

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

**Report and Financial Statements
for the year ended
31 December 2013**

INFORMATION

GENERAL COMMITTEE

President

Mrs J Le Cras (resigned 9 December 2013)

John Knight (appointed 9 December 2013)

Vice-presidents

Mrs A. Malpas

Mr T. Le Pelley

Treasurer

Mr S Coe

Committee members

Mr J Knight (appointed as President on 9 December 2013)

Mrs J Mahy (resigned 25 February 2013)

Mrs J Coomer (resigned 6 February 2014)

Mr S Ford (appointed 15 April 2013)

Mrs S Le Tissier

Mr A Birnie (appointed 14 November 2014)

Mr A Clark (appointed 9 December 2013, 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 2013 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 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 £332,266 (2012: £303,013) 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 2013 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: 22/7/15

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	<u>2013</u>	<u>2012</u>
<u>INCOME</u>			
Voluntary income	2	310,070	285,144
Operating income	3	353,669	332,244
Investment income	4	17,215	23,960
TOTAL INCOME		<u>680,954</u>	<u>641,348</u>
<u>EXPENDITURE</u>			
Direct costs:			
Wages and States insurance		466,809	465,323
Food		15,779	22,144
Consumable stores		13,341	19,022
Vet and medicines		33,732	32,465
		<u>529,661</u>	<u>538,954</u>
Establishment costs:			
Electricity, water and heating fuel		60,581	54,198
Repairs and renewals		13,355	16,518
Insurance		12,103	12,009
Rates and taxes		-	244
Refuse and sewage disposal		7,926	7,260
		<u>93,965</u>	<u>90,229</u>
Finance and administration:			
Bank charges		3,374	3,005
Licence fee		(145)	1,510
Telephone		6,371	6,235
Motor expenses		9,041	8,867
Printing, advertising, stationery and subscriptions		6,913	8,866
Audit and accountancy		6,000	5,040
Depreciation		36,738	35,800
Travel and animal transport		2,625	2,626
Training		1,360	1,685
Profit on disposal of fixed assets		(500)	-
Fundraising expenses		14,197	12,340
Sundry expenses		7,184	5,012
		<u>93,158</u>	<u>90,986</u>
TOTAL EXPENDITURE		<u>716,784</u>	<u>720,169</u>
<u>DEFICIT FOR THE YEAR</u>			
<u>TRANSFERRED FROM CAPITAL ACCOUNT</u>	9,11	£ <u>(35,830)</u>	£ <u>(78,821)</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 2013

	<u>2013</u>	<u>2012</u>
Deficit for the year	(35,830)	(78,821)
Increase in unrealised gain on investments	519	456
<u>TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR</u>	£ <u>(35,311)</u>	£ <u>(78,365)</u>

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

BALANCE SHEET AT 31 DECEMBER 2013

	Note	<u>2013</u>	<u>2012</u>
FIXED ASSETS			
Tangible assets	5	1,050,678	1,046,950
Investments	6	949,461	1,095,902
		<u>2,000,139</u>	<u>2,142,852</u>
CURRENT ASSETS			
Debtors	7	8,072	2,966
Cash at bank and in hand		<u>534,581</u>	<u>435,101</u>
		542,653	438,067
CREDITORS			
Amounts falling due within one year	8	(87,488)	(90,304)
NET CURRENT ASSETS		<u>455,165</u>	<u>347,763</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 2,455,304</u>	<u>£ 2,490,615</u>
FUNDS			
Capital account	9	2,452,993	2,488,823
Investment revaluation reserve	10	2,311	1,792
Total society's funds	11	<u>£ 2,455,304</u>	<u>£ 2,490,615</u>

These financial statements were approved by the undersigned on 21/7/15

President

21/07/2015

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 2013

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 2013**

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>2013</u>	<u>2012</u>
Legacies (see below)	135,716	87,214
Donations	127,749	166,474
Subscriptions	4,750	5,223
Collection boxes and fundraising	39,945	20,775
In lieu of wreaths	1,910	5,458
	£ 310,070	£ 285,144

Legacies

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	-
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
	£ 135,716	£ 87,214

