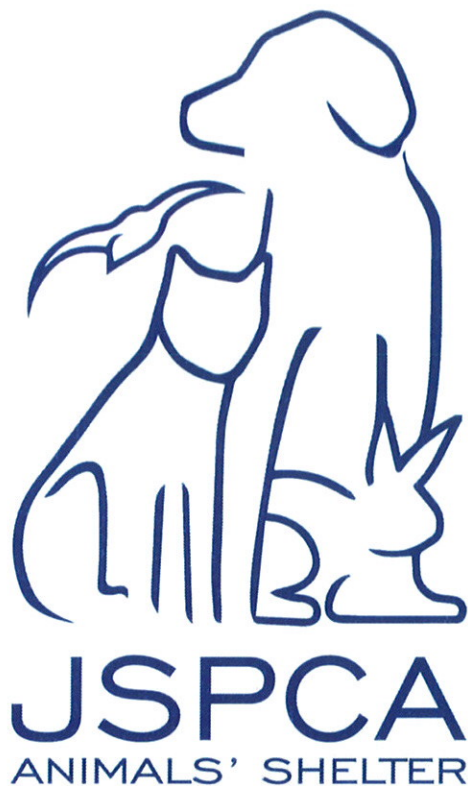


**THE JERSEY SOCIETY FOR THE
PREVENTION OF CRUELTY
TO ANIMALS (INCORPORATED)**

COMMITTEE'S REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



**JERSEY CHARITY
COMMISSIONER**

Registered with the Jersey Charity Commissioner, charity no.68

CONTENTS

	Page
Reference and Administrative Details of the Society, its Committee and Advisers	1
President, CEO and Committees' Reports	2 - 7
Independent Auditor's Report	8 - 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13 - 23

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

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS COMMITTEE AND ADVISERS

Patron

Bailiff of Jersey, Timothy Le Cocq

Committee

Ben Shenton, President (appointed 1 July 2020)
Charles Gruchy, President (retired 30 June 2020)
Arthur Morley, Vice President
Clive Jones MBE, Vice President (elected 30 May 2019)
Linda Lowseck, Honorary Veterinary (elected 30 May 2019)
Sarah Anderson, Honorary Treasurer (elected 30 May 2019)
Sarah Ferguson, Committee Member (Honorary Treasurer, retired 30 May 2019)
Diana Taylor-Cox, Honorary Secretary (retired 30 June 2020)
Patricia Williams, Committee Member (appointed Honorary Secretary, 1 July 2020)
Margaret Holland Prior, Committee Member
Fiona de Figueiredo, Committee Member (elected 30 May 2019)
Steve Pallett, Committee Member (elected 30 May 2019)
Terri O'Donoghue, Committee Member (elected May 2019)

Registered with the Jersey Charity Commissioner, charity no.68

Association of Jersey Charities membership number: 87

Web-site: www.jspca.org.je

Registered Office

Animals' Shelter
89 St Saviour's Road
St Helier
Jersey
JE2 4GJ
Telephone: 01534 724 331

Honorary Secretary

Patricia Williams (appointed 1 July 2020)
Diana Taylor-Cox (retired 30 June 2020)

Chief Executive Officer

Kevin Keen (appointed 26 September 2018, resigned 1 September 2019)
Debra D'Orleans (appointed 1 September 2019)

Senior Management Team

Anel Crowther
Joanne McAllister BvetMed MRCVS
Jenna Baker BSc (Hons) RVN C&GCertVNES
Kari Lees DipCAPBT
Karen Stokes

Auditor

Moore Stephens Audit & Assurance (Jersey) Limited
First Island House
Peter Street
St Helier
Jersey, JE2 4SP

Banker

RBSI Limited
Royal Bank House
Bath Street
St Helier
Jersey, JE4 8PJ

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

PRESIDENT'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

It was a privilege to be elected as interim President of the JSPCA. To be associated with people who value the lives of animals, and are so focused on protecting them, restores one's faith in humanity. Having said this, our challenge continues and our workload to prevent animal cruelty, and protect and care for animals in our community, remains high.

We have had great support from our donors, volunteers, members, government, and the public. We are extremely grateful for this support. Donations and legacies from the community increased, and this has enabled us to re-build our financial strength following some difficult years. Our surplus on ordinary activities was an impressive £820,976 – albeit we received £1,165,303 in legacies, and the Society would have made a loss of £344,327 without the generosity of those that remembered us in their wills. Legacy income is a core part of our overall income, but it is also exceedingly difficult to budget for. Therefore it is important that we build up our reserves to ensure that we can smooth out the receipt of this income – which is often donated to allow us to fund our core activities.

