

**THE GUERNSEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS**

**Report and Financial Statements
for the year ended
31 December 2012**

OFFICERS AND PROFESSIONAL ADVISER

PRESIDENT

Mrs J Le Cras (resigned 9 December 2013)

VICE-PRESIDENT

Mrs A. Malpas

Mr T. Le Pelley

TREASURER

Mrs S Le Tissier (resigned 28 August 2012)

Mr S Coe (appointed 28 August 2012)

GENERAL COMMITTEE

Mr J Knight

Mrs J Mahy (resigned 25 February 2013)

Mrs J Coomer

Mr A Fuller (resigned 27 November 2012)

Ms C Le Vallee (resigned 27 November 2012)

Mr S Coe (appointed 28 August 2012)

Mr S Ford (appointed 15 April 2013)

Mrs S Le Tissier

REGISTERED OFFICE

Les Fiers Moutons

St. Andrews

Guernsey

AUDITORS

Moore Stephens

Chartered Accountants

Town Mills South

La Rue du Pré

St. Peter Port

Guernsey

GY1 3HZ

The Treasurer is responsible for the preparation of financial statements in accordance with the accounting policies and The Guernsey Society for the Prevention of Cruelty to Animals (Incorporation) (Guernsey) Law 1990.

In preparing those financial statements the Treasurer is required to:

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Treasurer is also responsible for safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE GUERNSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

We have audited the financial statements of The Guernsey Society for the Prevention of Cruelty to Animals for the year ended 31 December 2012 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Society's members as a body. Our audit work has been undertaken so that we might state to the Society's members 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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Treasurer and Auditor

As explained more fully in the Statement of Treasurer's Responsibilities, the Treasurer is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standard – Provisions Available for Small Entities, in the circumstances set out in note 15 to the financial statements.

Basis for qualified opinion on financial statements

The evidence available to us for both the current and comparative years was limited because the charity, in common with many others of similar size and organisation, derived £303,013 (2011: £240,751) of its income from voluntary income, shop and other income which could not be controlled until they were entered in the accounting records and are not therefore susceptible to independent audit verification. Any adjustment to this amount would have a consequential effect on the result for the year or the comparative year. In addition, the financial statements for both the current and comparative years have not been drawn up in a number of significant respects in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" which include that the financial statements do not contain a Committee's report or a Statement of Financial Activities distinguishing between restricted, unrestricted and endowment funds.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE GUERNSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (Continued)

Qualified opinion on financial statements arising from limitation in audit scope and non compliance with Statement of Recommended Practice

Except for any adjustments to the current and comparative years that might have been found to be necessary had we been able to obtain sufficient evidence concerning voluntary income, shop and other income and the inclusion of omitted information which is required to comply with the Statement of Recommended Practice "Accounting and Reporting by Charities", in our opinion the financial statements:

- give a true and fair view of the Society's state of affairs as at 31st December 2012 and of its result 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 Guernsey Society for the Prevention of Cruelty to Animals (Incorporation) (Guernsey) Law, 1990.

In respect of the limitation on work relating to voluntary donations, shop income and book sales:

- we have not obtained all the information and explanations that we consider necessary for the purposes of our audit; and
- we were unable to determine whether proper accounting records have been maintained.



