invested in for long-term use by the RSPCA, therefore a useful economic life of 10 years at the higher end of the policy outlined in Note 1 is deemed most appropriate.

# Notes to the accounts continued

Year ended 31 December 2022

	2022 £'000	2021 £'000
<b>4. Intangible fixed assets (continued)</b>		
<b>GROUP</b>		
<b>Cost</b>		
At 1 January	11,365	11,310
Additions	174	55
Disposals	–	–
<b>At 31 December</b>	<b>11,539</b>	11,365
<b>Accumulated depreciation</b>		
At 1 January	2,674	1,519
Released on disposals	–	–
Charge for the year	1,140	1,155
<b>At 31 December</b>	<b>3,814</b>	2,674
<b>Net book value at 31 December</b>	<b>7,725</b>	8,691

Intangible assets relate to investments in systems in relation to call handling and a database of supporters. Amortisation is charged to the SOFA on a straight-line basis against the underlying activity to which the intangible asset relates. Both systems have been invested in for long-term use by the charity, therefore a useful economic life of 10 years at the higher end of the policy outlined in Note 1 is deemed most appropriate.

# Notes to the accounts continued

Year ended 31 December 2022

	Leasehold property		Freehold property			Motor vehicles £'000	Total £'000
	Equity housing £'000	Other £'000	Equity housing £'000	Animal centres & other £'000	Equipment £'000		
<b>5. Tangible fixed assets</b>							
<b>GROUP</b>							
<b>Cost</b>							
At 1 January 2022	43	11,594	5,002	83,031	18,490	10,635	128,795
Additions	–	58	–	28	702	68	856
Disposals	–	–	(565)	(23,919)	(478)	(200)	(25,162)
Transfers	–	(137)	–	(560)	–	–	(697)
<b>At 31 December 2022</b>	<b>43</b>	<b>11,515</b>	<b>4,437</b>	<b>58,580</b>	<b>18,714</b>	<b>10,503</b>	<b>103,792</b>
<b>Accumulated depreciation</b>							
At 1 January 2022	18	3,000	1,649	36,277	17,723	8,816	67,483
Released on disposals	–	–	(157)	(9,851)	(479)	(191)	(10,678)
Charge for the year	1	288	92	1,512	348	961	3,202
<b>At 31 December 2022</b>	<b>19</b>	<b>3,288</b>	<b>1,584</b>	<b>27,938</b>	<b>17,592</b>	<b>9,586</b>	<b>60,007</b>
<b>Net book value at 31 December 2022</b>	<b>24</b>	<b>8,227</b>	<b>2,853</b>	<b>30,642</b>	<b>1,122</b>	<b>917</b>	<b>43,785</b>
Net book value at 31 December 2021	25	8,594	3,353	46,754	767	1,819	61,312
<b>CHARITY</b>							
<b>Cost</b>							
At 1 January 2022	43	11,594	5,002	83,031	18,360	10,635	128,665
Additions	–	58	–	28	702	68	856
Disposals	–	–	(565)	(23,919)	(380)	(200)	(25,064)
Transfers	–	(137)	0	(560)	–	–	(697)
<b>At 31 December 2022</b>	<b>43</b>	<b>11,515</b>	<b>4,437</b>	<b>58,580</b>	<b>18,682</b>	<b>10,503</b>	<b>103,760</b>
<b>Accumulated depreciation</b>							
At 1 January 2022	18	3,000	1,649	36,277	17,609	8,816	67,369
Released on disposals	–	–	(157)	(9,851)	(380)	(191)	(10,579)
Charge for the year	1	288	92	1,512	342	961	3,196
<b>At 31 December 2022</b>	<b>19</b>	<b>3,288</b>	<b>1,584</b>	<b>27,938</b>	<b>17,571</b>	<b>9,586</b>	<b>59,986</b>
<b>Net book value at 31 December 2022</b>	<b>24</b>	<b>8,227</b>	<b>2,853</b>	<b>30,642</b>	<b>1,111</b>	<b>917</b>	<b>43,774</b>
Net book value at 31 December 2021	25	8,594	3,353	46,754	751	1,819	61,296

Included in Freehold property, other are properties in the course of construction costing £0k (2021: £1,295k).

# Notes to the accounts continued

Year ended 31 December 2022

The National Society holds shared equity in a number of housing properties with members of the RSPCA Inspectorate no longer in service. The scheme is closed for further entry. The total value of inspectors' contributions to equity housing as at 31 December 2022 was £3,466k (2021: £3,854k). Should an inspector leave the scheme, the RSPCA has an obligation to refund the inspector's share in the value of the related property at the time. It is intended that any RSPCA 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 RSPCA. The relevant net book value at the balance sheet date comprises:

