

**THE JERSEY SOCIETY FOR THE
PREVENTION OF CRUELTY
TO ANIMALS (INCORPORATED)**

**COMMITTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

CONTENTS

	Page
Reference and Administrative Details of the Society, its Committee and Advisers	1
Committee's Report	2 - 11
Independent Auditors' Report	12 - 13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16 - 25

THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS COMMITTEE AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Patron: Bailiff of Jersey Sir William James Bailhache

Committee:

Mr C. E. Gruchy, President
Mr S. Power, Vice President
Mr R. Bignell, Honorary Treasurer
Mrs J. Campbell, Honorary Secretary
Mrs T. Walker Honorary Veterinary Surgeon
Mr C. Cook, Committee Member
Mrs L. Cook, Committee Member
Mrs D. Taylor-Cox, Committee Member
Miss C. Garner, Committee Member

Association of Jersey Charities membership number: 87

Registered office

Animals' Shelter
89 St Saviour's Road
St Helier
Jersey
JE2 4GJ

Honorary secretary

Mrs V. Campbell

Chief executive officer

Major Stephen Coleman

Auditors

Moore Stephens
First Island House
Peter Street
St Helier
Jersey
JE4 8SG

Bankers

RBSI Limited
Royal Bank House
Bath Street
St Helier
Jersey

COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Society was founded in 1868 and incorporated on 28th May 1936 by an Act of the States of Jersey.

The Society's Mission statement is:

"Prevent cruelty, promote knowledge, provide for the aged, sick, lost and unwanted animals."

The constitution for members is readily available on the Society's website www.jspca.org.je or from the JSPCA Animals' Shelter at 89 St Saviours road during normal working hours.

Details of the committee members and officers are set out on page 1.

Composition and appointment of Committee Members and Officers

The Society is governed by a Committee of a maximum of six officers and six members. The Officers are elected by the membership at the annual general meeting of the Society for a period of three years. The Committee members are elected for three years at the annual general meeting of the Society. No Officer or Committee member may serve more than two consecutive terms. However, any Officer or Committee Member who has completed two consecutive terms of office may stand for re-election after a lapse of one calendar year.

Policies adopted for the induction and training of Committee Members and Officers

The Officers' of the Society's Committee and Chief Executive Major Stephen Coleman have on-going training in good corporate governance, this is conducted by either the former Jersey Banking Regulator Roger Bignell or the Association of Jersey Charities.

Organisational structure and decision making

The day to day operations of the Society are delegated to the Chief Executive as per the Committee Minute of 9th September 2009 and his management team.

Risk management

The Committee have assessed the major risks to which the Society is exposed, in particular those related to the operations and finances of the Society, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

All substantial capital items and other forms of expenditure, greater than £20,000, are discussed by the committee and voted on. All other items of expenditure, less than £20,000 are discussed between the President and Chief Executive and agreed upon. The Society's bank accounts require a minimum of two signatories no matter what the amount. The signatories are: President, Vice –President, Chief Executive and Honorary Treasurer.

COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

The Society has a quarantine facility, which can be utilised by the States of Jersey Vet, and therefore is exposed to the risk of the pandemic avian flu strain H5N1 or other zoonotic disease such as rabies. These diseases if not dealt with properly could have the potential to close the operations of the Society down at its site in St Saviour's road therefore all frontline staff are rabies vaccinated and given the flu injection to assist in prevention and all suspected rabid animals and wildfowl birds are attended to by staff in full Personal Protective Equipment's (PPE) including respirator. This system provides the best method of minimising the potential risk to staff health and Society operations.

The European Union (EU) will as of the 1st January 2012 abolish the need for pet passports for travel through the European Union Economic Area (EUEA) and member states. The United Kingdom (UK) has managed to get an abrogation to ensure that pets are wormed by a vet 1 to 5 days before return travel to the UK and this is recorded on the pet passport. However, the need for a vet to confirm rabies vaccination before travel within the EUEA will fall away for member states from the 1st January 2012. This relaxation has given rise to the number of pets travelling from Eastern Europe, where rabies is still a major threat to human health, into the Island. The United Kingdom (UK) Government Agency The Department for Rural Affairs (Defra) has seen the following increase since the rules changed on 1st January 2012.

	2014	2015	Increase
Pet species			
Dogs	151,367	164,836	9%
Cats	16,191	17,324	7%

However, what is most worrying is the continued increase in 2015 over 2014 in the illegal importation of pets from Eastern Europe which could harbour a number of zoonotic diseases, which are endemic in these countries, these are:

- Leishmania
- Dirofilaria
- Babesia
- Rabies

Of which rabies is the most emotive. This situation has led the UK Health Protection Agency (HPA) is to issue to all General Medical (GP) practitioners a statement that, "any patient who returns to the UK after visiting any member of the former Soviet Eastern European block who has had a scratch or bite by a wild animal or stray dog must be sent to their local Accident and Emergency Department to commence rabies prophylactic treatment". Jersey has seen a substantial rise in the number of citizens from this locality particularly Romania and Bulgaria. All JSPCA frontline staff are vaccinated against rabies.