Since joining the Committee, I am often asked "What is the role of a Committee Member of the JSPCA?" Firstly, it is to take their passion for protecting and caring for animals, and volunteer their time to make a difference. But that aptly describes all volunteers' purpose at the JSPCA. So there must be more. The Committee needs a wide breadth of skills and experience to guide and govern the organisation by providing strategic direction, oversight, and advice. A strong and sustainable JSPCA is the goal of the Committee and I would like to thank each Committee Member for their passion and commitment to ensuring the JSPCA strives for excellence in the standards of care and protection for all animals. In particular I would like to thank Charles Gruchy, our former President, and Dee Taylor-Cox, our former Honorary Secretary, who have both stood down. They both stepped up and took the helm as the Society hit stormy seas. Not only did they manage to avoid the rocks, but they also steered the Society towards calmer water with the ship still afloat and operating. Their dedication is much appreciated.

Finally, I would like to thank the management, staff, and volunteers. Each have a different role, some with direct animal interaction, and some directly with people, building community support to help deliver our mission. They work under enormous pressure, sometimes with limited resources, but always with an unwavering eye on their goal to protect and care for all creatures great and small. They are all inspiring.



Ben Shenton
President

16 September 2020

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

CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

I was delighted to take over the role as CEO in September 2019 from Kevin Keen whose commitment and hard work improved the financial stability and thus the overall sustainability of the Animals' Shelter. My first few months was spent getting to know the teams; understanding the processes and procedures; looking at our current income streams and identifying how we could capitalize on our everyday interactions with the public, volunteers, donors, sponsors and fundraisers to generate further opportunities.

During this time, it was evident that I was working with a dedicated team of animal lovers who consider their role at the shelter to be a way of life not just a job. The staff regularly go above and beyond to care for the sick and injured animals, often taking them home on a night to continue their medication or feeding regime. This could be a young squirrel, a stray kitten, or a baby bird not yet ready to feed itself.

In 2019 we dealt with 1,447 wildlife cases, 253 stray pets of which 116 were cats which highlights the importance of our chipping campaign which is due to be launched in 2020. We took in 332 disclaimed pets ranging from cats, dogs, rabbits and hamsters, to fish and reptiles.

With education playing such a key role in raising awareness of the variety of our work we have been showcasing the rescue, rehabilitation and release of wildlife through both mainstream and social media channels along with education sessions at schools, charitable events and through our corporate sponsors.

I felt it was important that the JSPCA also had a focus on its environmental impact and part of this involved exploring ways to maintain the main site and the pet cemetery to compliment and encourage insects and bees. Beaulieu School are keen to help with this initiative and initial discussions have taken place with the pollinator group, to be followed by a site plan which will include planting of pollinators and allowing some areas to go back to nature. In the meantime, I am sure the bees and insects are enjoying the lack of cultivation.

Income generation and fundraising has been a key focus at all levels which has resulted in some innovative staff devised initiatives, from car boots, yard sales, raffles, quiz nights and even managed to secure a pop-up shop for a week leading up to Christmas. I was particularly pleased with the development of our puppy training and dog first aid courses during the latter half of the year for delivery in 2020 as this allowed the staff to share their knowledge and be involved in raising additional income; it was a great disappointment when these subsequently had to be cancelled due to COVID-19.

Diversification of our income streams is vitally important for our ongoing sustainability. We continue to explore further opportunities and following a review of our property portfolio we engaged a managing agent for the four cottages who have secured an increase in rent to match market value.

We were fortunate to be selected as the charity of choice for the Brick Foundation who have done a fantastic job in repurposing our defunct middle dog block into a small animal centre with flexible multi-purpose rooms to meet the needs of different species throughout the year. With the relocation of the animals from the main building this has enabled the move of the oiled bird centre, which requires significant repairs, and released valuable rental space for a potential client on the top floor.

Alongside new income streams, it was also essential that we continued to reduce and contain our costs by reviewing each department with a view to improving efficiencies and making savings. Working in partnership with the States of Jersey animal cremation staff we have been able to streamline our cremation processes which has resulted in significant cost savings in both man hours and fuel oil which in turn reduces our carbon footprint.

Due to historical lack of investment and regular maintenance we now have several major repairs required across the site including the old oiled bird centre, top and bottom dog blocks, the ferret enclosures and sensory garden. Our aviaries and ponds also require attention however with the current occupancy rate we are not able to carry out this work.

