

ISLE OF WIGHT DONKEY SANCTUARY CIO

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2020



ISLE OF WIGHT DONKEY SANCTUARY CIO
Registered Charity Number: 1159886
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ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Legal and Administrative Information

Trustees

Mr Alexander Strong

Mr Colin Ward

Rev. Keith Adlam

Mr Mike Spence

Registered office

Lower Winstone Farm

St. Johns Road

Wroxall

Ventnor

Isle of Wight

England

PO38 3AA

Registered charity number

1159886

Accountant

Stephen Humphreys FCCA

SHMS Accountants Ltd

4 Talisman Business Centre

Duncan Road

Park Gate

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SO31 7GA

Independent Auditor

Paul Underwood FCCA (Senior Statutory Auditor)

Morris Crocker Limited

Station House

North Street

Havant

Hampshire

PO9 1QU

ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Report of the Trustees

Introduction

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Structure, Governance & Management

The charity is a CIO Foundation, registered on the 9th of January 2015.

Governing document

The governing document is a constitution based on the charity commission model for a CIO.

Recruitment and appointment of new trustees

The appointment and recruitment of new trustees is by personal recommendation by existing trustees. The sanctuary has a written policy setting out the process of recruitment and induction of new trustees.

Organisation structure

The organisational structure of the charity is made up of a board of trustees and two managers.

Major decisions are taken by the trustees (e.g. major capital expenditure, changes to key policies), and day to day operational decisions by the managers, with support as appropriate.

The current trustees and their main responsibilities are as follow:

Mr Colin Ward - Responsibilities include Health & Safety, Safeguarding, Buildings and Site

Mr Keith Adlam - Responsibilities include Personnel, Community, Finance.

Mr Michael Spencer -Responsibilities include Isle of Wight Donkey Sanctuary Ltd

Mr Alex Strong -Responsibilities include Financial Reporting and Governance.

Mr Strong resigned in June 2021 and was replaced by Ms. Heather Humby

Induction and training of new trustees

Induction of a trustee takes place at an interview before their appointment, and at their initial trustees meeting. Copies of Charity Commission literature and information about the charity are provided according to the sanctuary's policy on the recruitment of new trustees. The charity had arranged training for trustees where necessary.

Key management remuneration

In setting appropriate levels of remuneration for key management personnel, the trustees consider rates of pay for equivalent positions. This is done by observing job advertisements and speaking informally to trustees in other organisations.

Financial Review

Despite the loss of onsite income, caused by the closure of the site during the pandemic, the charity coped well during these challenging circumstances. The charity raised consolidated income of £1.44 million during the year.

The charity has a strategy of trying to meet its expenses with non-legacy income; in 2020 this objective was achieved. In addition to strong legacy income, the charity, in common with many other charities across the UK, benefitted from a renewal of a strong sense of 'giving' by the general population during the pandemic. This was represented in a large rise in online donations and in donkey adoptions.

The trading company for the charity, the Isle of Wight Donkey Sanctuary Ltd, endured a difficult year of openings and closures. Nonetheless the company achieved a turnover of £220,790 with expenditure of £190,660. The opening of a new onsite café in August 2020 made some difference to the financial position of the charity during the summer months, but its full potential is yet to be realized as the raft of Covid measures meant that there were restrictions on the number of tables that could be laid out, restrictions on service processes and eventually further lockdown closures during the autumn and winter of 2020.

The amounts of consolidated cash reserves in the charity at the end of 2020 were £1,058,897, a rise from £879,545 in 2019. The charity retains over a year's worth of annual expenditure in its reserves. It has achieved surpluses in every year since 2013. Because of both statements, the charity is a going concern for the next 12 months.

Covid Emergency

2020 will always be known as the year of the pandemic, and in common with lots of charities it tested the resourcefulness and management of the Isle of Wight Donkey Sanctuary.

The Sanctuary was open from January-March, closed from April to the beginning of July, open for the summer through until the end of October, closed throughout November and open for weekends in December! All the closures were based on Central Government lockdown information and resulted in the sanctuary being open for 214 days in the year rather than the usual 363!