In 2013 there were three confirmed cases of rabies in Western Europe one cat in Paris, a puppy in Brussels and a dog in Toledo Spain.

In 2014 The Charity Dogs Trust issued a report into the illegal smuggling of puppies into the United Kingdom from: Lithuania, Hungary and Slovakia, proving beyond doubt that the pet passport rules were being abused in these countries for commercial gain and thereby placing the UK dog population at significant risk from zoonotic diseases.

There was a further pet passport rule change on 29th December 2014, but as yet there is no empirical evidence to show what impact this change has produced.

The Animals' Welfare (Jersey) Law 2004, which became law on 5th February 2007, places an obligation on the Society to be licensed annually by The Environment Department.

COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

The Goods and Services Tax (GST) came into force in May 2008. The Society as a registered Non Profit Organisation (NPO) is exempt from having to charge this tax on its output however, most input goods and services are subject to this tax and the Society has to reclaim this amount from the Treasury monthly in arrears. This system did have a number teething problems in its early stages, but it is now working well. The society received its first inspection from the States of Jersey Tax Department GST Team in 2011 and passed with flying colours.

The Jersey Non Profit Organisation Law came into force in October 2008 and the Society is registered with The Jersey Financial Services Commission (JFSC) as prescribed by the law as such a body. To date since registering no other actions have taken place by the JFSC however, the law does give them a number of powers including unannounced inspection. How heavy or light handed the JFSC will be in the execution of these new powers remains to be seen.

The new Jersey Charities Law, agreed in late June 2014, has received Royal assent and is now on the Jersey statute, how this will impact on the Society and how heavy or light the new Charities Commissioner will be remains to be seen.

OBJECTIVES & ACTIVITIES

Policies and objectives

The objects of the Society are: -

- (i) The prevention of cruelty to animals.
- (ii) The promotion of kindness to and interest in the welfare of animals by lectures to schoolchildren, youth clubs and similar bodies, or by any other method the Committee may decide.
- (iii) The provision of a temporary home for stray or injured animals or birds.
- (iv) The provision of a hospital and clinic service for injured or sick animals.
- (v) The provision of an Animals' Shelter and Boarding Kennels for animals.
- (vi) The provision of humane euthanasia.
- (vii) To make Awards at the discretion of the Committee for any meritorious service in connection with any of the above Objects.
- (viii) To do all such other things as the Society may deem incidental or conducive to the attainment of any of the aforesaid Objects.

**COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Strategies for achieving objectives

In order to attain these objectives the Society needs to maintain, expand into new generating areas and where possible increase all current revenue streams in line with the Business Plan of the JSPCA. The income of the JSPCA can be divided into a number of areas the most prominent are:

1. Donations.
2. Boarding.
3. Cremation Fees.
4. Monthly direct debits.
5. Legacies.
6. Fundraising.
7. Sponsorships.
8. Subscriptions.
9. 24hr Ambulance service income.
10. Rental income from let Society properties.

Of these, legacies are the most inconsistent due to the demographic makeup of the Island and the uncertain nature of amount and date of receipt when monies will come in. The donation pool is subject to the vagaries of the economic cycle and has a surge and fall effect despite efforts to move people to regular monthly donation via direct debit. The membership pool provides a small but continued source of regular income, however the opportunities to increase membership and fees are severely restricted on Island. It is hoped to find a cost effective manner in which the "overseas" pool of potential members may be tapped. The fundraising activities have traditionally focused on organisations such as schools, businesses and local events centred on Parish and Island draws. The sphere of corporate sponsorship is one that the JSPCA has not entered into and it is anticipated that this particular section with the right approach will produce regular amounts. There have been three major successes in 2015 for support. These companies are Hawksford Trust, Coutts Trust, State Street Bank, HSBC and Barclays Bank. The boarding fees have traditionally been kept very competitive so as not to exclude any section of Island society from accessing boarding for their animals.

Activities for achieving objectives

These are divided into seven main income streams:

BOARDING FEES

A comprehensive review of boarding fees has been undertaken and these will rise for the fiscal year 2016 in line with other boarding establishments, but the rise will be minimal due to current economic pressures and significant increases in costs associated with this sector. This review will be conducted on a yearly basis to ensure the right level of return is achieved annually. Similarly the Society must not be perceived as trading on its "charity welfare" status so as to maximise profit at the expense of other commercial businesses in the same field.

BOARDING DEVELOPMENT

The Committee has recognised that boarding income can be developed to provide further significant income which would release the Society from the "swings and roundabouts" of depending on legacy income to balance the books. To this end the Committee has undertaken works to identify and then commence a project to remove dog boarding from St Saviours Road and place it at an out of town site with the capacity for 140 dogs. This would generate an income of an additional projected £400k per year. The Committee has currently found a site in St Mary's with a willing Landlord and has now commissioned architectural plans and discussions to obtain the site with a planning deadline of February 2016 and a proposed build in 2017. The build would take approximately 9 – 10 months with the aim of having the new facility open for business in the society's 150 anniversary year 2018

**COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

CREMATORIUM FEES

The communal cremation fees are now levied at an appropriate level to the Island's veterinary practices. The policy of "free wildlife communal cremations" is being maintained in accordance with the Royal Veterinary College guidelines to all animal welfare organisations and registered vet practices. The collection charge is waived for these along with other fee producing communal cremations if individuals are collected at the same time from the relevant vet practice.