	Leasehold property		Freehold property	
	Equity housing £'000	Other £'000	Equity housing £'000	Other £'000
<b>5. Tangible fixed assets (continued)</b>				
Net book value				
<b>At 31 December 2022</b>	–	82	360	1,952
At 31 December 2021	–	85	405	2,074
	<b>Group 2022 £'000</b>	Group 2021 £'000	<b>Charity 2022 £'000</b>	Charity 2021 £'000
<b>6. Investments</b>				
<b>a) Analysis of movements in the year</b>				
Market value at 1 January	107,781	73,721	107,781	73,721
Acquisitions at cost	38,271	42,998	38,271	42,998
Disposal proceeds	(17,074)	(16,980)	(17,074)	(16,980)
Realised and unrealised gains/(losses) in the year	(9,630)	8,042	(9,630)	8,042
<b>Fair value at 31 December</b>	<b>119,348</b>	107,781	<b>119,348</b>	107,781
Cash held in portfolio at 31 December	14,098	7,384	14,098	7,384
<b>Total fair value at 31 December</b>	<b>133,446</b>	115,165	<b>133,446</b>	115,165
Historical cost at 31 December	108,164	85,326	108,164	85,326
<b>b) Analysis of investments held at 31 December</b>				
<b>Listed investments:</b>				
Equities	85,562	75,937	85,562	75,937
Bonds	19,166	19,229	19,166	19,229
Multi-asset funds	4,921	4,590	4,921	4,590
Alternatives	8,990	8,025	8,990	8,025
<b>Total listed securities</b>	<b>118,639</b>	107,781	<b>118,639</b>	107,781
<b>Unlisted securities:</b>				
Investment property	709	–	709	–
Cash	14,098	7,384	14,098	7,384
<b>Total investments at fair value</b>	<b>133,446</b>	115,165	<b>133,446</b>	115,165



# Notes to the accounts continued

Year ended 31 December 2022

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
<b>6. Investments (continued)</b>				
<b>c) Programme-related investments</b>				
<b>Loans to branches less provisions</b>	–	34	–	34

The total loss on investments was £9,630k (2021: gain £8,042k) of which £8,803k (2021: gain £6,712k) was unrestricted, £0k (2021: gain £0k) was restricted and a loss of £827k (2021: gain £1,330k) was in respect of endowment funds.

The fair value of the investment properties held by the RSPCA has been determined using percentage yields estimated by the RSPCA's in-house estate surveyor who is a fellow of the Royal Institution of Chartered Surveyors.

Programme-related investments relate to loans made by the RSPCA to RSPCA branches. No new loans were made by the National Society within the year, and a provision was recognised in 2022 for the outstanding loan as at 31 December 2021. There is a zero outstanding balance as at 31 December 2022.

The following investments comprised over 5% of the portfolio as at 31 December, and are considered significant:	£'000
Schroder QEP Global Core Fund, Units -I- Income, Schroder Unit Trusts Limited, 0766108	15,133
Schroder Global Sustainable Growth, Shs -I QV- Distribution, Schroder Int. Selection Fund SICAV, BKLF434	25,837
Schroder Institutional Sterling, Broad Market Bond Fund, Units -I- Income Gross, Schroder Unit Trusts Limited, B06RTZ2	7,757

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
<b>7. Stocks</b>				
<b>Stocks held for resale</b>	277	545	–	–
<b>8. Debtors</b>				
Income tax and VAT recoverable	1,674	1,117	1,782	1,223
Prepayments	2,368	1,868	2,262	1,845
Accrued income*	79,940	74,665	78,652	73,694
Group debtors	–	–	1,407	1,374
Other debtors	1,879	2,317	1,227	1,858
<b>Total debtors</b>	<b>85,861</b>	<b>79,967</b>	<b>85,330</b>	<b>79,994</b>

\*Accrued income for 2022 includes accrued legacy income for the group and the charity of £78,446k (2021: £73,490k).

# Notes to the accounts continued

Year ended 31 December 2022

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
<b>9. Creditors</b>				
Amounts falling due within one year				
Trade creditors	5,018	6,991	4,692	6,737
Branch creditors	5,020	3,993	5,020	3,993
Accruals and deferred income*	4,617	4,818	4,411	4,587
Other creditors**	1,236	1,100	1,236	1,100
<b>Total creditors</b>	<b>15,891</b>	<b>16,902</b>	<b>15,359</b>	<b>16,417</b>

\*Deferred income for the group includes deferred income for the National Society and both subsidiary entities. The National Society balance includes lottery income received for future draws. Freedom Food Limited deferred income includes membership income received within the reporting period relating to future accounting periods. RSPCA Trading Limited deferred income includes entry fees received by RTL within the reporting period for future accounting periods.

\*\* Other creditors includes PAYE and National Insurance costs relating to 2022 yet to be paid at the balance sheet date.

	At 1 January 2022 £'000	Charged to SOFA £'000	Utilised/ released £'000	At 31 December 2022 £'000
<b>10. Deferred income</b>				
<b>GROUP</b>				
Deferred income	101	372	(101)	372
<b>Deferred income</b>	<b>101</b>	<b>372</b>	<b>(101)</b>	<b>372</b>
<b>CHARITY</b>				
Deferred income	–	246	–	246
<b>Deferred income</b>	<b>–</b>	<b>246</b>	<b>–</b>	<b>246</b>

<b>11. Provisions for liabilities and charges</b>				
<b>GROUP</b>				
Taxation provision	213	172	(213)	172
Other provision	433	70	(100)	403
<b>Total provisions</b>	<b>646</b>	<b>242</b>	<b>(313)</b>	<b>575</b>
<b>CHARITY</b>				
Taxation provision	213	172	(213)	172
Other provision	333	70	–	403
<b>Total provisions</b>	<b>546</b>	<b>242</b>	<b>(213)</b>	<b>575</b>

The taxation provision includes an estimate for the tax on 2022 employee benefits payable to HMRC at the end of the 2022/23 tax year. The timing of the outflows can be estimated reliably in line with regulatory requirements. Other provisions include a provision for property dilapidations, and a provision for settlement costs of known legal cases with uncertain settlement dates, or payment dates post-settlement in 2023. All provisions are estimated by taking into account known current events at the end of the reporting period, and historic events.

