

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

**Report and Financial Statements
for the year ended
31 December 2014**

INFORMATION

GENERAL COMMITTEE

President

John Knight

Vice-presidents

Mrs A Malpas

Mr T Le Pelley

Treasurer

Mr S Coe

Committee members

Mr J Knight

Mrs J Coomer (resigned 6 February 2014)

Mr S Ford

Mrs S Le Tissier

Mr A Birnie (appointed 14 November 2014)

Mr A Clark (resigned 11 August 2014)

REGISTERED OFFICE

Les Fiers Moutons

St. Andrews

Guernsey

AUDITOR

Moore Stephens

Chartered Accountants

Town Mills South

La Rue du Pré

St. Peter Port

Guernsey

GY1 3HZ

THE GUERNSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
STATEMENT OF THE GENERAL COMMITTEE'S RESPONSIBILITIES

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The General Committee 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 General Committee 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 General Committee 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 2014 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, 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 General Committee and Auditor

As explained more fully in the Statement of the General Committee's Responsibilities, the General Committee 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 General Committee; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 14 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 £141,618 (2013: £332,266) of its income from voluntary income, and 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 General Committee's report or a Statement of Financial Activities distinguishing between restricted, unrestricted and endowment funds.

INDEPENDENT AUDITOR'S 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 31 December 2014 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, and shop and other income:

- 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: 25 / 6 / 16

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014	2013
<u>INCOME</u>			
Voluntary income	2	125,809	310,070
Operating income	3	348,609	353,669
Investment income	4	5,338	17,215
TOTAL INCOME		479,756	680,954
<u>EXPENDITURE</u>			
Direct costs:			
Wages and States insurance		479,072	466,809
Food		12,567	15,779
Consumable stores		22,780	13,341
Vet and medicines		33,150	33,732
		547,569	529,661
Establishment costs:			
Electricity, water and heating fuel		54,002	60,581
Repairs and renewals		17,658	13,355
Insurance		12,461	12,103
Refuse and sewage disposal		8,777	7,926
		92,898	93,965
Finance and administration:			
Bank charges		2,973	3,374
Licence fee		3,500	(145)
Telephone		6,325	6,371
Motor expenses		8,349	9,041
Printing, advertising, stationery and subscriptions		5,258	6,913
Audit and accountancy		7,599	6,000
Depreciation		47,695	36,738
Travel and animal transport		3,305	2,625
Training		1,587	1,360
Profit on disposal of fixed assets		-	(500)
Fundraising expenses		16,398	14,197
Sundry expenses		2,569	7,184
		105,558	93,158
TOTAL EXPENDITURE		746,025	716,784
<u>DEFICIT FOR THE YEAR</u>			
<u>TRANSFERRED FROM CAPITAL ACCOUNT</u>	9,11	£ <u>(266,269)</u>	£ <u>(35,830)</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 2014

	<u>2014</u>	<u>2013</u>
Deficit for the year	(266,269)	(35,830)
Increase in unrealised gain on investments	11,505	519
<u>TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR</u>	£ <u>(254,764)</u>	£ <u>(35,311)</u>

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

BALANCE SHEET AT 31 DECEMBER 2014

	Note	<u>2014</u>	<u>2013</u>
FIXED ASSETS			
Tangible assets	5	1,380,980	1,050,678
Investments	6	333,827	949,461
		<u>1,714,807</u>	<u>2,000,139</u>
CURRENT ASSETS			
Debtors	7	3,864	8,072
Cash at bank and in hand		<u>561,100</u>	<u>534,581</u>
		564,964	542,653
CREDITORS			
Amounts falling due within one year	8	(79,231)	(87,488)
		<u>485,733</u>	<u>455,165</u>
NET CURRENT ASSETS			
		<u>485,733</u>	<u>455,165</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>£ 2,200,540</u>	<u>£ 2,455,304</u>
FUNDS			
Capital account	9	2,186,724	2,452,993
Investment revaluation reserve	10	13,816	2,311
Total society's funds	11	<u>£ 2,200,540</u>	<u>£ 2,455,304</u>

These financial statements were approved by the undersigned on


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 2014

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 General 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 General 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 2014

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.