The pricing structure in 2013 produced a significant income stream for the Society during that year. However, due to the on-going fiscal malaise affecting the Island there will be no increase during the 2015 fiscal year. The Society has the only Island facility offering this service and it is felt any significant rises would place the income stream under strain and may also prevent islanders from accessing the service. The policy will be reviewed in the fourth quarter 2015, as the Island economy is predicted to rise in line with UK growth, for a price increase in 2016.

RENTAL INCOME FROM PROPERTIES

The Society currently holds one property for staff accommodation, 70 Val Plaisant. This property is divided into four flats and let to staff at a subsidised rate.

There are a further four units of accommodation at the Society's site, 89 St Saviours Road of these two are let to staff and two on a commercial basis. It is anticipated that this ratio will be maintained.

The Education Centre on the St Saviours' site, which had been little used since Highlands College ceased funding for their companion animal husbandry course in 1998. It has now been let on a commercial basis to a Nursery group on a three yearly renewable lease and will generate a five figure income for the Society during this period. The Nursery will work with the Society to ensure the next generation of companion animal owners are introduced at an early age to the responsibilities of pet ownership.

There is also a let Grooming parlour within the Society's new build let on an annual rental of £10,000 which is reviewed every two years.

The Society has also entered into agreements with Sure Telecom for the renting of mobile repeating dish space on the Annie Rouse Building, covering some 15sq ft at an annual rental of £7,000 for eight years with a review after 3 years.

MEMBERSHIP FEES

The pool of available members is limited on the island and along with this the ability to raise large sums from membership fees. The area of "overseas" membership is going to be addressed and it is expected that this area of membership will be catered for by utilising the JSPCA web site www.jspca.org.je and Face Book pages once a cost effective mechanism can be found.

DONATIONS

These have increased significantly since the JSPCA profile has been raised by a Social Media, the Society Facebook page has over 5,300 followers, BBC Jersey Radio Show, The Jersey Evening Post and a variety of positive media exposure whenever the situation allows. There are plans to increase the pool of donors by carrying out a number of further initiatives to build on the success of the all Island mail shot in 2008 which enabled the Society to establish a donor base from which to target future initiatives as soon as the current economic downturn shows signs of recovery. This activity is seen as managing migration from legacy dependency to one of monthly donations thus reducing dependency on legacies for operational funding.

**COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

LEGACIES

These continue to contribute as one of the sources of everyday working capital and have done so for a considerable period of time. However, the trend of reliance on such an unpredictable source of major financial support is now being altered and alternatives found. During 2013 further significant steps were taken and a significant reduction on this form of dependency has been achieved with legacies only contributing to a much lower level of operational revenue in 2014 and this move will continue to grow apace during 2015 and 2016 as the Island comes out of recession and sees economic growth.

ISLAND STRAY DOG CONTRACT

The Society was successful in its bid for the 3 year Island stray dog contract. This commenced in December 2014 and is for a period of 3 years with the option to extend for another 3 years. The Society is paid an annual retainer in advance of £10,000 per annum and charges out for collection and boarding of the stray animal direct to the owner concerned. Should the owner not pay then the Society costs are covered by the Parish to whom the dog has strayed into and therefore is not exposed to any potential "bad debt" from this operational activity.

Achievements and performance

Review of activities

SOCIETY CHARITABLE OPERATIONS

24 HR AMBULANCE SERVICE

This is provided by the Society for tasking by the members of the Public or any professional body. The service is co-ordinated and tasked from Reception at 89 St Saviour's Road during 08:00hrs - 17:00hrs and is normally on site within 20 minutes of being called out. The Ambulance also collects communal pet and wildlife cremations from the Island's vet practices on a daily basis. From 17:00hrs daily the service is placed on a dedicated "out of normal working hours" mobile phone number. The duty driver then attends to incidents as he is called. There is a high level of seasonality in the service with heavy activity during the summer months and lessening during the spring and autumn months. It has its quietest time during the winter months. This service has a considerable staffing requirement to ensure full 24 hour coverage at all times of the year.

FOSTER CLINIC

This is a service provided to enable those animals which have been disclaimed to the JSPCA with a known illness, to receive on-going treatment for their specific ailments at no cost to the new owner. During 2014 it was decided to alter the "Foster agreement" from 2015 to ensure that all foster owners pay for drugs and prescription foods at cost plus 10% and £10 for the veterinary consultation. The Clinic is also utilised to check over and carry out veterinary procedures where applicable on all disclaimed, stray and wild animals that are brought in to be the responsibility of the Society prior to release or re-homing. The staffing requirement for this service is comprehensive as it crosses over a number of inter – departmental boundaries and therefore costs and staffing resources impact in many different areas of the Society's functions.

**COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

WELFARE CLINIC

This is a service offered to Islanders who have fallen on hard times and are in receipt of income support and is limited to three animals only at time of registration. The clinic is open Monday – Friday between the hours of 14:00hrs and 16:00hrs an appointment is required and clients must make a contribution of £10 payable before accessing the clinics' vet. All pets are also micro chipped at no cost during the first consultation if required. All subsequent visits are also subject to the £10 consultation charge. The free spaying or neutering is continuing, however the cost of drugs is now borne by the client at cost plus 10% and any surgical procedures are levied at 50% of the cost.

RE-HOMING KENNELS & CATTERY

These facilities are staffed by those currently involved with boarding facilities we offer in relation to dogs and cats. The animals in this facility are "on show", after health checking, in a separate block for dogs and in an isolated wing for cats. This ensures there is complete demarcation between boarders and those animals awaiting new homes. The same staffs also carry out the "home visit" which is an integral part of the JSPCA adoption process. The costs of feeding, cleaning, socialisation, accommodation and any vet services required during the animals' stay are borne by the Society. Upon successful re-homing the Society only asks for a donation from the new owners with no amount being specified. There is a large chart at Reception which is highly visible, showing the cost to the Society as: dogs £80, cats £59, rabbits and rodents £46; all persons re-homing an animal are encouraged by Reception staff to ensure this cost is met.

DONATED RESOURCES

The Society is in receipt of donated resources in terms of the time donated by volunteers. This time is estimated to amount to 7,510 hours in 2015. The Society was also in receipt of the supply of fresh fruit, carrots, and brassicas on a 6 day basis free of charge from the Coop Grand Marche. The JEP provided the free compilation, printing and distributing of the Society magazine during the year, which would be valued at £4,500. The JEP also provided on a six day a week basis an advertisement by the Society warning of the dangers of obtaining animals from sources (such as puppy farmers) that would have cost in excess of £17,500.

AFFILIATE SUPPORT

The JSPCA seeks to assist its affiliated Charities by incorporating them in its Open Days and other opportunistic events that will not significantly detract or dilute the donations of the public to the JSPCA. The Society also tries to ensure that where possible and practicable that capital items that the Society has renewed, but still have good life left, are passed on to affiliates at no charge. Further, the Society also acts as a facilitator and enabler in ensuring that affiliates' voice is heard at a Governmental level on Animal Welfare issues.

FINANCIAL REVIEW

The Society has now changed its balance sheet significantly and has moved into one of "asset rich" but cash poor. The Society has seen the demand for boarding particularly in dogs increase, substantially during 2015. This has led to a plan whereby the Society will realise an asset to fund the development of a 140 unit dog kennelling/boarding establishment and associated facilities. The asset already has been given planning consent for the building of twelve 3 bed homes, which would sell for approximately £575,000 for a sales value of some £6.9 million with an expected 50% net profit. This would be utilised for the building of the new facility with the aim of being totally self-funding by 2019.

**COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Principal funding

TARGETS

These can be sub-divided into short term or strategic. The short term is 6 months – 1 year with strategic being 2 – 3 years. When identifying these targets it is vital that they are achievable and reviewed regularly in the light of prevailing economic and environmental factors. The current economic outlook is still uncertain as the effects of world reducing energy prices, disquiet in the Ukraine and the Greek debt fiasco continue to impact on the Islands economy. Therefore I have identified a number of areas, including that of staff that could be reduced if the Society experiences a sudden down turn in income associated with boarding and general donations, this reduction would need to be in the region of 35% or more to bring about activation of these measures.

The primary target for 2016 and beyond is to continue the move away from legacy income dependency as the balancing source of funding towards the Society's operational revenue streams such as boarding fees, cremation fees, direct debit donations, corporate sponsorship and niche level fund raising. The secondary target should be an aggressive twin track approach to fundraising by concurrently working at the local level on Parish and Island events to raise awareness and the profile of the JSPCA. This will be done while seeking specific corporate sponsorship/funds for unique JSPCA activities such as the animal welfare clinic at the same time. The JSPCA strategic target should be the re-establishment of the buffer fund of two years' operating costs, as soon as revenues allow.

The targets should be:

Short term:	To raise, where possible, all operational revenues by at least RPI for 2016/17. To plan for a realisation of assets to facilitate the funds to build a new 140 kennel unit dog boarding facility and complementary activities, doggy day care, grooming parlour and sensory dog walking trail.
Strategic:	To re-establish the buffer fund of twenty four months operating costs as soon as revenues allow. To further grow the donor base, with the aim of providing increased donation funding thus reducing dependency on legacies by 2016. To move dog boarding to a new 140 unit facility to realise an asset and grow dog boarding income. To establish a Veterinary Nurses College To establish a coffee shop in the Annie Rouse building. To strive for self sufficiency in all areas so that income and expenditure are balanced within the next ten years.