# Notes to the accounts continued

Year ended 31 December 2022

	2022 £'000	2021 £'000
<b>12. Commitments</b>		
At 31 December 2022, the group had the following capital and other budgeted project commitments.		
Contracted		
Authorised but not contracted	3,981	7,367

All commitments relate to the parent charity. All commitments will be funded by the capital and project commitments designated fund (Note 18).

## 13. Contingent liabilities and assets

The Society has 125 legacies with a total value of £15m against which claims could be made. Indemnities are in place for all of these legacies, to protect the Society against future financial loss. The possibility of a claim being made is deemed remote in the majority of cases.

There is a current ongoing dispute regarding water charges for which legal advice has been taken and future legal costs may be incurred. The amount of costs and potential reimbursement of these cannot be quantified at the point of signing these financial statements.

The RSPCA 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 RSPCA would be obliged to continue the tenancy.

## 14. Financial instruments

The charity and group held only basic financial instruments at the balance sheet date as outlined in Section 11 'Basic Financial Instruments' of FRS 102. Basic financial instruments of the charity and group comprise cash, trade debtors, trade creditors and investments. Trade debtors and trade creditors are held at the balance sheet date at the consideration expected to be paid or received. Investments are revalued to their fair value at the balance sheet date, with any arising unrealised gain or loss recognised in the Statement of Financial Activities. The charity and group held investments of £133,446k (£115,165k) at the 31 December 2022 (31 December 2021).

## 15. Trusteeships

The RSPCA holds property title deeds and investments as custodian trustee for certain branches. The property title deeds which are held by the RSPCA as a custodian trustee relate to a number of operational buildings for use by certain branches carrying out their charitable activities.

# Notes to the accounts continued

Year ended 31 December 2022

	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfer between funds** £'000	Other recognised gains/(losses) £'000	At 31 December 2022 £'000
<b>16. Analysis of movement of funds</b>						
<b>YEAR ENDED 31 DECEMBER 2022</b>						
<b>a) GROUP</b>						
<b>Endowment funds*</b>						
Bowmer Fund	588	7	(1)	–	(42)	552
The A&D Simpson Fund	2,665	–	(3)	–	(197)	2,465
Wyndham Cottle Charity – capital fund	3,337	–	(3)	–	(267)	3,067
MT & VL Wythe Charitable Trust	1,198	–	(10)	–	(107)	1,081
Albekier Fund	2,073	–	(2)	–	(214)	1,857
<b>Total endowment funds</b>	<b>9,861</b>	<b>7</b>	<b>(19)</b>	<b>–</b>	<b>(827)</b>	<b>9,022</b>
<b>Restricted funds</b>						
Animal welfare – operational and capital funds	1,545	3,907	(3,216)	–	–	2,236
Birmingham Fund	127	24	–	–	–	151
Overseas funds	865	29	(314)	–	–	580
Regional funds	1,684	586	(856)	–	–	1,414
Tubney Grant Fund	3,404	8	(62)	–	–	3,350
Other restricted funds	2,931	592	(646)	(109)	–	2,768
Freedom Food Limited	–	5,220	(3,765)	2,438	–	3,893
<b>Total restricted funds</b>	<b>10,556</b>	<b>10,366</b>	<b>(8,859)</b>	<b>2,329</b>	<b>–</b>	<b>14,392</b>
<b>Unrestricted funds</b>						
Pension reserve	(11,104)	(201)	–	2,171	(1,687)	(10,821)
General Fund	108,775	141,031	(91,793)	(28,639)	(8,803)	120,571
Designated funds	142,370	905	(26,049)	24,139	–	141,365
<b>Total unrestricted funds</b>	<b>240,041</b>	<b>141,735</b>	<b>(117,842)</b>	<b>(2,329)</b>	<b>(10,490)</b>	<b>251,115</b>
<b>Total group funds</b>	<b>260,458</b>	<b>152,108</b>	<b>(126,720)</b>	<b>–</b>	<b>(11,317)</b>	<b>274,529</b>

\* All endowment funds are permanent endowments.

\*\* The transfer between funds reflects the movement from General Funds to Designated Funds, the £2m payment to the Pension Fund from the General Fund, a £0.1m release from restricted funds to the General Fund and a £2.4m transfer of Freedom Food Limited reserves upon consolidation from the General Fund to restricted funds.

Further narrative behind the restricted and endowment funds can be found on page 78 of the *Trustees' report and accounts*.