<u>2. VOLUNTARY INCOME</u>	<u>2014</u>	<u>2013</u>
Legacies (see below)	11,118	135,716
Donations	61,062	127,749
Subscriptions	5,571	4,750
Collection boxes and fundraising	42,499	39,945
In lieu of wreaths	5,559	1,910
	£ 125,809	£ 310,070

Legacies

M Beazley	100	-
M Brown	500	-
E Burrard	300	-
E Gallienne	6,000	-
E Sweet	4,218	-
D Wicks	-	1,000
D Edwards	-	4,529
R E Farnham	-	22,500
J Blackburn	-	100
P Corbet	-	101,587
A Craig	-	1,000
J I Morgan	-	5,000
	£ 11,118	£ 135,716

<u>3. OPERATING INCOME</u>	<u>2014</u>	<u>2013</u>
Boarding receipts	239,844	247,231
Animal transportation	833	930
Cremation fees	73,418	66,310
Adoptions and dog training	18,705	17,002
Shop and other income	15,809	22,196
	£ 348,609	£ 353,669

<u>4. INVESTMENT INCOME</u>	<u>2014</u>	<u>2013</u>
Dividends received - gross	83	79
National Savings & Investments interest	2,049	14,361
Royal London Asset Management interest	2,718	2,234
Bank interest receivable	488	541
	£ 5,338	£ 17,215

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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>
<u>Cost</u>								
1 January 2014	124,286	1,086,265	20,750	38,742	89,165	20,696	3,949	1,383,853
Additions	-	360,539	10,950	6,308	-	200	-	377,997
Disposals	-	-	-	-	-	-	-	-
31 December 2014	124,286	1,446,804	31,700	45,050	89,165	20,896	3,949	1,761,850
<u>Depreciation</u>								
1 January 2014	-	204,159	13,376	30,425	62,148	19,582	3,485	333,175
Charge for year	-	28,936	7,925	4,483	5,786	239	326	47,695
Disposals	-	-	-	-	-	-	-	-
31 December 2014	-	233,095	21,301	34,908	67,934	19,821	3,811	380,870
<u>Net book value</u>								
31 December 2014	124,286	1,213,709	10,399	10,142	21,231	1,075	138	1,380,980
31 December 2013	124,286	882,106	7,374	8,317	27,017	1,114	464	1,050,678

Freehold buildings additions are in respect of the first stage of the new multi-purpose animal welfare building project, which was completed in the summer of 2015 and had an estimated total cost of £1.3 million. In May 2015 the GSPCA entered into a loan agreement (as described in note 15) which was secured against the freehold land and buildings.

6. INVESTMENTS

	<u>At cost/</u> <u>valuation</u>	<u>Unrealised</u> <u>Gain</u>	<u>Market</u> <u>value</u> <u>31.12.14</u>
<u>Listed investments</u>			
UK Select Trust Limited			
1,689 Ordinary 10p shares	750	2,147	2,897
National Savings & Investments	319,261	11,669	330,930
	<u>£ 320,011</u>	<u>£ 13,816</u>	<u>£ 333,827</u>
	<u>At cost/</u> <u>valuation</u>	<u>Unrealised</u> <u>Gain</u>	<u>Market</u> <u>value</u> <u>31.12.13</u>
<u>Listed investments</u>			
UK Select Trust Limited			
1,552 Ordinary 10p shares	667	2,311	2,978
National Savings & Investments	440,242	-	440,242
Royal London Asset Management	506,241	-	506,241
	<u>£ 947,150</u>	<u>£ 2,311</u>	<u>£ 949,461</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

7. DEBTORS

	<u>2014</u>	<u>2013</u>
Other debtors	£ 3,864	£ 8,072

8. CREDITORS

	<u>2014</u>	<u>2013</u>
Amounts falling due within one year:		
Deferred income - boarding receipts in advance	24,387	21,009
Other creditors	54,844	66,479
	£ 79,231	£ 87,488

9. CAPITAL ACCOUNT

	<u>2014</u>	<u>2013</u>
At 1 January	2,452,993	2,488,823
Deficit for the year	(266,269)	(35,830)
At 31 December	£ 2,186,724	£ 2,452,993

The capital account represents funds that are available for ongoing operating and financing of the GSPCA.

10. INVESTMENT REVALUATION RESERVE

	<u>2014</u>	<u>2013</u>
At 1 January	2,311	1,792
Increase in unrealised gain on investments	11,505	519
At 31 December	£ 13,816	£ 2,311

11. RECONCILIATION OF MOVEMENTS IN THE SOCIETY'S FUNDS

	<u>2014</u>	<u>2013</u>
Deficit for the year	(266,269)	(35,830)
Increase in unrealised gain on investments	11,505	519
Net deduction from Society's funds	(254,764)	(35,311)
Society's opening funds	2,455,304	2,490,615
Society's closing funds	£ 2,200,540	£ 2,455,304

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

12. COUNTRY OF INCORPORATION

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

13. RELATED PARTY DISCLOSURES

The General Committee 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, current Committee member, is a partner. In the year fees totalling £11,438 (2013: £31,188) were paid to the practice. The total fees due at the year end were £124 (2013: £2,093).

14. 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.

15. SUBSEQUENT EVENTS

In May 2015 the Society entered into a loan agreement with HSBC, under which the Society borrowed £200,000 over 13 years, with interest at 3.25% above the Bank of England base rate. The loan is secured against the Society's freehold land and buildings.

