

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

COMPANY INFORMATION

Directors	Jacqueline Street Susan M. Waring Paul Halliday Steve Burrows Deborah Clague Phillip Dearden Daren Ward	(Chairman)
Secretary	Paul Halliday	
Company number	086297C	
Registered office	Ard Jerkyll East Foxdale IM4 3HL	
Auditor	Callow Matthewman & Co Atholl House 29-31 Hope Street Douglas Isle of Man IM1 1AR	

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

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MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the Society is to make provision generally for the welfare of animals in the Isle of Man.

Directors

The directors who held office during the year and up to the date of this report were as follows:

Jacqueline Street	
Mike Wilson	(Resigned 23 May 2017)
Susan M. Waring	
Paul Halliday	
Alan Ormsby	(Resigned 26 June 2017)
Steve Burrows	
Deborah Clague	
Sue Blythe	(Resigned 26 January 2018)
Rose Marie Ellwood	(Resigned 26 June 2017)
Phillip Dearden	
Daren Ward	(Appointed 17 July 2017)

Results

The loss for the year drawn from reserves was £141,792 (2016: loss of £1,132).

Auditor

The auditors, Callow Matthewman & Co, have continued in office in accordance with Section 12 (2) of the Isle of Man Companies Act 1982.

Fund and reserves policy

As at 31 December 2017 unrestricted funds of the Manx SPCA totalled £1,298,468 (2016: £1,396,096). This was made up of £969,048 (2016: £989,509), being the net book value of unrestricted tangible fixed assets and £329,420 (2016: £406,587) of free reserves. A level of free reserves is required to ensure the activities of the company can continue in the event of a significant decrease in expected income, or significant increase in expenditure. The directors' aim is to build up the reserves to 12 months worth of normal expenditure to provide a sufficient level of contingency to ensure the continued future of the company.

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

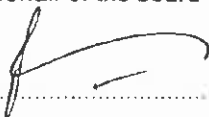
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Company Secretary

11.6.2018

Date

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Opinion

We have audited the financial statements of the Manx Society for the Prevention of Cruelty to Animals for the year ended 31 December 2017 set out on pages 5 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), as applicable to small entities.

This report is made solely to the company's members, as a body, in accordance with Section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Acts 1931 to 2004.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's 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 other information comprises the information included in the annual report, other than the audited financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' loans and remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, set out in the Directors' Report, the directors are 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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. This description forms part of our audit report.

Callow Matthewman & Co.

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Callow Matthewman & Co
Chartered Accountants

Atholl House
29-31 Hope Street
Douglas
Isle of Man
IM1 1AR

12th June 2018

.....
Date

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	as restated £
Incoming resources		
Bond and bank interest	8,691	13,011
Rent received	7,888	13,009
Boarding fees	35,549	32,294
Donations	246,789	183,283
Subscriptions	1,450	2,055
Fund raising proceeds	34,081	16,202
Dog warden services	12,984	17,007
Net profit from shops	22,740	20,691
Net profit / (loss) from tearooms	(9,946)	-
Legacies and bequests	231,860	337,944
Grant income	2,715	56,236
Restricted - donations	20,244	78,017
Other income	1,994	-
Total Incoming resources	<u>617,039</u>	<u>769,749</u>
Resources expended		
Administrative expenses	(47,221)	(44,878)
Establishment expenses	(89,055)	(95,834)
Animal welfare expenses	(569,205)	(603,327)
Restricted - expenses	(50,254)	(26,623)
Total resources expended	<u>(755,735)</u>	<u>(770,662)</u>
Loss on sale of fixed assets	-	(3,050)
Loss on sale of investments	(3,096)	(2,635)
Change in fair value of investments	-	5,466
Surplus/(deficit) for the financial year	<u><u>(141,792)</u></u>	<u><u>(1,132)</u></u>