**INCOME
DEVELOPMENT OPPORTUNITIES**

These are not easy to identify as many of the Society's services and functions do not translate easily into the world of commercial business

COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

INCOME DEVELOPMENT DURING 2015

- Successful tender for the Island Stray Dog Contract, in the first year net revenue in flow of £17,400 some 7K greater than expectation.
- The continuation of the "Pet and wildlife" photographic competition in conjunction with the Jersey Evening Post sponsored by Sinels Advocates.
- The SLA between the Society and the Housing Department has been developed and is now implemented.
- The Education building has been a success as a nursery and negotiations are now on-going for another leased term of at least three years.
- The establishment of formal Education courses in Animal Care with qualifications awarded by City & Guilds in conjunction with Highlands College has realised as revenue stream of £5,000 in its first six months of operation
- The establishment of retail sales in Hills pet foods and CEVA animal pheromone products coupled with sales of animal specific disinfectants have already proved to be highly successful in driving footfall to the Society.
- The establishment of Valentine's Day fund raiser "Love Your Partner Love Your Pet".
- The cremation system has been updated and much greater efficiency has been achieved along with an increase in income generation.
- The further development of the Society Facebook page during 2015 has raised the Society's engagement with the 16 – 25 year old sector of Island society and has resulted in broadening our donor and re-homing base. There are now over 5,000 active supporters utilising this medium.
- The boarding fees are now raised bi-annually in line with the Business Plan as the current economic malaise continues.
- A specific Animal Trust Fund has been established by Coutts with distributions to the Society in this financial year.
- There is now a highly visible display board at reception detailing the actual cost to the Society of preparing animals for re-homing. This policy of overt demonstration of a more "actual cost" of re-homing has seen a significant rise in donation income for re-homed animals.

FUTURE DEVELOPMENT

The areas of continued development are:

- The continued development of the Service Level Agreement (SLA) with the Housing Ministry, in the provision of "home assessment surveys" to enable the Ministry to assess the suitability of its properties to the tenants' needs of keeping pets. Also the education of tenants in their responsibilities to pets once permission has been granted through "open workshops" and free booklet information.
- The implementation of full time animal care courses by September 2016, with full cost recovery.
- The development of the 100 unit boarding and associated facilities by 2018.
- The development of an SLA with Health Protection to assist them under the Noise Abatement Act when dealing with barking dogs and their environment.
- An annual campaign targeting the Charitable Trusts in Jersey for funds.
- Further development of the website, to include links to Association of Dog and Cat Homes (ADCH) and the International Companion Animal Welfare (ICAW) web sites.
- The identifying of alternative uses and income streams from "stock buildings" that the Society is not using at the St Saviour's Road site.
- The establishment of retail sales in Hills pet foods and CEVA animal pheromone products coupled with sales of animal specific disinfectants has already proved to be successful.
- The development of "beyond use" or "beyond economic repair" buildings to facilitate improvements in animal welfare and open up further income generating opportunities.
- The lobbying of States Members in order to raise the awareness of these services in the eyes of the States elected representatives through committee, sub- committee and individual member action.
- The continual raising of the JSPCA's profile through positive media reports/events.
- The provision of educational seminars to the service clubs and schools.
- The development of a corporate presentation team that tours the large corporate entities on an annual basis within the Island seeking rolling committed funding for a period of between 1 to 3 years.

**COMMITTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

CONCLUSION

The Society needs to build on the successes of 2015 and continue to develop its income streams and where possible ensure that the highest rate for the service is achieved. These activities are in support of the charitable works and therefore the quicker the move onto a more commercial footing the better it will be for the Society. This will no doubt require some hard decisions as the JSPCA members and staff have not had a culture of business awareness. However, it is imperative that the JSPCA staff, committee and members commence a slow but deliberate policy of change to a more business-like approach to those areas of operation that generates income. These are the streams that must be developed and nurtured in order to complete the move away from legacy dependency. This will then allow for a greater proportion of revenue from all streams to be spent on the Society's Mission Statement and charitable activities.

STATEMENT OF COMMITTEE'S RESPONSIBILITIES

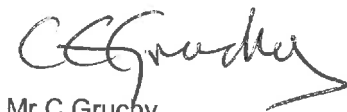
The Committee are responsible for preparing the Society's annual report and the financial statements of the Society in accordance with applicable law and regulations.

The Constitution of the Society requires the Committee to prepare the financial statements of the Society for each financial year. The Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Committee prepare financial statements that give a true and fair view of the state of affairs of the Society and of its financial position at the end of the year. In preparing these financial statements, the Committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements of the Society on the going concern basis unless it is inappropriate to presume that the Society will continue in operation.

The Committee are responsible for keeping proper accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial statements of the Society and enable them to ensure that the financial statements comply with the provisions of the Constitution of the Society. The Committee are responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Committee on 18/5/16 and signed on their behalf, by:


Mr C Gruchy
President

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

We have audited the financial statements of The Jersey Society for the Prevention of Cruelty to Animals (Incorporated) for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 20. 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 charitable society's members as a body. Our audit work has been undertaken so that we might state to the charitable society's members those matters we are required to state to them in an Auditors' 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 charitable society and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF COMMITTEE AND AUDITORS

As explained more fully in the Statement of Committee's Responsibilities set out on page 11, the Committee are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law 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 committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the committee 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.