We have successfully updated our IT hardware and software due to a generous grant from the Association of Jersey Charities which has also facilitated the move of our accounting and payroll systems on line to assist with Business Continuity planning.

We have commenced the process of reviewing our policies and procedures to bring them up to date with current legislation and regulations; this is everything from our staff handbook through to H&S and Fire policies.

CHIEF EXECUTIVE'S REPORT (continued)

Impact of COVID-19

COVID-19 brought about its own challenges with the need for a third of the workforce to work from home. We carried out a big push for rehoming prior to lockdown to ensure that we had the resources to support an influx of emergency boarders followed by; a relocation of animals and redeployment of staff to ensure continuity of care; additional protocols to meet the guidelines of the British Veterinary Association (BVA) with regard to animal treatment; and ultimately the closure of the shelter to the public. However, we continued to provide advice, emergency care, medication and pet food for clients and we managed to maintain our ambulance service 24/7 to collect injured, sick or lost animals thereby continuing our charitable objectives.

We had a small number of animals disclaimed which were indirectly linked to the pandemic however some UK animal charities are now starting to see a surge in this area as people who acquired a pet during lockdown are now returning to work and do not have the time to care for their animals.

The biggest impact overall is the lack of income from major fundraising events and cat boarding which last year sold 5,575 days whereas between January and July 2020 we have only sold 954, which means we have had to update our cash flow forecast for 2020.

We felt it was important to keep in touch with the public and our supporters through daily updates of the animals in our care via various social media channels and updated our website with advice on Coronavirus and pets. Along with this we launched our urgent appeal for donations, gave interviews to the press, and wrote to local businesses pleading for help with funds.

It is amazing to see how far we have come and that yet again the staff, volunteers and supporters have risen to the challenge and continue to do so. For that I am proud to stand beside you all and look forward to the future of this wonderful organisation.



Debra D'Orleans
Chief Executive

16 September 2020

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

COMMITTEE'S REPORT

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 is:

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

The Society was added to the Jersey Public Register of Charities in accordance with the Charities (Jersey) Law 2014 on 8 March 2019 (no. 68).

Objectives

The objects of the Society as set out in the Constitution are: -

- (i) The prevention of cruelty to animals.
- (ii) The promotion of kindness to and interest in the welfare of animals by lectures to school children, 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.

Governance

The Society is governed by a Committee of a maximum of six officers and six members. The Officers and Committee Members are elected by the membership at the Annual General Meeting of the Society for a period of three years. 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, provided that he or she has remained a member of the Society for one calendar year in the last three years.

The Committee met on 12 occasions during 2019, and details of the Committee members and officers are set out on page 1.

In October 2017 the then CEO, Stephen Coleman, was dismissed for gross misconduct and a Police investigation into the Society's finances began. On 6 February 2020 Coleman was sentenced to seven years in prison for defrauding the Society of £405,550. As part of the judgement a confiscation order in the realisable amount of £228,211 was made in favour of the Society. The main funding of this order will be the sale of a property, for which a period of up to 18 months from the date of sentencing has been allowed and from which reasonable costs are to be deducted.

Since Coleman's dismissal, the Committee have worked with CEOs Kevin Keen and Debra D'Orleans to review and strengthen financial controls.

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

COMMITTEE'S REPORT (continued)

Governance (continued)

The Committee has also set up a Risk and Audit Sub-Committee in which met twice in 2019.

Risk management

The Committee consider the key risks to be:-

- The Covid 19 outbreak. Following the year end the spread of the Covid 19 virus has caused widespread economic hardship and uncertainty which has and will continue to affect the Society, its activities and cashflow. The Committee consider that the Society has lost income from regular donations, some commercial activities and fundraising events of approximately £125,000 as at 31 August 2020 and we expect this to stand at £250,000 by the end of the year. There has also been an increase in need for our charitable services and we consider that this will continue and escalate as the economic impact of Covid 19 becomes clearer. The Committee has reviewed the cash flow forecast and flexed it for the items mentioned above. In view of the projected loss of income, we have re-negotiated the terms of the loan with the States of Jersey, as reported below.
- Reliance on legacy income to fund operational expenditure. Although this reliance is much reduced, the Society is still reliant to some extent on legacy income, this risk being exacerbated by the need to repay loans. This risk is mitigated by being very active in fundraising and continuing to seek cost efficiencies wherever possible. Opportunities to maximise rental and other commercial income have been identified and acted upon.
- The inability to repay loans totalling £750,000 due in June 2020. Cashflow forecasts based on historic trends and known inflows and outflows have been prepared up to April 2021, showing that known legacy income should allow repayment of at least £750,000 in 2020. Since the Covid 19 outbreak, this cashflow has been flexed, as noted above. We requested that £250,000 of the States of Jersey loan due for repayment in June 2020 is carried forward, and this was approved by the Treasury Minister in June 2020. Repayment of loan capital to date in 2020 amounts to £500,000.
- The Committee remains acutely aware of the risk of cyber attacks on our core IT network. Our systems (hardware and software) were updated in 2019 thanks to a grant from the Association of Jersey Charities.