# Notes to the accounts continued

Year ended 31 December 2022

	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Transfer between funds** £'000	Other recognised gains/(losses) £'000	At 31 December 2022 £'000
<b>16. Analysis of movement of funds (continued)</b>						
<b>YEAR ENDED 31 DECEMBER 2022</b>						
<b>b) CHARITY</b>						
<b>Endowment funds*</b>						
Bowmer Fund	588	7	(1)	–	(42)	552
The A&D Simpson Fund	2,665	–	(3)	–	(197)	2,465
Wyndham Cottle Charity – capital fund	3,337	–	(3)	–	(267)	3,067
MT & VL Wythe Charitable Trust	1,198	–	(10)	–	(107)	1,081
Albekier Fund	2,073	–	(2)	–	(214)	1,857
<b>Total endowment funds</b>	<b>9,861</b>	<b>7</b>	<b>(19)</b>	<b>–</b>	<b>(827)</b>	<b>9,022</b>
<b>Restricted funds</b>						
Animal welfare – operational and capital funds	1,545	3,907	(3,214)	–	–	2,238
Birmingham Fund	127	24	(0)	–	–	151
Overseas funds	865	29	(314)	–	–	580
Regional funds	1,684	586	(856)	–	–	1,414
Tubney Grant Fund	3,404	8	(62)	–	–	3,350
Other restricted funds	2,931	592	(646)	(109)	–	2,768
<b>Total restricted funds</b>	<b>10,556</b>	<b>5,146</b>	<b>(5,092)</b>	<b>(109)</b>	<b>–</b>	<b>10,501</b>
<b>Unrestricted funds</b>						
Pension reserve	(11,104)	(201)	–	2,171	(1,687)	(10,821)
General Fund	106,435	140,807	(91,228)	(26,201)	(8,803)	121,010
Designated funds	142,370	905	(26,049)	24,139	–	141,365
<b>Total unrestricted funds</b>	<b>237,701</b>	<b>141,511</b>	<b>(117,277)</b>	<b>109</b>	<b>(10,490)</b>	<b>251,554</b>
<b>Total charity funds</b>	<b>258,118</b>	<b>146,664</b>	<b>(122,388)</b>	<b>–</b>	<b>(11,317)</b>	<b>271,077</b>

\* All endowment funds are permanent endowments.

\*\* The transfer between funds reflects the movement from General Funds to Designated Funds, the £2m payment to the Pension Fund from the General Fund and a £0.1m release from restricted funds to the General Fund.

Further narrative behind the restricted and endowment funds can be found on page 78 of the *Trustees' report and accounts*.

# Notes to the accounts continued

Year ended 31 December 2022

	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfer between funds* £'000	Other recognised gains/(losses) £'000	At 31 December 2021 £'000
<b>16. Analysis of movement of funds (continued)</b>						
<b>YEAR ENDED 31 DECEMBER 2021</b>						
<b>a) GROUP</b>						
<b>Endowment funds</b>						
Bowmer Fund	490	10	–	–	88	588
The A&D Simpson Fund	2,240	44	(2)	–	383	2,665
Wyndham Cottle Charity – capital fund	2,711	58	(3)	–	571	3,337
MT & VL Wythe Charitable Trust	1,036	–	(9)	–	171	1,198
Albekier Fund	1,958	–	(2)	–	117	2,073
<b>Total endowment funds</b>	<b>8,435</b>	<b>112</b>	<b>(16)</b>	<b>–</b>	<b>1,330</b>	<b>9,861</b>
<b>Restricted funds</b>						
Animal centres – operational	1,605	430	(538)	48	–	1,545
Birmingham Fund	100	27	–	–	–	127
Overseas funds	–	1,044	(179)	–	–	865
Regional funds	1,474	583	(373)	–	–	1,684
Tubney Grant Fund	3,473	–	(69)	–	–	3,404
Other restricted funds	1,188	1,880	(89)	(48)	–	2,931
<b>Total restricted funds</b>	<b>7,840</b>	<b>3,964</b>	<b>(1,248)</b>	<b>–</b>	<b>–</b>	<b>10,556</b>
<b>Unrestricted funds</b>						
Pension reserve	(38,719)	(529)	–	2,004	26,140	(11,104)
General Fund	122,069	78,939	(104,866)	5,621	7,012	108,775
Designated funds	90,334	68,979	(9,318)	(7,625)	–	142,370
<b>Total unrestricted funds</b>	<b>173,684</b>	<b>147,389</b>	<b>(114,184)</b>	<b>–</b>	<b>33,152</b>	<b>240,041</b>
<b>Total group funds</b>	<b>189,959</b>	<b>151,465</b>	<b>(115,448)</b>	<b>–</b>	<b>34,482</b>	<b>260,458</b>

\* The transfer between funds reflects the movement of Fair Value reserve – Investments to General Fund, fixed asset movements and £2m payment to Pension Fund from General.

Further narrative behind the restricted and endowment funds can be found on page 78 of the *Trustees' report and accounts*.