MOORE STEPHENS
Chartered Accountants

Town Mills South
La Rue du Pré
St. Peter Port
Guernsey

Dated: 17 January 2014

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	<u>2012</u>	<u>Restated</u> <u>2011</u>
<u>INCOME</u>			
Voluntary income	2	285,144	231,428
Operating income	3	332,244	296,248
Investment income	4	23,960	36,721
TOTAL INCOME		<u>641,348</u>	<u>564,397</u>
<u>EXPENDITURE</u>			
Direct costs:			
Wages and States insurance		465,323	383,955
Food		22,144	18,572
Consumable stores		19,022	11,226
Vet and medicines		32,465	22,865
		<u>538,954</u>	<u>436,618</u>
Establishment costs:			
Electricity, water and heating fuel		54,198	39,805
Repairs and renewals		16,518	12,347
Insurance		12,009	9,213
Rates and taxes		244	218
Refuse and sewage disposal		7,260	8,177
		<u>90,229</u>	<u>69,760</u>
Finance and administration:			
Bank charges		3,005	2,005
Licence fee		1,510	665
Telephone		6,235	5,605
Motor expenses		8,867	5,781
Printing, advertising, stationery and subscriptions		8,866	8,253
Postage		1,475	1,122
Audit and accountancy		5,040	5,359
Depreciation		35,800	30,008
Travel and animal transport		2,626	6,504
Training		1,685	2,715
Profit on disposal of fixed assets		-	(1,503)
Sundry expenses		15,877	2,510
		<u>90,986</u>	<u>69,024</u>
TOTAL EXPENDITURE		<u>720,169</u>	<u>575,402</u>
<u>DEFICIT FOR THE YEAR</u>			
<u>TRANSFERRED FROM CAPITAL ACCOUNT</u>	9,11	£ <u>(78,821)</u>	£ <u>(11,005)</u>

None of the Society's activities were acquired or discontinued during the current and previous years.

The notes on pages 8 to 12 form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2012

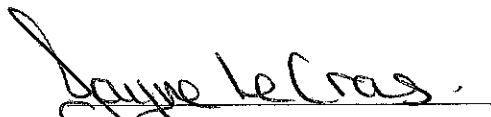
	<u>2012</u>	<u>Restated</u> <u>2011</u>
Deficit for the year	(78,821)	(11,005)
Increase/(decrease) in unrealised gain on investments	456	(264)
<u>TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR</u>	£ <u>(78,365)</u>	£ <u>(11,269)</u>

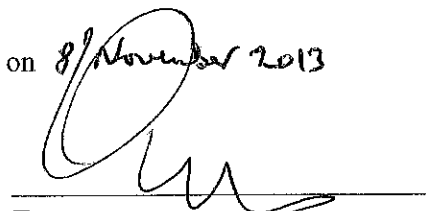
The notes on pages 8 to 12 form part of these financial statements.

BALANCE SHEET AT 31 DECEMBER 2012

	Note	<u>2012</u>	<u>Restated 2011</u>
FIXED ASSETS			
Tangible assets	5	1,046,950	1,030,941
Investments	6	1,095,902	573,072
		<u>2,142,852</u>	<u>1,604,013</u>
CURRENT ASSETS			
Debtors	7	2,966	4,502
Cash at bank and in hand		<u>435,101</u>	<u>1,013,832</u>
		438,067	1,018,334
CREDITORS			
Amounts falling due within one year	8	(90,304)	(53,367)
		<u>347,763</u>	<u>964,967</u>
NET CURRENT ASSETS			
		<u>347,763</u>	<u>964,967</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		£ <u>2,490,615</u>	£ <u>2,568,980</u>
FUNDS			
Capital account	9	2,488,823	2,567,644
Investment revaluation reserve	10	1,792	1,336
Total society's funds	11	£ <u>2,490,615</u>	£ <u>2,568,980</u>

These financial statements were approved by the undersigned on 8 November 2013


 President


 Treasurer

The notes on pages 8 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under United Kingdom Accounting Standards and the historical cost convention as modified by the revaluation of investments. The financial statements have not been prepared in a number of significant respects in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (the 'SORP') because in the Committee's view such compliance is not warranted for a charity of the size and nature of the GSPCA. The most significant departures from the SORP are that the financial statements do not include a Committee's report or a Statement of Financial Activities distinguishing between restricted, unrestricted and endowment funds.

(b) Going concern

The financial statements have been prepared on a going concern basis. The Society is heavily reliant on voluntary income, particularly legacies, which by its nature is unpredictable and accordingly cannot be guaranteed.

(c) Voluntary income

Voluntary income is included on a receipts basis.

Legacies

Legacies have been included on a receipts basis. The accruals concept is not practicable in respect of income of this nature due to the uncertainty with regard to potential claims against the estate of the legator, however, where a legacy is notified as receivable after the accounting year end, but it is clear that it had been agreed by the executor prior to the year end, then it would be accrued. Legacies are taken to the income and expenditure account.