Going Concern

Despite the very challenging economic conditions, the Committee consider that adoption of the Going Concern basis of accounting is appropriate for the following reasons –

- The Society has a strong asset base which includes a number of properties that are rented and are readily realisable without affecting the core mission of the Society;
- The financial performance of the Society is improved and the balance sheet now shows net current assets;
- The Committee and Management of the Society continues to implement and look for cost efficiencies;
- Between the year end and the date of this report, the Society has repaid £500,000 of its outstanding loans, with changes to terms being agreed with the lenders. Cashflow forecasts up to April 2021 predict that the Society will retain at least 3 months of budgeted annual expenditure in cash and cash equivalents during that period.
- The Society also has the support of the Roy Overland Charitable Settlement who have provided a standby loan facility of £500,000, of which only £100,000 has been drawn.

Auditors

The Committee will table a proposal at the Annual General Meeting to appoint an Auditor and fix their remuneration.

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

COMMITTEE'S REPORT (continued)

STATEMENT OF COMMITTEE'S RESPONSIBILITIES

The Committee is 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Charities Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: SORP applicable to Charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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 FRS 102;
- 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 16 September 2020 and signed on their behalf, by:



Ben Shenton
President

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

We have audited the financial statements of The Jersey Society for the Prevention of Cruelty to Animals (Incorporated) (the "Society") which comprise the Balance Sheet as at 31 December 2019, and the Statement of Financial Activities, Cash Flow Statement for the year ended, and notes to the financial statements, including summary of significant accounting policies. 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), including Charities Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2019 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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Society's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Society has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about their ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Committee is responsible for the other information. The other information comprises the information included in the Society's annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Responsibilities of the Committee

As explained more fully in the Committee's Report on page 7, the Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

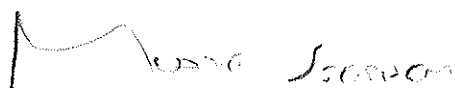
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 Society and its members, as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Stephens Audit & Assurance (Jersey) Limited

First Island House
Peter Street,
St Helier
Jersey
JE2 4SP

Dated:

18 September 2020

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Restricted Funds		Unrestricted Funds		Total funds	
		2019	2018	2019	2018	2019	2018
		£	£	£	£	£	£
INCOME ENDOWMENTS FROM							
Incoming resources from generated funds:							
Donations and legacies	2	25,000	37,000	1,609,568	1,263,144	1,634,568	1,300,144
Income from charitable activities	3	-	-	467,677	530,317	467,677	530,317
Other trading activities		-	-	89,517	44,778	89,517	44,778
Rental income	4	-	-	168,968	117,666	168,968	117,666
Other income		-	-	9,808	5,255	9,808	5,255
TOTAL INCOME AND ENDOWMENTS		25,000	37,000	2,345,538	1,961,160	2,370,538	1,998,160
EXPENDITURE							
Expenditure on raising funds	5	-	-	46,258	49,292	46,258	49,292
Expenditure on charitable activities	6	15,259	122,030	1,488,045	1,754,378	1,503,304	1,876,408
TOTAL EXPENDITURE		15,259	122,030	1,534,303	1,803,670	1,549,562	1,925,700
NET INCOME/(EXPENDITURE) ON ORDINARY ACTIVITIES		9,741	(85,030)	811,235	157,490	820,976	72,460
Net gain on disposal of fixed assets		-	-	-	1,798	-	1,798
NET INCOME/(EXPENDITURE)		9,741	(85,030)	811,235	159,288	820,976	74,258
Net movement in funds		9,741	(85,030)	811,235	159,288	820,976	74,258
<i>Total funds at 1 January</i>		<i>20,260</i>	<i>105,290</i>	<i>3,444,389</i>	<i>3,285,101</i>	<i>3,464,649</i>	<i>3,390,391</i>
TOTAL FUNDS AT 31 DECEMBER	14	30,001	20,260	4,255,624	3,444,389	4,285,625	3,464,649