OPINION ON FINANCIAL STATEMENTS

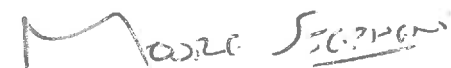
In our opinion the financial statements:

- give a true and fair view of the state of the charitable society's affairs as at 31 December 2015 and of its incoming resources and application of resources, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED) - continued

EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to the financial statements which disclose that the Society's expenditure exceeded its income by £100,576 during the year ended 31 December 2015 and, as of that date, the Society has a net current liabilities of £505,840. As referred to in note 1 to these financial statements, the Society is looking to sell part of its property holding for development and it is the Committee's opinion that such a sale would realise sufficient funds ensure that the Society remains a going concern. Consequently these financial statements have been prepared on a going concern basis.



Moore Stephens
Chartered Accountants
First Island House
Peter Street
St Helier
Jersey
JE4 8SG

Dated: 23 MAR 2016

THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Total funds 2015 £	Total funds 2014 £
INCOME ENDOWMENTS FROM			
Incoming resources from generated funds:			
Donations and legacies	2	1,334,785	717,793
Other trading activities		20,931	19,112
Income from investments	4	93,173	87,525
Income from charitable activities	3	468,374	428,637
Other income		14,126	32,388
TOTAL INCOME AND ENDOWMENTS		1,931,389	1,285,455
EXPENDITURE ON			
Expenditure on raising funds	5 & 7	85,326	81,186
Expenditure on charitable activities	6 & 7	1,953,801	1,891,384
TOTAL EXPENDITURE		2,039,127	1,972,570
Net gain on disposal of fixed asset		7,162	-
NET INCOME/(EXPENDITURE)			
		(100,576)	(687,115)
Transfers between funds	13	-	-
Net movement in funds		(100,576)	(687,115)
<i>Total funds at 1 January</i>		<i>4,810,582</i>	<i>5,497,697</i>
TOTAL FUNDS AT 31 DECEMBER	13	4,710,006	4,810,582

All incoming resources and resources expended for the current and prior year are derived from continuing operations.

The notes on pages 16 to 25 form part of these financial statements.

THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

**BALANCE SHEET
AS AT 31 DECEMBER 2015**

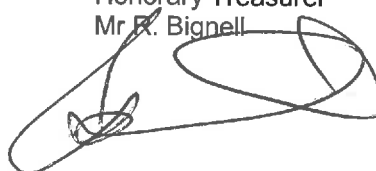
	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible fixed assets	9		5,215,846		5,297,675
CURRENT ASSETS					
Stocks	10	32,716		37,538	
Debtors	11	42,690		41,015	
Cash at bank		823		3,241	
		<u>76,229</u>		<u>81,794</u>	
CREDITORS: amounts falling due within one year	12	(582,069)		(568,887)	
NET CURRENT (LIABILITIES)			<u>(505,840)</u>		<u>(487,093)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>4,710,006</u></u>		<u><u>4,810,582</u></u>
CHARITY FUNDS					
Unrestricted funds	13		<u>4,710,006</u>		<u>4,810,582</u>
			<u><u>4,710,006</u></u>		<u><u>4,810,582</u></u>

The financial statements were approved by the Committee on 18/5/16 and signed on their behalf, by:

President
Mr C. E. Gruchy



Honorary Treasurer
Mr R. Bignell



The notes on pages 16 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and on a going concern basis in accordance with the United Kingdom Accounting Standards and comply with Charities "Statement of Recommended Practice" (SORP (FRS 102)) "Accounting and Reporting by Charities" issued by the Charities Commission. This is the first year that the Society has presented its results under Charities SORP (FRS 102). The last financial statements under the old Charities SORP (revised 2005) were for the year ended 31 December 2014. The date of transition to Charities SORP (FRS 102) was 1 January 2014. The impact of the transition to Charities SORP (FRS 102) has been to the presentation of the financial statements, but the results for the year and the net assets of the Society has not been affected by the transition.

1.2 Fund accounting

The Unrestricted funds represent the free funds of the Society which have not been designated for particular purposes by the Committee.

Designated funds comprise unrestricted funds that have been set aside by the Committee for particular purposes.

The Restricted funds represent funds or assets donated to the Society that is subject to specific restrictions imposed by the donor or by the nature of the appeal or grant. Funds formally held as restricted funds are transferred to unrestricted funds once all the restrictions are met.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Income endowments

Donations are accounted for when any conditions for receipt have been met and there is reasonable assurance of receipt.

Subscriptions, boarding fees, cremation fees, rent receivable and bank deposit interest are accounted for on an accrual basis.

Legacies are accounted for when received or if before receipt, there is sufficient evidence to provide the certainty that the legacy will be received and can be measured with sufficient reliability.

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.4 Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Society to the expenditure. All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category.

Support costs include central functions and facilities and have been allocated to activity cost centres on a basis consistent with the use of resources, eg: staff costs by time spent, property costs by usage, etc.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to accounting and audit, legal fees, a proportion of management wage costs and finance costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Tangible fixed assets are depreciated on the reducing balance or straight line basis at the following annual rates calculated to write off their cost to their estimated residual value over their expected useful lives:

Freehold buildings	-	4% straight line
Plant, equipment & furniture	-	10% reducing balance
Motor vehicles	-	20% straight line
Computer equipment	-	25% straight line

New freehold buildings are considered to have expected useful lives of 50 years.