(d) Operating income

Operating income is included on an accruals basis.

(e) Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives on a straight line basis. The rates used are as follows:-

Motor vehicles	25%
Equipment	20%
Plant	10%
Fixtures and fittings	15%
Computers	25%
Buildings	2%

(f) Investments

Investments are stated at bid valuation. Unrealised profits are taken to the investment revaluation reserve. Unrealised losses are first taken against any credit balance on the investment revaluation reserve and thereafter against the income and expenditure account. The process is reversed if those unrealised losses are subsequently made good.

(g) Investment income

Dividends are included on a receipts basis. Bank and other interest and index linked uplift are included on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Cash flow statement

The GSPCA is a small entity as defined by Financial Reporting Standard No. 1 and is therefore exempt from the requirement to prepare a cash flow statement.

2. <u>VOLUNTARY INCOME</u>	<u>2012</u>	<u>2011</u>
Legacies (see below)	87,214	184,786
Donations	166,474	32,084
Subscriptions	5,223	4,865
Collecting boxes and sundry income	20,775	5,667
In lieu of wreaths	5,458	4,026
	<u>£ 285,144</u>	<u>£ 231,428</u>

Legacies

M Deveau	77	-
L Mahy	489	-
E M Martel	500	-
D Edward	40,000	-
I M Pople	2,000	-
C Ogier	24,443	-
D Annie	19,705	-
E A Robilliard	-	3,168
O Robin	-	12,850
S Riley	-	3,514
J Ozanne	-	1,000
J Holliday	-	115,559
J Frise	-	957
M Blondel	-	39,938
L Mahy	-	7,800
	<u>£ 87,214</u>	<u>£ 184,786</u>

3. <u>OPERATING INCOME</u>	<u>2012</u>	<u>2011</u>
Boarding receipts	241,930	215,108
Animal transportation	951	1,975
Cremation fees	56,384	54,631
Adoptions and dog training	15,110	15,211
Shop and other income	17,869	9,323
	<u>£ 332,244</u>	<u>£ 296,248</u>

4. <u>INVESTMENT INCOME</u>	<u>2012</u>	<u>Restated</u> <u>2011</u>
Dividends received - gross	62	60
National Savings & Investments interest	18,305	34,381
Royal London Asset Management interest	4,007	-
Bank interest receivable	1,586	2,280
	<u>£ 23,960</u>	<u>£ 36,721</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

5. TANGIBLE FIXED ASSETS

	<u>Freehold</u> <u>land</u>	<u>Freehold</u> <u>buildings</u>	<u>Motor</u> <u>vehicles</u>	<u>Equipment</u>	<u>Plant</u>	<u>Fixtures</u> <u>and</u> <u>fittings</u>	<u>Computers</u>	<u>Total</u>
Cost								
1st January 2012	124,286	1,035,923	43,127	32,073	64,622	19,104	3,570	1,322,705
Additions	-	13,232	8,750	3,483	24,543	1,592	209	51,809
Disposals	-	-	-	-	-	-	-	-
31 December 2012	124,286	1,049,155	51,877	35,556	89,165	20,696	3,779	1,374,514
Depreciation								
1st January 2012	-	161,451	34,127	24,349	50,576	18,474	2,787	291,764
Charge for year	-	20,983	5,188	2,853	5,786	618	372	35,800
Disposals	-	-	-	-	-	-	-	-
31 December 2012	-	182,434	39,315	27,202	56,362	19,092	3,159	327,564
Net book value								
31 December 2012	124,286	866,721	12,562	8,354	32,803	1,604	620	1,046,950
31 December 2011	124,286	874,472	9,000	7,724	14,046	630	783	1,030,941