All incoming resources and resources expended for the current and prior year are derived from continuing operations.
The notes on pages 13 to 23 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

		2019 Restricted £	2019 Unrestricted £	2019 Total £	2018 Restricted £	2018 Unrestricted £	2018 Total £
Note							
FIXED ASSETS							
	Tangible fixed assets	9	-	4,071,974	4,071,974	-	4,166,194
CURRENT ASSETS							
	Stocks	10	-	21,059	21,059	-	35,309
	Debtors	11	-	1,091,847	1,091,847	-	258,158
	Cash at bank		30,001	292,414	322,415	20,260	282,994
			30,001	1,405,320	1,435,321	20,260	576,461
CREDITORS: amounts falling due within one year		12	-	(971,670)	(971,670)	-	(669,503)
NET CURRENT ASSETS			30,001	433,650	463,651	20,260	(93,042)
CREDITORS: amounts falling due after more than one year		13	-	(250,000)	(250,000)	-	(608,503)
TOTAL ASSETS LESS TOTAL LIABILITIES			30,001	4,255,624	4,285,625	20,260	3,464,649
CHARITY FUNDS		14	30,001	4,255,624	4,285,625	20,260	3,464,649

The financial statements were approved by the Committee on 16 September 2020 and signed on their behalf, by:


B. Shenton
President


D. D'Orleans
Chief Executive

The notes on pages 13 to 23 form part of these financial statements.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Net cash generated from operating activities	15	26,940	32,595
Cash flow from investing activities			
Rental income		168,968	117,666
Proceeds from the sale of assets		-	18,500
Purchase of assets		(62,753)	(858)
Net cash inflow from investing activities		106,215	135,308
Cash flow from financing activities			
Repayment of loans		(513,751)	-
Loans received		506,300	100,000
Finance charges		(22,174)	(16,025)
Interest paid		(64,109)	(89,398)
Net cash outflow from financing activities		(93,734)	(5,423)
Increase in cash and cash equivalents		39,421	162,480
Cash and cash equivalents at 1 January		282,994	120,514
Cash and cash equivalents at 31 December		322,415	282,994

All cash and cash equivalents are held in hand or at bank in instant access accounts.

The notes on pages 13 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Charities Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: SORP applicable to Charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

The Restricted Funds represent funds or assets donated to the Society that are 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.

Rental income, gains and losses are allocated to the appropriate Fund.

1.3 Incoming resources

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

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 reliably.

All other sources of income are accounted for on an accruals basis.

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 measured reliably.

1.4 Resources expended

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

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.

1.5 Cash at bank

Cash at bank includes cash and cash equivalents held in hand or at bank in instant access accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

1. ACCOUNTING POLICIES (continued)

1.6 Debtors

Trade and other debtors are recognised at the date incurred after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

1.7 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.8 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	-	2% - 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.

Included within freehold buildings are properties not required for operational purposes which produce rental income. These properties are depreciated on a 4% straight line basis.

Assets purchased for less than £800 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 realisable value of the fixed assets to be less than the carrying value.

1.9 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 3,728 hours in 2019 (2018: 4,948) and represents 466 working days (2018: 618). This time has not been valued and included in the Statement of Financial Activities as it is impossible to quantify the cost of staff that would be required to replace the volunteers' work. It does not include time expended by Committee Members, or by the interim CEO who worked on a voluntary basis for six months from September 2018 to March 2019.

In 2019, the old kennel building was converted into a small animal block by the Brick Foundation. The Foundation's net cost contribution of £34,056 has been included within Donations in these financial statements. Many of the contractors who did the work did not charge at all for their time, or charged at less than cost. The total arm's length retail value of the work done was £195,000 at a cost to the Society of £28,000.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

1.10 Stocks

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

1.11 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.

1.12 Going concern

The Financial Statements of the Society still use the going concern basis. The Society's Committee consider that this is the appropriate basis on which to prepare the Financial Statements. In arriving at this opinion, the Committee have considered the improved financial performance in 2019 and the conversion of net current liabilities to net current assets. They have also reviewed management accounts and cash flow forecasts for 2020 and 2021.

As at the date of signing these financial statements, the Society has repaid £500,000 (45% of loans brought forward from 2018). The Committee is confident that the remaining balance can be repaid in 2021, as agreed with the lenders.