Assets purchased that are below £1,000 are normally charged to expense in the year such costs are incurred.

The Committee perform an impairment review each year and do not consider the value of the fixed assets to be less than the carrying value.

1.6 Donated Resources

The Society is in receipt of donated resources in terms of the time donated by volunteers. This time is estimated to amount to 7,510 hours in 2015 (2014: 6,708). This time has not been valued and included in the Statement of Financial Resources as it is impossible to quantify the cost of staff to replace the volunteers' work.

The Society was also in receipt of the supply of fresh fruit, carrots, and brassicas on a 6 day a week basis free of charge from the Coop Grand Marche.

The JEP provided the free printing, distribution and compilation of the Society's magazine during the year, which would have otherwise cost £4,500 (2014: £3,000) at current rates. The JEP also provided on a six day week basis advertising that otherwise would have cost £17,500 (2014: £15,600). These donations have not been included in the Statement of Financial Resources as the committee believes that the amounts are not material.

1.7 Stocks

Stocks of unsold goods (including clinic drugs and animal food) are included at the lower of cost and net realisable value.

1.8 Taxation

The Society is established for a charitable purpose and is therefore exempt from Jersey Income Tax under Article 115(a) of the Income Tax (Jersey) Law 1961 provided its income is applied towards charitable purposes.

1.9 Going concern

The Financial Statements of the Society still use the going concern basis as the Society has already been given planning consent for the building of twelve 3 bedroom homes, which would sell for approximately £575,000 each for a sales value of some £6.9 million with an expected 50% net profit. The Society has also received an expression of interest from a buyer to acquire the land with planning permission in the sum of £1,980,000. The Society's Bankers have agreed short term overdraft funding until the profits from this development have been realised.

THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. DONATIONS AND LEGACIES

	Unrestricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Donations	227,765	227,765	313,685
Subscriptions and membership fees	1,230	1,230	1,210
Legacies	1,105,790	1,105,790	402,898
	<u>1,334,785</u>	<u>1,334,785</u>	<u>717,793</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Boarding	148,618	148,618	150,748
Rehoming	133,102	133,102	113,751
Stray Dog Contract	17,492	17,492	3,196
Additional Animal Welfare	169,162	169,162	160,942
	<u>468,374</u>	<u>468,374</u>	<u>428,637</u>

4. INCOME FROM INVESTMENTS

	Unrestricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Rental income	93,173	93,173	87,516
Bank interest income	-	-	9
	<u>93,173</u>	<u>93,173</u>	<u>87,525</u>

THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

5. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Direct fundraising costs	9,443	9,443	9,512
Allocated support costs	75,883	75,883	71,674
	<u>85,326</u>	<u>85,326</u>	<u>81,186</u>

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Cruelty Prevention	120,512	120,512	123,369
Education & Promoting Knowledge	134,891	134,891	113,026
Boarding	433,425	433,425	432,253
Rehoming	567,784	567,784	556,661
Governance	65,651	65,651	75,118
Additional Animal Welfare	631,538	631,538	590,957
	<u>1,953,801</u>	<u>1,953,801</u>	<u>1,891,384</u>

THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7. SUPPORT COSTS

	Fundraising	Governance	Cruelty Prevention	Education & Promoting Knowledge	Boarding	Rehoming	Additional Animal Welfare	Total 2015	Total 2014
	£	£	£	£	£	£	£	£	£
Office costs	5,845	9,703	16,581	27,687	45,237	35,169	45,148	185,370	189,934
Property costs	-	11,030	22,059	55,148	88,237	22,059	22,059	220,592	220,432
Human resources	52,802	-	20,167	27,171	32,816	34,099	34,613	201,668	183,833
Finance costs	-	32,496	-	-	-	-	-	32,496	20,059
Management costs	17,236	12,422	-	-	-	-	-	29,658	53,558
	75,883	65,651	58,807	110,006	166,290	91,327	101,820	669,784	667,816

Basis of allocation:

Office costs: Allocated either using floor area relating to each activity (for costs relating to buildings) and on estimated usage for other costs.

Property costs: Allocated using floor area relating to each activity (for costs relating to the buildings).

Human resources costs: Allocated based on number of staff employed within a particular area with some staff members time being divided amongst several areas based on the time spent working on each area.

Finance costs: Allocated based on finance related time spent on each area together with all bank interest, bank charges and audit & accountancy fees.