# Notes to the accounts continued

Year ended 31 December 2022

	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Transfer between funds* £'000	Other recognised gains/(losses) £'000	At 31 December 2021 £'000
<b>16. Analysis of movement of funds (continued)</b>						
<b>YEAR ENDED 31 DECEMBER 2021</b>						
<b>b) CHARITY</b>						
<b>Endowment funds</b>						
Bowmer Fund	490	10	–	–	88	588
The A&D Simpson Fund	2,240	44	(2)	–	383	2,665
Wyndham Cottle Charity – capital fund	2,711	58	(3)	–	571	3,337
MT & VL Wythe Charitable Trust	1,036	–	(9)	–	171	1,198
Albekier Fund	1,958	–	(2)	–	117	2,073
<b>Total endowment funds</b>	<b>8,435</b>	<b>112</b>	<b>(16)</b>	<b>–</b>	<b>1,330</b>	<b>9,861</b>
<b>Restricted funds</b>						
Animal centres – capital funds	–	–	–	–	–	–
Animal centres – operational	1,605	430	(538)	48	–	1,545
Birmingham Fund	100	27	–	–	–	127
Overseas funds	–	1,044	(179)	–	–	865
Regional funds	1,474	583	(373)	–	–	1,684
Tubney Grant Fund	3,473	–	(69)	–	–	3,404
Other restricted funds	1,188	1,880	(89)	(48)	–	2,931
<b>Total restricted funds</b>	<b>7,840</b>	<b>3,964</b>	<b>(1,248)</b>	<b>–</b>	<b>–</b>	<b>10,556</b>
<b>Unrestricted funds</b>						
Pension reserve	(38,719)	(529)	–	2,004	26,140	(11,104)
General Fund	120,443	73,988	(100,629)	5,621	7,012	106,435
Designated funds	90,334	68,979	(9,318)	(7,625)	–	142,370
<b>Total unrestricted funds</b>	<b>172,058</b>	<b>142,438</b>	<b>(109,947)</b>	<b>–</b>	<b>33,152</b>	<b>237,701</b>
<b>Total charity funds</b>	<b>188,333</b>	<b>146,514</b>	<b>(111,211)</b>	<b>–</b>	<b>34,482</b>	<b>258,118</b>

\* The transfer between funds reflects the movement of Fair Value reserve – Investments to General Fund, fixed asset movements and £2m payment to Pension Fund from General.

Further narrative behind the restricted and endowment funds can be found on page 78 of the *Trustees' report and accounts*.

# Notes to the accounts continued

Year ended 31 December 2022

	Total fixed assets £'000	Investments £'000	Net current assets £'000	Provisions £'000	Pension scheme liability £'000	Total net assets £'000
<b>17. Analysis of group net assets</b>						
<b>YEAR ENDED 31 DECEMBER 2022</b>						
<b>a) GROUP</b>						
<b>As at 31 December 2022</b>						
Endowment funds	–	9,022	–	–	–	9,022
Restricted funds	126	–	14,266	–	–	14,392
Unrestricted funds	51,384	124,424	86,703	(575)	(10,821)	251,115
<b>Total group funds</b>	<b>51,510</b>	<b>133,446</b>	<b>100,969</b>	<b>(575)</b>	<b>(10,821)</b>	<b>274,529</b>
<b>b) CHARITY</b>						
<b>As at 31 December 2022</b>						
Endowment funds	–	9,022	–	–	–	9,022
Restricted funds	–	–	10,501	–	–	10,501
Unrestricted funds	51,384	124,424	87,142	(575)	(10,821)	251,554
<b>Total charity funds</b>	<b>51,384</b>	<b>133,446</b>	<b>97,643</b>	<b>(575)</b>	<b>(10,821)</b>	<b>271,077</b>
<b>YEAR ENDED 31 DECEMBER 2021</b>						
<b>a) GROUP</b>						
<b>As at 31 December 2021</b>						
Endowment funds	–	9,861	–	–	–	9,861
Restricted funds	–	–	10,556	–	–	10,556
Unrestricted funds	70,003	105,338	76,450	(646)	(11,104)	240,041
<b>Total group funds</b>	<b>70,003</b>	<b>115,199</b>	<b>87,006</b>	<b>(646)</b>	<b>(11,104)</b>	<b>260,458</b>
<b>b) CHARITY</b>						
<b>As at 31 December 2021</b>						
Endowment funds	–	9,861	–	–	–	9,861
Restricted funds	–	–	10,556	–	–	10,556
Unrestricted funds	69,987	105,338	74,026	(546)	(11,104)	237,701
<b>Total charity funds</b>	<b>69,987</b>	<b>115,199</b>	<b>84,582</b>	<b>(546)</b>	<b>(11,104)</b>	<b>258,118</b>

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



# Notes to the accounts continued

Year ended 31 December 2022

	At 1 January 2022 £'000	Additions in year £'000	Utilised/ realised £'000	Depreciation and disposals £'000	At 31 December 2022 £'000
<b>18. Designated fund movements</b>					
Intangible fixed assets fund	8,691	49	–	(1,130)	7,610
Tangible fixed assets fund	61,312	856	–	(18,394)	43,774
Capital and project commitments	7,367	–	(3,386)	–	3,981
Other designations	65,000	24,139	(3,139)	–	86,000
<b>Total designations</b>	<b>142,370</b>	<b>25,044</b>	<b>(6,525)</b>	<b>(19,524)</b>	<b>141,365</b>

The intangible and tangible fixed asset funds represent the net book value of the fixed assets of the RSPCA. Capital and project commitments relate to a number of commitments authorised at 31 December 2022 (Note 12). Other designations are to support the transformation programme (£30m), investment in income generation activities (£25m), estate improvements (£15m), the branch development fund (£10m) and other operational programmes (£6m).