1.13 Other trading activities

Other trading activities include education income from the provision of full and part time City and Guild Courses paid for by Highlands College.

2. DONATIONS AND LEGACIES

	Restricted Funds	Unrestricted funds	Total funds
	£	£	£
2019			
Donations	25,000	441,261	466,261
Subscriptions and membership fees	-	3,004	3,004
Legacies	-	1,165,303	1,165,303
	<u>25,000</u>	<u>1,609,568</u>	<u>1,634,568</u>
2018			
Donations	37,000	720,341	757,341
Subscriptions and membership fees	-	2,386	2,386
Legacies	-	540,417	540,417
	<u>37,000</u>	<u>1,263,144</u>	<u>1,300,144</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	<i>Total Funds 2018 £</i>
Boarding	-	96,600	96,600	152,483
Rehoming	-	17,473	17,473	14,273
Stray Dog Contract	-	11,050	11,050	10,500
Veterinary Clinic	-	95,754	95,754	103,339
Additional Animal Welfare	-	246,800	246,800	249,722
	-	<u>467,677</u>	<u>467,677</u>	<u>530,317</u>

The funds shown for 2018 were all received without restriction and were therefore credited to Unrestricted Funds.

4. INCOME FROM INVESTMENTS

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	<i>Total Funds 2018 £</i>
Rental Income	-	168,968	168,968	117,666

The funds shown for 2018 were all received without restriction and were therefore credited to Unrestricted Funds.

5. EXPENDITURE ON RAISING FUNDS

	Restricted funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	<i>Total Funds 2018 £</i>
Direct fundraising costs	-	31,422	31,422	16,581
Support cost	-	14,836	14,836	32,711
	-	<u>46,258</u>	<u>46,258</u>	<u>49,292</u>

All fundraising expenditure in 2018 was incurred from Unrestricted Funds.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£
2019			
Cruelty Prevention	1,588	95,655	97,243
Education & Promoting Knowledge	-	113,629	113,629
Boarding	2,932	355,224	358,156
Rehoming	2,932	379,879	382,811
Governance	-	156,304	156,304
Additional Animal Welfare	7,807	387,354	395,161
	<u>15,259</u>	<u>1,488,045</u>	<u>1,503,304</u>
2018			
<i>Cruelty Prevention</i>	<i>1,455</i>	<i>135,454</i>	<i>136,909</i>
<i>Education & Promoting Knowledge</i>	<i>3,535</i>	<i>100,956</i>	<i>104,491</i>
<i>Boarding</i>	<i>18,666</i>	<i>350,474</i>	<i>369,140</i>
<i>Rehoming</i>	<i>17,540</i>	<i>452,409</i>	<i>469,949</i>
<i>Governance</i>	<i>30,189</i>	<i>285,950</i>	<i>316,139</i>
<i>Additional Animal Welfare</i>	<i>50,645</i>	<i>429,135</i>	<i>479,780</i>
	<u>122,030</u>	<u>1,754,378</u>	<u>1,876,408</u>

7. NET OUTGOING RESOURCES

This is stated after charging:	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the society (note 9)	191,029	193,113
Auditor's remuneration - audit	10,500	9,500
- other services	<u>-</u>	<u>2,050</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

8. SUPPORT COSTS

	Fundraising	Governance	Cruelty Prevention	Education & Promoting Knowledge	Boarding	Rehoming	Additional Animal Welfare	Total
2019	£	£	£	£	£	£	£	£
Office costs	4,660	2,347	2,419	3,884	3,989	3,667	3,667	24,633
Property costs	-	13,265	26,530	66,326	106,121	26,530	26,530	265,302
Human resources	15,318	33,714	11,466	15,077	19,321	19,321	38,199	152,416
Finance costs	-	22,174	-	-	-	-	-	22,174
Interest paid	-	64,109	-	-	-	-	-	64,109
Management costs	-	20,695	-	-	-	-	-	20,695
	19,978	156,304	40,415	85,287	129,431	49,518	68,396	549,329
2018	£	£	£	£	£	£	£	£
Office costs	3,370	2,961	4,497	10,343	14,431	5,732	5,732	47,066
Property costs	-	13,339	26,678	66,694	106,711	26,678	26,678	266,778
Human resources	62,657	-	20,886	31,328	31,328	31,328	31,328	208,855
Finance costs	-	16,025	-	-	-	-	-	16,025
Interest paid	-	89,398	-	-	-	-	-	89,398
Management costs	-	69,184	-	-	-	-	-	69,184
	66,027	190,907	52,061	108,365	152,470	63,738	63,738	697,306

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 and accountancy fees.