The notes on pages 7 to 11 form part of these financial statements

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

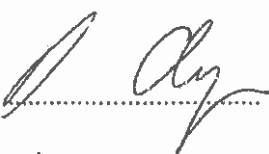
BALANCE SHEET

AS AT 31 DECEMBER 2017

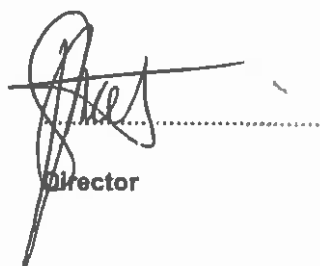
	Notes	2017 Restricted £	2017 Unrestricted £	2017 Total £	2016 Total as restated £
Fixed assets					
Tangible assets	4	415,059	969,048	1,384,107	1,356,768
Investments	5	-	-	-	225,576
		<u>415,059</u>	<u>969,048</u>	<u>1,384,107</u>	<u>1,582,344</u>
Current assets					
Stocks		-	8,462	8,462	5,591
Debtors	6	-	5,854	5,854	6,974
Cash at bank		19,507	332,331	351,838	386,650
		<u>19,507</u>	<u>346,647</u>	<u>366,154</u>	<u>399,215</u>
Creditors: amounts falling due within one year	7	-	(17,227)	(17,227)	(106,733)
Net current assets		<u>19,507</u>	<u>329,420</u>	<u>348,927</u>	<u>292,482</u>
Net assets		<u>434,566</u>	<u>1,298,468</u>	<u>1,733,034</u>	<u>1,874,826</u>
Reserves					
Balance brought forward		478,730	1,396,096	1,874,826	1,875,958
Surplus/(deficit) from statement of financial activities		(30,010)	(111,782)	(141,792)	(1,132)
Transfer between restricted and unrestricted funds		(14,154)	14,154	-	-
Balance carried forward		<u>434,566</u>	<u>1,298,468</u>	<u>1,733,034</u>	<u>1,874,826</u>

The notes on pages 7 to 11 form part of these financial statements

The financial statements were approved by the board of directors and authorised for issue on 11 June 2018 and are signed on its behalf by:



Director



Director

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Manx Society for the Prevention of Cruelty to Animals is a private company limited by guarantee incorporated in the Isle of Man (company no. 086297C). The registered office is Ard Jerkyll, East Foxdale, IM4 3HL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Acts 1931 to 2004. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable if the company cannot reclaim it.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land	Not depreciated
Buildings	Straight line 2%
Fixtures and fittings	Reducing balance 25%
Motor vehicles	Straight line 20%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

1.5 Stocks

Stocks of goods for sale and sundry consumable items are valued at the lower of cost and net realisable value.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.7 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Auditor's remuneration

	2017	2016
Fees payable to the company's auditor:	£	£
For audit services		
Audit of the company's financial statements	3,636	3,536

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Employees

The average monthly number of persons employed by the company during the year was 24 (2016: 24).

4 Tangible fixed assets

	Land and buildings	F&F and motor vehicles	Total
	£	£	£
Cost			
At 1 January 2017	1,283,671	111,173	1,394,844
Additions	50,814	7,319	58,133
At 31 December 2017	1,334,485	118,492	1,452,977
Depreciation and impairment			
At 1 January 2017	-	38,076	38,076
Depreciation charged in the year	10,690	20,104	30,794
At 31 December 2017	10,690	58,180	68,870
Carrying amount			
At 31 December 2017	1,323,795	60,312	1,384,107
At 31 December 2016	1,283,671	73,097	1,356,768

5 Investments

	2017	2016
	£	£
Fair value		
At 1 January	225,576	264,360
Additions	-	50,418
Disposals	(222,672)	(94,668)
Change in fair value	(2,904)	5,466
At 31 December	-	225,576

6 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	3,893	3,757
Prepayments	739	-
Other debtors	-	3,217
VAT	1,222	-
	5,854	6,974

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	11,331	13,496
VAT	-	86,883
Accruals	5,896	6,354
	<u>17,227</u>	<u>106,733</u>

8 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

MANX SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Prior period adjustment

During the year it was identified that there was a historic liability due to IOM Customs & Excise.

This arose as not all of the company's services are vatable, namely animal welfare services, which the company provides to the public free of charge.

The VAT incurred in providing these services had historically been reclaimed. The company should not have recovered all of the VAT and had to repay back some of the VAT that had been reclaimed. The Board identified there was a problem and the repayment was agreed with IOM Customs & Excise. IOM Customs & Excise saw that it was an innocent mistake and did not charge penalties.

This resulted in a prior period adjustment as follows:

Changes to the balance sheet

	At 31 December 2016			As restated £
	As previously reported £	Adjustment at 1 Jan 2016 £	Adjustment at 31 Dec 2016 £	
Current assets				
Debtors due within one year	23,572	-	(16,598)	6,974
Creditors due within one year				
VAT liability	-	(76,787)	(10,096)	(86,883)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net assets	1,978,307	(76,787)	(26,694)	1,874,826
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital and reserves				
Profit and loss	1,978,307	(76,787)	(26,694)	1,874,826
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 December 2016		
	As previously reported £	Adjustment £	As restated £
Administrative expenses	(743,968)	(26,694)	(770,662)
	<u> </u>	<u> </u>	<u> </u>
Profit/(loss) for the financial period	25,562	(26,694)	(1,132)
	<u> </u>	<u> </u>	<u> </u>