The Management team put in place an agreed Coronavirus Action Plan, which resulted in a 12-month course of action, reviewed every 3 months by the staff and Trustees.

The strategy for the Covid year was to.

- * Plan for increased abandonments of donkeys as the pandemic led to people unable to afford their animals.
- * Focus clearly on, and ensure the public were aware of, our rescue and welfare role, which they could continue to support through donations and online engagement.
- * Increase our Social Media engagement to 3 times a week offering, giving people the opportunity to comment and then to adopt or donate.
- * Open when we could! None of the UK donkey sanctuaries opened in 2020 after lockdown in March- the charity decided that it had to show the public it could 'pay its own way' when it could.
- * Utilize the government Job Retention Grants and make effective use of the furlough scheme where possible. (All shop and café staff were furloughed; some office staff were furloughed)
- * Operate the farm teams in separate Covid safe bubbles so that the animals could be safeguarded at all costs.
- * Review with the staff every 3 months how progress through the pandemic was taking place.

The strategy proved to be effective. Donations were strong throughout the pandemic, but the sanctuary was extremely fortunate that significant legacies were given in 2020 to ensure additional infrastructure spending in 2021 to benefit the donkeys.

Objectives and Activities

Rescue and welfare

Although the year began badly with the loss of 6 donkeys who were old, but were favourites of the public, by the time 2020 came to an end the total numbers in the sanctuary had risen from 94 to 104, with 10 more donkeys waiting to arrive for the start of 2021. A group of 5 from, originally from Ireland were rescued, followed by a group of 4 and then one delightful miniature donkey. A strong relationship was made with a sanctuary in Brittany, Pour L'Amour des Anes. This led to the saving of 10 donkeys from a slaughterhouse in France, and their eventual rescue to the Isle of Wight. It is intended that this link be maintained for the sanctuary, to facilitate training and experience for the staff and to support donkey welfare and rescue.

Education

60 school trips, a whole series of college activities and a raft of work experience (ranging from local schools to University Veterinary schools) were all cancelled during the Covid lockdown. The sanctuary reverted to putting educational materials online and we began the process of online family interaction with sanctuary quizzes, 'Welfare Wednesdays' material and lots of creative writing about donkey heritage and 'my favourite donkey'. A new link with the IOW College to develop catering trainees was under consideration in 2020 as part of the development of the new café.

General Public and Visitors

The sanctuary opening months have been described in the introduction. A shift in emphasis for the public onsite was made, to ensure Covid safety and to give the public access to as many areas of the site as possible. A one-way information trail around the whole site was trialled (it was so successful that it has been formalized in 2021) and the public enjoyed the opportunity to get around the whole site and get a real insight into the work that we do. This replaced all the sanctuary's interactive activities, which were not compliant with Covid safety

Achievements and Performance

The charity maintained its performance throughout 2020 despite the impact of the global pandemic. The number of beneficiaries (donkeys) increased with 10 additional rescues. Facilities for the beneficiaries improved with the addition of 5 further field shelters in 2020 and the full opening of a new stable block, Poppy's Place. Visitor improvements to the site included the provision of a one-way trail and most importantly the sanctuary's first café, in a converted barn. The charity's community activities were curtailed due to the various lockdowns in 2020, and Covid safety measures meant that the number of volunteers on site had to be restricted, as the charity had to operate in Covid 'safety bubbles'. The sanctuary maintained a link to the schools it serves by the provision of interactive educational materials.

The charity's financial situation remained stable throughout the year, though the way it achieves its income has changed, in that more online income was achieved at the expense of onsite donations.

Future Strategy

The sanctuary will be replacing its Senior Management Team in 2021 as they reach retirement.

The charity is in the third year of its 5-year action plan, and this has been reviewed and modified by the Trustee group.

Staffing roles have been reconsidered and an identifiable fundraising team has been created with specific responsibilities ranging from High Value and Corporate, to Grants, Online and Individual engagement.

A new risk register for the forthcoming year has been created and additional policies on 'Going Concern' and on the Management of Fraud have been approved.

A new Trustee has agreed to join the Trustees Board in summer 2021.