Management costs: Allocated based on management time spent on each area together with all legal and professional fees, licences and subscriptions.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. TANGIBLE FIXED ASSETS

Cost	Freehold property	Freehold Property- Anne Rouse Building	Motor Vehicles	Fixtures & fittings	Computer equipment	Total
	£	£	£	£	£	£
At 1 January 2019	2,568,527	3,190,320	52,970	478,499	17,298	6,307,614
Additions	28,241	22,995	-	-	11,517	62,753
Additions – goods & services donated	34,056	-	-	-	-	34,056
Disposal	-	-	-	-	(17,298)	(17,298)
At 31 December 2019	2,630,824	3,213,315	52,970	478,499	11,517	6,387,125
Depreciation						
At 1 January 2019	1,369,525	414,424	41,677	298,496	17,298	2,141,420
Disposal	-	-	-	-	(17,298)	(17,298)
Charge for the year	102,497	63,806	5,646	18,600	480	191,029
At 31 December 2019	1,472,022	478,230	47,323	317,096	480	2,315,151
Net book value						
At 31 December 2019	1,158,802	2,735,085	5,647	161,403	11,037	4,071,974
At 31 December 2018	1,199,002	2,775,896	11,293	180,003	-	4,166,194

The Society's freehold property was professionally valued in February 2012 at £6,270,000 by Sarre & Company.

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.

The Society has been awarded a grant of up to £50,000 from the Association of Jersey Charities for the purchase of computer equipment and the implementation of new software. £11,517 was used during the year to purchase computer hardware.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. STOCKS

	2019	2018
	£	£
Drugs, food and merchandise	21,059	35,309

11. DEBTORS

	2019	2018
	£	£
Charitable income debtors	19,024	33,593
Other debtors (including legacies)	1,040,097	222,208
Prepayments and accrued income	32,726	2,357
	<u>1,091,847</u>	<u>258,158</u>

12. CREDITORS:

Amounts falling due within one year

	2019	2018
	£	£
Charitable activity creditors	33,125	31,610
Other creditors	38,318	43,820
Loan – Acorn Finance Limited	-	513,752
Loan – Michel and Allan Limited	259,586	-
Loan – States of Jersey	506,300	-
Loan – Channel International Limited	100,000	-
Accruals and deferred income	34,341	80,321
	<u>971,670</u>	<u>669,503</u>

The loan with Acorn Finance Limited was taken on 11 July 2017, secured on the Society's freehold property and bearing interest at 9.85%. It was repaid in full on 21 February 2019.

The loan with Michel & Allan Limited was taken on 5 October 2017, is secured on the Society's freehold property and bears interest at 6% above base rate. It was repayable within one year; however the loan terms have been revised to allow payment of £250,000 in 2020 and the balance to be repaid on 30 June 2021. In accordance with this, £250,000 was repaid on 3 June 2020.

A loan with the States of Jersey for £500,000 was granted on 21 February 2019. It is secured on the Society's freehold property, is repayable on 30 June 2020 and bears interest at 5%. On 26 June 2020, the Treasury Minister approved a variation to the agreement, allowing £250,000 to be carried forward to be paid on or before 30 June 2021. However, given that the right to defer settlement was only agreed post-reporting date, the amount continues to be recognised as a current liability in these financial statements.

The loan with Channel International Limited represents funds advanced against a facility of £500,000. The loan is secured on the Society's freehold property, is interest free and is repayable on six months' notice.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. CREDITORS:

Amounts falling due after more than one year	2019	2018
	£	£
Loan – Channel International Limited	-	100,000
Loan – Michel and Allan Limited	250,000	508,503
	<u>250,000</u>	<u>608,503</u>

The loan with Michel & Allan Limited was taken on 5 October 2017, is secured on the Society's freehold property and bears interest at 6% above base rate. It was repayable within one year however, the loan terms have been revised to allow payment of £250,000 in 2020 and the balance to be repaid on or before 30 June 2021.