6. INVESTMENTS

	<u>At cost</u> <u>/valuation</u>	<u>Unrealised</u> <u>Gain</u>	<u>Market</u> <u>value</u> <u>31.12.12</u>	<u>2012</u> <u>income</u>
Listed investments				
UK Select Trust Limited (prev. The Investment Trust of Guernsey Limited) 1,603 Ordinary 10p shares	588	1,792	2,380	62
National Savings & Investments	589,515	-	589,515	-
Royal London Asset Management	504,007	-	504,007	-
	£ 1,094,110	£ 1,792	£ 1,095,902	£ 62
Listed investments				
UK Select Trust Limited (prev. The Investment Trust of Guernsey Limited) 1,552 Ordinary 10p shares	526	1,336	1,862	60
National Savings & Investments (as restated)	571,210	-	571,210	-
	£ 571,736	£ 1,336	£ 573,072	£ 60

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

<u>7. DEBTORS</u>	<u>2012</u>	<u>2011</u>
Other debtors	£ <u>2,966</u>	£ <u>4,502</u>
<u>8. CREDITORS</u>	<u>2012</u>	<u>2011</u>
Amounts falling due within one year:		
Deferred income - boarding receipts in advance	22,816	-
Other creditors	<u>67,488</u>	<u>53,367</u>
	£ <u>90,304</u>	£ <u>53,367</u>
<u>9. CAPITAL ACCOUNT</u>	<u>2012</u>	<u>Restated</u> <u>2011</u>
As previously stated	2,567,644	2,447,279
Prior year adjustment (note 12)	-	<u>131,370</u>
At 1st January as restated	<u>2,567,644</u>	2,578,649
Deficit for the year	<u>(78,821)</u>	<u>(11,005)</u>
At 31st December	£ <u>2,488,823</u>	£ <u>2,567,644</u>
The capital account represents funds that are available for ongoing operating and financing of the GSPCA.		
<u>10. INVESTMENT REVALUATION RESERVE</u>	<u>2012</u>	<u>Restated</u> <u>2011</u>
As previously stated	1,336	132,970
Prior year adjustment (note 12)	-	<u>(131,370)</u>
At 1st January as restated	<u>1,336</u>	1,600
Increase/(decrease) in unrealised gain on investments	456	<u>(264)</u>
At 31st December	£ <u>1,792</u>	£ <u>1,336</u>
<u>11. RECONCILIATION OF MOVEMENTS IN THE SOCIETY'S FUNDS</u>	<u>2012</u>	<u>Restated</u> <u>2011</u>
Deficit for the year	(78,821)	(11,005)
Increase/(decrease) in unrealised gain on investments	456	(264)
Net deduction from Society's funds	<u>(78,365)</u>	<u>(11,269)</u>
Society's opening funds	2,568,980	2,580,249
Society's closing funds	£ <u>2,490,615</u>	<u>2,568,980</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

12. PRIOR YEAR ADJUSTMENT

The Society owns investments in National Savings & Investments ('NS&I') and Royal London Asset Management ('RLAM') which are held in the balance sheet at valuation. Previously any annual increase in the value of these investments arising from interest and index linked uplift had been treated as capital and included in an investment revaluation reserve and taken through the Statement of Total Recognised Gains and Losses. In accordance with best practise the annual increase in the value of these investments is now treated as income and taken to the Income and Expenditure Account. Accordingly a prior year adjustment has been processed to record this change which has resulted in an increase in the brought forward balance on the Capital Account and a corresponding decrease in the brought forward balance on the investment revaluation reserve of £131,370. The adjustment has had no effect on the net assets amount in the balance sheet of the GSPCA.

13. COUNTRY OF INCORPORATION

The Society is incorporated in Guernsey under "The Guernsey Society for the Prevention of Cruelty to Animals (Incorporation) (Guernsey) Law 1990".

14. RELATED PARTY DISCLOSURES

The treasurer is of the opinion that the GSPCA has no immediate or ultimate controlling party.

During the year, the following business relationships existed between the Society and the related parties of the Society:

Veterinary and medicines expenses

The Society used the services of The Vetcare Centres of which John Knight, the former President of the Society and current Committee member, is a partner. In the year fees totalling £27,985 (2011: £21,785) were paid to the practice. The total fees due at the year end were £5,770 (2011: £NIL).

15. NON-AUDIT SERVICES

In common with many entities of our size and nature we use our auditors to assist with the bookkeeping and preparation of the financial statements.