New facilities for the farm have been agreed and planning permission has been sought for a new barn (achieved in July 2021)

The public will benefit from a signage scheme, a new information trail and additional access to the farm.

The sanctuary is hoping to maximize the potential of the café and initial group bookings for events, meetings etc. are most encouraging.

The sanctuary will continue to seek informal partnerships with other relevant organizations.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

Risk Management

The trustees have identified the principle risks to the charity and document these on a risk management table. This risk table is reviewed at each trustees meeting. The principle risks include:

- * Financial Risk - mitigated by monthly management accounts, budget reviews and a robust fraud policy.
- * Animal Health Risk - mitigated by a strong bio security and animal welfare policy
- * Staffing Risk - mitigated by in house staff development, educational links and a clear recruitment strategy.
- * Risk of lack of visitors - mitigated by strong online presence.
- * Reputational Risk - mitigated by weekly monitoring of reviews and reports.
- * Infrastructure Safety Risk - mitigated by regular health and safety reviews.

The trustees also ensure that any new potential risks are identified and mitigated as soon as these arise.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- * select suitable accounting policies and then apply them consistently;
- * observe the methods and principles in the Charity SORP;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- * there is no relevant audit information of which the charity's auditors are unaware; and
- * the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 6 Sept 2021 and signed on its behalf by:


Mr Colin Ward


Rev. Keith Adlam

ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Independent Auditor's Report

Opinion

We have audited the financial statements of Isle of Wight Donkey Sanctuary and its subsidiaries for the year ended 31 December 2020 on pages 11 to 29, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets and Cashflow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent charity'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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 trustees' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees 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 trustees 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 trustees are responsible for assessing the group and parent charity'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 trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect there under.

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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning legacy and donation income and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income at £34,700. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality of £31,200.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 group and the parent charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 8 September 2021

ISLE OF WIGHT DONKEY SANCTUARY CIO
Registered Charity Number: 1159886
Consolidated Statement of Financial Activities
(Incorporating an income and expenditure account)
For the year ended 31 December 2020

	Notes	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £ as restated
Income from:					
Donations and legacies	2	1,179,192	19,368	1,198,560	922,806
Raising funds	3	-	-	-	10,307
Other trading activities	4	220,790	21,999	242,789	249,941
Investment Income	5	65	-	65	4,025
Total income		1,400,047	41,367	1,441,414	1,187,079
Resources expended					
Raising funds	6	41,025	-	41,025	41,729
Charitable activities	6	524,265	19,368	543,633	571,884
Other trading activities	6	190,660	21,999	212,659	219,716
Total resources expended		755,950	41,367	797,317	833,329
Net incoming resources		644,097	-	644,097	353,750
Reconciliation of funds					
Total funds brought forward		2,215,618	-	2,215,618	1,861,868
Total funds carried forward		<u>2,859,715</u>	<u>-</u>	<u>2,859,715</u>	<u>2,215,618</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movement in funds are disclosed in Note 22 to the financial statements. No restricted funds were received in 2019.

ISLE OF WIGHT DONKEY SANCTUARY CIO
Registered Charity Number: 1159886
Consolidated Statement of Financial Position
As at 31 December 2020

	Notes	The Group		The Charity	
		2020 £	2019 £ as restated	2020 £	2019 £ as restated
Fixed assets					
Tangible assets	12	1,643,945	1,198,700	1,556,619	1,162,801
Investments	13	-	-	2	2
		<u>1,643,945</u>	<u>1,198,700</u>	<u>1,556,621</u>	<u>1,162,803</u>
Current assets					
Stocks	16	22,585	24,052	-	-
Debtors	17	253,991	200,370	470,739	270,380
Cash at bank and in hand		<u>1,058,897</u>	<u>879,545</u>	<u>937,182</u>	<u>841,127</u>
		<u>1,335,473</u>	<u>1,103,967</u>	<u>1,407,921</u>	<u>1,111,507</u>
Current Liabilities					
Creditors: amounts falling due within one year	18	<u>119,703</u>	<u>54,358</u>	<u>115,949</u>	<u>42,850</u>
Net current assets		<u>1,215,770</u>	<u>1,049,609</u>	<u>1,291,972</u>	<u>1,068,657</u>
Total assets less current liabilities		<u>2,859,715</u>	<u>2,248,309</u>	<u>2,848,593</u>	<u>2,231,460</u>
Creditors: amounts falling due after one year	19	-	32,691	-	32,691
Net assets		<u><u>2,859,715</u></u>	<u><u>2,215,618</u></u>	<u><u>2,848,593</u></u>	<u><u>2,198,769</u></u>
Funds	22				
Unrestricted funds		2,859,715	2,215,618	2,848,593	2,198,769
Restricted funds		-	-	-	-
Total Funds		<u><u>2,859,715</u></u>	<u><u>2,215,618</u></u>	<u><u>2,848,593</u></u>	<u><u>2,198,769</u></u>