14. SUMMARY OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Carried Forward
	£		£	£
2018				
Restricted funds	105,290	37,000	(122,030)	20,260
Unrestricted funds	3,285,101	1,962,958	(1,803,670)	3,444,389
Total funds	<u>3,390,391</u>	<u>1,999,958</u>	<u>(1,925,700)</u>	<u>3,464,649</u>
2019				
Restricted funds	20,260	25,000	(15,259)	30,001
Unrestricted funds	3,444,389	2,345,538	(1,534,303)	4,255,624
Total funds	<u>3,464,649</u>	<u>2,370,538</u>	<u>(1,549,562)</u>	<u>4,285,625</u>

Incoming restricted resources consist of –

A grant of £10,000 from The Provincial Grand Lodge of Jersey to help pet owners who are unable to afford veterinary care for their pets. As at 31 December 2019, £355 of this fund had been accessed.

The Society also received a grant of £15,000 from the George & Leonora Sullivan Trust to pay for the costs of a pet chipping campaign. This campaign will be launched in 2020.

In 2018 grants of £30,000 (for a temporary staff resource) and £7,000 (for training costs) were awarded by the Roy Overland Charitable Trust.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

15. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year	820,976	74,258
<i>Add back:</i>		
Depreciation of fixed assets	191,029	193,113
Finance charges	22,174	16,025
Loan interest	64,109	89,398
<i>Deduct:</i>		
Donation of goods and services	(34,056)	-
Loss on sale of fixed asset	-	(1,798)
Rental income	(168,968)	(117,666)
Decrease/ (increase) in stocks	14,250	(5,052)
Increase in debtors	(833,689)	(217,094)
(Increase)/ decrease in creditors	(48,885)	1,411
Net cash generated from operating activities	26,940	32,595

16. COMMITMENTS AND INTENTIONS TO SPEND

No material commitments were entered into before the year end or at the date of signing these Financial Statements other than as disclosed in Notes 12 and 13.

17. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year or subsequently (2018 – no transactions).

18. STAFF COSTS

The Society employed 29 full-time equivalent members of staff (2018: 34.5) during the year.

	2019 £	2018 £
Gross wages, salaries and benefits in kind	847,959	1,093,302
Employers social security contributions	54,424	64,613
Total	902,383	1,157,915

Staff receiving emoluments of over £60,000 were as follows:

There were no staff earning more than £60,000 (2018 – 2, in the bracket £60,000 to £69,999)

Staff costs have been allocated as follows:

- £723,791 (2018: £951,825) within Charitable Activities, activities undertaken directly.
- £150,810 (2018: £177,579) within Charitable Activities, support costs.
- £27,782 (2018: £28,511) within Fundraising, support costs.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

18. STAFF COSTS (continued)

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

	2019	2018
Fundraising	1.0	1.0
Charitable activities	25.0	31.0
Governance	1.0	2.0
Support	2.0	0.5
Total	29.0	34.5

19. COMMITTEE AND OFFICERS

No Committee members received nor waived any emoluments during the year (2018: nil).

Committee expenses incurred during the year amounted to £nil (2018: £nil).

20. LEGACIES RECEIVABLE

It is the Society's policy that 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 reasonable accuracy.

Under the terms of known legacies existing at the balance sheet date, legacies from the estates of the late Christopher Bardin, Brenda Brennan, Jean Pallot, Katherine Halfner and Edwina Tomlinson have been accrued at the year end. The total sum accrued is £1,038,905 of which £985,093 has been received post year end.

21. CONTROLLING PARTY

There is no ultimate controlling body. The Society is controlled by the Committee, which is elected by the charity's members under the terms of the Constitution.

22. SUBSEQUENT EVENTS

On 6 February 2020 the former CEO, Stephen Coleman, was sentenced to seven years in prison for defrauding the Society of £405,550. As part of the judgement a confiscation order in the realisable amount of £228,211 was made in favour of the Society.

The main funding of this order will be the sale of a property, for which a period of up to 18 months has been allowed and from which reasonable costs are to be deducted. Due to uncertainty about the timing and the eventual value of the compensation, and the fact that the judgement was granted post the reporting date, no provision for this contingent asset has been made in these financial statements.

As disclosed in note 12, the terms of the loan with the States of Jersey was varied on 26 June 2020.

Following the year end the spread of the Covid 19 virus has caused widespread economic hardship and uncertainty which has and will affect the Society, its activities and cashflow. The Committee consider that the Society has lost income from regular donations, some commercial activities and fundraising events of approximately £125,000 as at 31 August 2020 and we expect this to stand at £250,000 by the end of the year. There has also been an increase in need for our charitable services and we consider that this will continue and escalate as the economic impact of Covid 19 becomes clearer. The Committee has reviewed the cash flow forecast and flexed it for the items mentioned above. In view of the projected loss of income, we have re-negotiated the terms of the loan with the States of Jersey, as reported at note 12.