Management costs: Allocated based on management time spent on each area together with 100% of legal and professional fees and licenses and subscriptions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

8. NET OUTGOING RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the society	216,445	216,678
Auditor's remuneration	9,000	9,000
	<u>225,445</u>	<u>225,678</u>

THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

9. TANGIBLE FIXED ASSETS

	New Kennels	New Houses	Freehold property	Freehold Property- Anne Rouse Building	Motor Vehicle	Fixture & fittings	Computer equipment	Total
Cost	£	£	£	£	£	£	£	£
At 1 January 2015	3,495	53,276	3,037,355	3,187,474	88,083	425,996	16,173	6,811,852
Additions	58,463	-	4,046	2,846	46,064	22,073	1,125	134,617
Disposal	-	-	-	-	(42,299)	-	-	(42,299)
At 31 December 2015	61,958	53,276	3,041,401	3,190,320	91,848	448,069	17,298	6,904,170
Depreciation								
At 1 January 2015	-	-	1,054,055	159,200	85,351	207,097	8,474	1,514,177
Disposal	-	-	-	-	(42,299)	-	-	(42,299)
Charge for the year	-	-	121,359	63,806	2,733	24,097	4,451	216,446
At 31 December 2015	-	-	1,175,414	223,006	45,785	231,194	12,925	1,688,324
Net book value								
At 31 December 2015	61,958	53,276	1,865,987	2,967,314	46,063	216,875	4,373	5,215,846
At 31 December 2014	3,495	53,276	1,983,300	3,028,274	2,732	218,899	7,699	5,297,675

On 21 December 2007 the Society was donated a plot of land known as Field 732, Mont les Vaux, St Brelade. Due to the restrictions placed on the usage of that Land the President of the JSPCA Committee has concluded that there is a market value attributable to the land of £1,000, which is the buyback clause option for the donating family if exercised within 50 years from passing the contract in 2007.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10. STOCKS

	2015 £	2014 £
Drugs, food and merchandise	32,716	37,538

The stocks are valued at the lower of cost and net realisable value.

11. DEBTORS

	2015 £	2014 £
Charitable income debtors	16,291	12,228
Other debtors	10,816	10,423
Prepayments and accrued income	15,583	18,364
	42,690	41,015

12. CREDITORS:

Amounts falling due within one year	2015 £	2014 £
Charitable activity creditors	32,298	40,966
Other creditors	90,689	69,018
Bank overdraft	438,126	440,206
Accruals and deferred income	20,956	18,697
	582,069	568,887

The Society Bank overdraft facility is secured by a registered promissory note providing first charge over all the Society's freehold property. This was professionally valued in February 2012 at £6,270,000 by Sarre & Company.

13. SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	-	-	-	-	-
General funds	4,810,582	1,938,551	2,039,127	-	4,710,006
	4,810,582	1,938,551	2,039,127	-	4,710,006
Restricted funds	-	-	-	-	-
	4,810,582	1,935,551	2,039,127	-	4,710,006

Designated funds - these are funds allotted for the construction of the new building.

Incoming resources includes net gain on disposal of fixed asset.

THE JERSEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (INCORPORATED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Tangible fixed assets	5,215,846	5,215,846	5,297,675
Current assets	76,229	76,229	81,794
Creditors due within one year	<u>(582,069)</u>	<u>(582,069)</u>	<u>(568,887)</u>
	<u>4,710,006</u>	<u>4,710,006</u>	<u>4,810,582</u>

15. COMMITMENTS AND INTENTIONS TO SPEND

The committee has already undertaken a payment of £53,276 for the purpose of realising an asset to procure a new one hundred kennel facility within in the next two years. The committee has undertaken to spend of £61,958 in the initial design phase of the new kennel facility.

16. RELATED PARTY TRANSACTIONS

Committee expenses incurred during the year amounted to £12,615 (2014: £5,112) which related to conference and travel expenses for Deputy S Power (Vice-President) and Major S Coleman (Chief Executive Officer).

17. STAFF COSTS

There are three members of staff with emoluments over £60,000.

The Society feels that due to the confidential nature of salaries and the small number of staff involved to identify staff remuneration as per SORP 2015 would in fact breach confidential relation of employee/employer in terms of salary and therefore the Society does not identify by title those staff earning greater than £60,000.

	2015 £	<i>2014 £</i>
Gross wages, salaries and benefits in kind	1,163,554	1,114,016
Employers social security contributions	<u>70,930</u>	<u>67,150</u>
Total	<u>1,234,484</u>	<u>1,181,166</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

17. STAFF COSTS (continued)

Staff costs have been allocated as follows:

- £1,047,264 (2014: £993,925) within Charitable Activities, activities undertaken directly.
- £118,989 (2014: £122,329) within Charitable Activities, support costs.
- £68,231 (2014: £64,912) within Costs of generating voluntary income, support costs.

The average number of full time equivalent employees in the year was as follows:

	2015	2014
Fundraising	0.5	0.5
Charitable activities	37	36
Governance	0.5	0.5
Support	3.5	3.5

18. COMMITTEE AND OFFICERS

The Chief Executive Officer received a salary during the year in accordance with his employment contract.

No other committee members received nor waived any emoluments during the year (2014: nil).

19. LEGACIES RECEIVABLE

Under the terms of known legacies existing at the balance sheet date, the Society will be entitled to the following:

- A one third share in the moveable property of the late Mr Lane.

It is the society's policy that such legacies are not reflected in the Statement of Financial Activities until there is certainty that the legacy will be received and the value can be measured with sufficient reliability.

20. CONTROLLING PARTY

There is no ultimate controlling body. The Society is controlled by the Committee.