3. <u>OPERATING INCOME</u>	<u>2013</u>	<u>2012</u>
Boarding receipts	247,231	241,930
Animal transportation	930	951
Cremation fees	66,310	56,384
Adoptions and dog training	17,002	15,110
Shop and other income	22,196	17,869
	£ 353,669	£ 332,244

4. <u>INVESTMENT INCOME</u>	<u>2013</u>	<u>2012</u>
Dividends received - gross	79	62
National Savings & Investments interest	14,361	18,305
Royal London Asset Management interest	2,234	4,007
Bank interest receivable	541	1,586
	£ 17,215	£ 23,960

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. TANGIBLE FIXED ASSETS

	<u>Freehold land</u>	<u>Freehold buildings</u>	<u>Motor vehicles</u>	<u>Equipment</u>	<u>Plant</u>	<u>Fixtures and fittings</u>	<u>Computers</u>	<u>Total</u>
Cost								
1st January 2013	124,286	1,049,155	51,877	35,556	89,165	20,696	3,779	1,374,514
Additions	-	37,110	-	3,186	-	-	170	40,466
Disposals	-	-	(31,127)	-	-	-	-	(31,127)
31 December 2013	124,286	1,086,265	20,750	38,742	89,165	20,696	3,949	1,383,853
Depreciation								
1st January 2013	-	182,434	39,315	27,202	56,362	19,092	3,159	327,564
Charge for year	-	21,725	5,188	3,223	5,786	490	326	36,738
Disposals	-	-	(31,127)	-	-	-	-	(31,127)
31 December 2013	-	204,159	13,376	30,425	62,148	19,582	3,485	333,175
Net book value								
31 December 2013	124,286	882,106	7,374	8,317	27,017	1,114	464	1,050,678
31 December 2012	124,286	866,721	12,562	8,354	32,803	1,604	620	1,046,950

Freehold buildings additions are in respect of the first stage of the new multi-purpose animal welfare building project, which is scheduled for completion in the summer of 2015 and has 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/ valuation</u>	<u>Unrealised Gain</u>	<u>Market value 31.12.13</u>
Listed investments			
UK Select Trust Limited			
1,651 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>
Listed investments			
UK Select Trust Limited			
1,552 Ordinary 10p shares	588	1,792	2,380
National Savings & Investments	589,515	-	589,515
Royal London Asset Management	504,007	-	504,007
	<u>£ 1,094,110</u>	<u>£ 1,792</u>	<u>£ 1,095,902</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. DEBTORS	<u>2013</u>	<u>2012</u>
Other debtors	£ <u>8,072</u>	£ <u>2,966</u>
8. CREDITORS	<u>2013</u>	<u>2012</u>
Amounts falling due within one year:		
Deferred income - boarding receipts in advance	21,009	22,816
Other creditors	<u>66,479</u>	<u>67,488</u>
	£ <u>87,488</u>	£ <u>90,304</u>
9. CAPITAL ACCOUNT	<u>2013</u>	<u>2012</u>
At 1st January	2,488,823	2,567,644
Deficit for the year	<u>(35,830)</u>	<u>(78,821)</u>
At 31st December	£ <u>2,452,993</u>	£ <u>2,488,823</u>
The capital account represents funds that are available for ongoing operating and financing of the GSPCA.		
10. INVESTMENT REVALUATION RESERVE	<u>2013</u>	<u>2012</u>
At 1st January	1,792	1,336
Increase in unrealised gain on investments	<u>519</u>	<u>456</u>
At 31st December	£ <u>2,311</u>	£ <u>1,792</u>
11. RECONCILIATION OF MOVEMENTS IN THE SOCIETY'S FUNDS	<u>2013</u>	<u>2012</u>
Deficit for the year	(35,830)	(78,821)
Increase in unrealised gain on investments	519	456
Net deduction from Society's funds	<u>(35,311)</u>	<u>(78,365)</u>
Society's opening funds	2,490,615	2,568,980
Society's closing funds	£ <u>2,455,304</u>	<u>2,490,615</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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, the former President of the Society (since re-appointed in December 2014) and current Committee member, is a partner. In the year fees totalling £31,188 (2012: £27,985) were paid to the practice. The total fees due at the year end were £2,093 (2012: £5,770).

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.