	RSPCA Trading Limited		Freedom Food Limited	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>19. Subsidiary company undertakings</b>				
<b>Income and endowment from:</b>				
Donations and legacies	–	–	80	–
Charitable activities	–	–	5,208	4,524
Other trading activities	1,367	1,157	11	–
<b>Total income</b>	<b>1,367</b>	<b>1,157</b>	<b>5,299</b>	<b>4,524</b>
<b>Expenditure on:</b>				
Charitable activities	–	–	4,287	3,710
Raising funds	971	900	–	–
<b>Total expenditure</b>	<b>971</b>	<b>900</b>	<b>4,287</b>	<b>3,710</b>
Net gains/(losses) on investments	–	–	–	–
<b>Net income/expenditure</b>	<b>396</b>	<b>257</b>	<b>1,012</b>	<b>814</b>
Taxation	–	–	–	–
Gift Aid payable	(395)	(256)	–	–
<b>Surplus/(deficit)</b>	<b>1</b>	<b>1</b>	<b>1,012</b>	<b>814</b>
Total assets	1,083	1,245	4,416	3,289
Total liabilities	(1,078)	(1,241)	(966)	(851)
<b>Total funds at 31 December</b>	<b>5</b>	<b>4</b>	<b>3,450</b>	<b>2,438</b>

## a) RSPCA Trading Limited (Company No: 01072608)

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 RSPCA for the encouragement of the adoption of RSPCA-approved standards of animal welfare in livestock farming operations.

# Notes to the accounts continued

Year ended 31 December 2022

## 19. Subsidiary company undertakings (continued)

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

Dormant for the entire year and dissolved on 13 December 2022.

## 20. Branch legacies

During 2022, the RSPCA received £9.4m (2021: £9.6m) 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.

## 21. Legacies notified

As at 31 December 2022, the RSPCA had been notified of 16 (2021: 15) high-value legacies (over £0.5m) within the year with an estimated value of £13m (2021: £12m). Interim payments of £4m have been received within 2022 and recognised as legacy income within 2022. Out of the remaining £9m, £5m has been accrued into 2022 as it meets the legacy accrual recognition criteria as per Note 1. £4m has not been accrued into 2022 as there is no grant of probate dated prior to 31 December 2022.

There are 380 cases notified in 2022 (excluding life interest and life interest residuary) which it has not been possible to value, and therefore these cases have not been accrued into 2022. In 2021, there were 313 such cases.

## 22. Related party transactions

RSPCA branches are separately registered charities. The RSPCA has an arm's-length trading relationship with most branches. Grants are made to branches when charitable objectives delivered by the branch would be enhanced. Branches are represented on the regional boards whose chairs are represented on the Branch Affairs Committee which reports to the RSPCA Board of Trustees. There were no branches in board trusteeship during 2022 or 2021.

During 2022 the RSPCA provided the services of farm livestock officers to Freedom Food Limited which reimbursed the RSPCA for the cost of £128k (2021: £350k).

The RSPCA paid salary-related costs to Freedom Food Limited employees on behalf of Freedom Food and was reimbursed for the full amount.

During the year, Freedom Food Limited received £80k (2021: nil) from the National Society for the project *Eat Less Eat Better*.

RSPCA Trading Limited accrued a qualifying distribution to be paid to the RSPCA of £395k (2021: £256k) and made sales to the RSPCA of £134k (2021: £106k).

During 2022, the RSPCA re-charged overheads to RSPCA Trading Limited of £199k (2021: £158k) and to Freedom Food Limited of £188k (2021: £210k).

All re-charges are made on an arm's-length basis.

At the year end the RSPCA was owed £999k (2021: £1,170k) by RSPCA Trading Limited and £406k (2021: £204k) by Freedom Food Limited.

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
<b>23. Operating lease commitments</b>				
The group and charity had total commitments at the year end under operating leases expiring as follows:				
<b>Operating leases for properties</b>				
Less than one year	609	–	609	–
One to five years	232	–	232	–
Over five years	–	–	–	–
	<b>841</b>	<b>–</b>	<b>841</b>	<b>–</b>
<b>Operating leases for vehicles and equipment</b>				
Less than one year	107	121	59	65
One to five years	118	43	103	–
Over five years	–	–	–	–
	<b>225</b>	<b>164</b>	<b>162</b>	<b>65</b>

# Notes to the accounts continued

Year ended 31 December 2022

## 24. Events after the end of the reporting period

Between the balance sheet date and the date the financial statements were approved by the RSPCA Board of Trustees, the RSPCA entered into a 10-year commitment for the rental of new headquarter premises. The expected commitment value for the 10 years is £1.6m.

## 25. Pensions

The RSPCA operates a defined benefit pension arrangement called the RSPCA Pension Scheme (the Scheme). 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 (which was closed over the year to 31 December 2022) or any other pension schemes operated by the RSPCA.

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 RSPCA must agree with the trustees of the Scheme the contributions to be paid to meet any shortfall against the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 March 2021 and the next valuation of the Scheme is due as at 31 March 2024. In the event that the valuation reveals a larger deficit than expected the RSPCA 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 contributions may be reduced.

The contributions were recently reviewed as part of the 2021 actuarial valuation. The RSPCA expects to pay contributions of around £2m in the year to 31 December 2023 (plus expenses which are met directly).

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

There were no plan amendments, curtailments or settlements during the period.

The weighted average duration of the defined benefit obligation is around 15 years.

Principal actuarial assumptions	2022	2021
Discount rate	4.80% p.a.	2.00% p.a.
Inflation (RPI)	3.10% p.a.	3.20% p.a.
Inflation (CPI)	2.80% p.a.	2.90% p.a.
Revaluation of deferred pensions:		
Post 09 pension	2.50% p.a.	2.50% p.a.
Pre 09 pension in excess of GMP	2.80% p.a.	2.90% p.a.
GMP	Fixed	Fixed
Increases for pensions in payment:		
GMP accrued before 5 April 1988	Nil	Nil
GMP accrued after 5 April 1988	2.30% p.a.	2.35% p.a.
XS pension accrued before 31 March 2008	2.70% p.a.	2.80% p.a.
Pension accrued after 31 March 2008	2.05% p.a.	2.10% p.a.
Post-retirement mortality	S3PA tables with CMI 2021 projections using a long-term improvement rate of 1.25% pa.	S3PA tables with CMI 2020 projections using a long-term improvement rate of 1.25% p.a.
Commutation (using current commutation factors)	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	All members are assumed to retire at age 61.5	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

# Notes to the accounts continued

Year ended 31 December 2022

<b>25. Pensions (continued)</b>	<b>2022</b>		2021	
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	23.3		23.3	
Life expectancy at age 65 of male aged 65	22.0		21.9	
Life expectancy at age 65 of female aged 45	25.8		25.8	
Life expectancy at age 65 of female aged 65	24.4		24.3	
	<b>Bid values as at 31 Dec 2022 £'000</b>	<b>% of the fair value of the total plan assets as at 31 Dec 2022</b>	Bid values as at 31 Dec 2021 £'000	% of the fair value of the total plan assets as at 31 Dec 2021
<b>The current asset split is as follows:</b>				
Global equities	<b>12,159</b>	<b>6%</b>	66,123	20%
LDI funds	<b>88,265</b>	<b>43%</b>	107,053	31%
Diversified credit	<b>19,057</b>	<b>9%</b>	25,924	8%
Diversified private markets	<b>56,212</b>	<b>27%</b>	55,160	17%
Multi-asset funds	<b>16,422</b>	<b>8%</b>	58,649	18%
Currency hedging	<b>(380)</b>	–	(450)	–
Property	<b>14,171</b>	<b>7%</b>	15,826	5%
Cash	<b>935</b>	–	2,820	1%
<b>Total assets</b>	<b>206,841</b>	<b>100%</b>	<b>331,105</b>	<b>100%</b>
			<b>At 31 Dec 2022 £'000</b>	At 31 Dec 2021 £'000
<b>Balance sheet</b>				
Fair value of assets			<b>206,841</b>	331,105
Present value of funded obligations			<b>(217,662)</b>	(342,209)
<b>Surplus/(deficit) in scheme</b>			<b>(10,821)</b>	(11,104)
<b>Net defined benefit asset/(liability)</b>			<b>(10,821)</b>	(11,104)
			<b>Period to 31 Dec 2022 £'000</b>	Period to 31 Dec 2021 £'000
<b>Amount recognised in the SOFA</b>				
Current service cost			–	–
Administration costs			–	–
Interest on liabilities			<b>6,759</b>	4,791
Interest on assets			<b>(6,558)</b>	(4,262)
Past service costs			–	–
Settlement and curtailment cost			–	–
<b>Total charge to SOFA</b>			<b>201</b>	<b>529</b>

# Notes to the accounts continued

Year ended 31 December 2022

## 25. Pensions (continued)

	Period to 31 Dec 2022 £'000	Period to 31 Dec 2021 £'000
<b>Remeasurements over the period</b>		
Loss/(gain) on assets in excess of interest	124,400	(25,067)
Experience losses/(gains) on liabilities	19,718	5,502
Losses/(gains) from changes to demographic assumptions	(4,180)	4,281
Losses/(gains) from changes to financial assumptions	(138,251)	(10,856)
<b>Total remeasurements</b>	<b>1,687</b>	<b>(26,140)</b>
<b>Change in value of the assets</b>		
<b>Fair value of assets at start</b>	<b>331,105</b>	307,100
Interest on assets	6,558	4,262
Company contributions	2,171	2,004
Contributions by Scheme participants	–	–
Benefits paid	(8,593)	(7,328)
Administration costs	–	–
Change due to settlements and curtailments	–	–
Return on assets less interest	(124,400)	25,067
<b>Fair value of assets at end</b>	<b>206,841</b>	331,105
<b>Actual return on assets</b>	<b>(117,842)</b>	
<b>Change in value of the DB liabilities</b>		
<b>Value of liabilities at start</b>	<b>342,209</b>	345,819
Current service cost	–	–
Contributions by Scheme participants	–	–
Past service costs	–	–
Interest on liabilities	6,759	4,791
Benefits paid	(8,593)	(7,328)
Change due to settlements and curtailments	–	–
Experience (gain)/loss on liabilities	19,718	5,502
Changes to demographic assumptions	(4,180)	4,281
Changes to financial assumptions	(138,251)	(10,856)
<b>Value of liabilities at end</b>	<b>217,662</b>	342,209

# 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 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 Welfare operational and capital funds

These funds represent legacies or donations received towards both operational activities and capital projects relating to the RSPCA's animal welfare activities. For example, capital funds can include donations or legacies received towards capital projects at the RSPCA's 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. Operational funds can represent regular, one-off and legacy donations that are used to fund the RSPCA's animal centres.

### Birmingham Fund

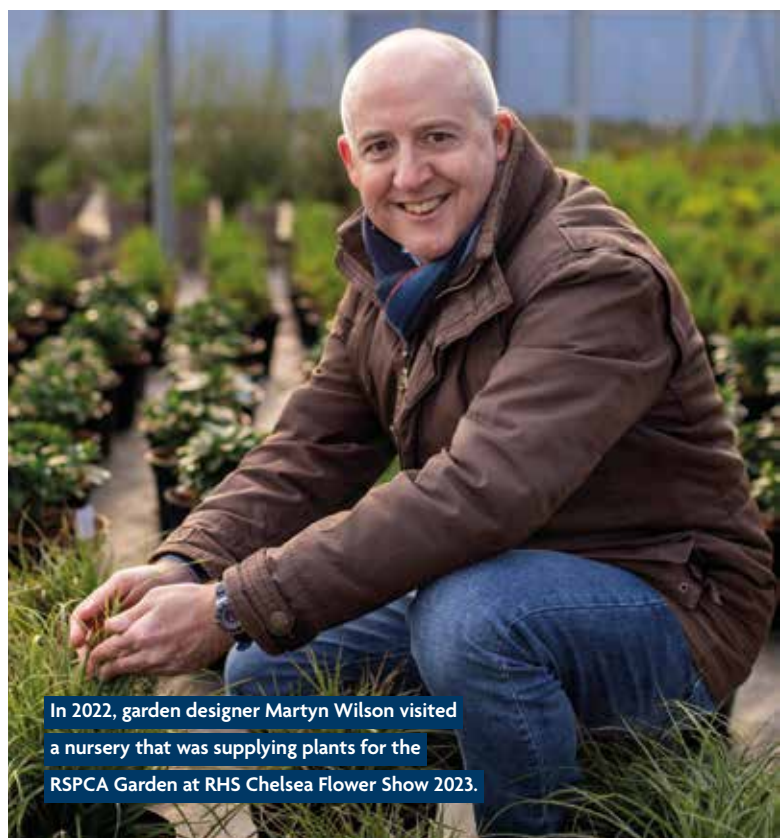
The National Society took over the activities of the RSPCA Birmingham Branch and funds are being used to meet expenditure related to ongoing animal welfare issues within the Birmingham area.

### Overseas funds

Income on the Overseas Fund is used to provide assistance for animal welfare overseas.

### 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 provided funding to build the capacity of the RSPCA's Farm Animal Department.

### 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, Parkside, Chart Way, Horsham, West Sussex RH12 1GY.

### Bankers

Coutts & Co Commercial Banking, 440 Strand, London WC2R 0QS

NatWest Bank, 10th Floor, 250 Bishopsgate, London EC2M 4AA

### Investment advisers

Barnett Waddingham, 2 London Wall Place, London EC2Y 5AU

### Independent auditors

RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

### Pension advisers

XPS Consulting Limited, Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB

# RSPCA Board 2022

## Board of Trustees

### WHO SERVED IN 2022

**Chair** René Olivieri<sup>3 5 10</sup>

**Vice Chair** David Thomas<sup>2</sup>

**Treasurer** Karen Harley<sup>1 3 5 6 9</sup>

Richard Booker<sup>1 3 6</sup>

Amanda Bringans<sup>1 9</sup>

Kevin Degenhard<sup>2</sup> (re-elected to the Board 8 October 2022)

Stuart Howells<sup>1 3</sup> (elected to the Board 8 October 2022)

José Parry<sup>2</sup> (retired 8 October 2022)

Sally Phillips<sup>2 4</sup> (retired 8 October 2022)

Brenda Shore<sup>2 3 4</sup>

David Smith<sup>1 5 10</sup>

Imogen Walker<sup>4</sup>

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

Mark Wright<sup>1</sup> (elected to the Board 8 October 2022)

In 2020, René Olivieri was re-appointed as chair until the AGM in 2023. In 2021, David Thomas was re-appointed as vice-chair until the AGM in 2024, Karen Harley was appointed as treasurer until the AGM in 2023, and Richard Booker was re-appointed as chair of the Branch Affairs Committee until the AGM in 2024.

## Co-opted committee members

### WHO SERVED IN 2022

Jane Cotton<sup>4</sup> (re-appointed 20 October 2022)

Tom Franklin<sup>4</sup> (re-appointed 20 October 2022)

Stuart Howells<sup>1 5</sup> (until 8 October 2022)

Maria Johannessen<sup>5</sup> (appointed 20 October 2022)

Hiti Singh<sup>5</sup> (appointed 20 October 2022)

Gillian Switalski<sup>2</sup> (re-appointed 20 October 2022)

John Tennent<sup>1</sup> (retired 20 October 2022)

## Committees

1. Finance, Audit and Risk Committee (FARCOM)

2. Animal Welfare Committee

3. Branch Affairs Committee

4. Governance and 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

The Rules of the RSPCA empower the Board to appoint committees of the Board and entrust to these committees such powers and duties as the Board sees fit. The 2022 committees are listed above. During 2022 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.

## Patron

Her Majesty The Queen (until 8 September 2022)

## President

Dr Richard Ryder

## Vice-Presidents

Brian Blessed

Baroness Fookes of Plymouth

Caroline Lucas

Dr Brian May

Chris Packham

## Senior management

### AT 31 DECEMBER 2022

**Chief Executive** Chris Sherwood

**Chief Operating Officer** John Kerslake

**Director of People and Culture** Fiona Evans

**Director of Policy, Prevention and Campaigns** Emma Slawinski

**Director of Engagement and Income Generation** Tracey Pritchard

**Director of Strategy and Transformation** Emily Tierney

**Director of Finance and Business Services** Tania Hudson

**Chief Legal Officer** Ray Goodfellow





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

[www.rspca.org.uk](http://www.rspca.org.uk)

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