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Trustees on 6 Sept 2021


 Mr Colin Ward


 Rev. Keith Adlam

ISLE OF WIGHT DONKEY SANCTUARY CIO
Registered Charity Number: 1159886
Consolidated Statement of Cash flows
For the year ended 31 December 2020

	Notes	The Group		The Charity	
		2020	2019	2020	2019
		£	£	£	£
			as restated		as restated
Cash flows from operating activities	24	687,657	245,306	547,205	243,112
Cash flows from investing activities					
Interest receivable		65	4,025	65	4,025
Purchase of tangible fixed assets		(508,970)	(177,714)	(451,815)	(175,108)
Disposal of tangible fixed assets		600	7,680	600	7,680
Net cash provided by investing activities		(508,305)	(166,009)	(451,150)	(163,403)
Change in cash and cash equivalents in the year		179,352	79,297	96,055	79,709
Cash and cash equivalents at the beginning of the year		879,545	800,248	841,127	761,418
		<u>1,058,897</u>	<u>879,545</u>	<u>937,182</u>	<u>841,127</u>
Cash and cash equivalents at the end of the year		<u>1,058,897</u>	<u>879,545</u>	<u>937,182</u>	<u>841,127</u>

ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Notes to the Financial Statements

1 Accounting policies

a) Statutory Information

The IOW Donkey Sanctuary CIO is a charitable incorporated organisation incorporated in England and Wales. The registered office address and principal place of business is: Lower Winstone Farm, Wroxall, Ventor, PO38 3AA

b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary The Isle of Wight Donkey Sanctuary Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charities' balance sheet.

c) Public Benefit Entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going Concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees are of the view that the immediate future of the Charity for the next 12 months is secure on the basis of confirmation of continuing income streams and fundraising activity to generate additional income streams. Accordingly, the financial statements have been prepared on the going concern basis.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Notes to the Financial Statements

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken at the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make

- voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Expenditure on charitable activities includes the costs of delivering services and other educational

- activities undertaken to further the purposes of the charity and their associated support costs.

- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged against the activity for which the expenditure was incurred.

ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Notes to the Financial Statements

i) Allocation of Support Costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating Leases

Rental charges are charged on a straight line basis over the term of the lease.

k) 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:

Freehold land and buildings: 2% Straight Line
Plant and equipment etc.: 10-25% Reducing Balance
Motor vehicles: 25% Reducing Balance

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 recognised in net income/(expenditure) for the year.

l) Investments in Subsidiaries

Investments in subsidiaries are at cost.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at Bank and in Hand

Cash at bank and in hand includes cash held on deposit or in a current account.

o) Creditors and Provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Notes to the Financial Statements

2	Income from donations and legacies	2020	2019
		£	£
			as restated
	Adopt a donkey scheme	175,500	133,750
	Donations	353,484	296,827
	Government funding	18,543	-
	Gift aid	47,656	20,965
	Legacies	603,377	471,264
		<u>1,198,560</u>	<u>922,806</u>

Government funding includes £18,543, in 2020, of government grants which relate to the Coronavirus Job Retention Scheme, this has been recorded within restricted income. No government grants were received in 2019.

Donations includes £825, in 2020, which was received from The Donkey Sanctuary (Charity 264818), This donation was received as a reimbursement of costs which were incurred as a result of temporarily homing a donkey associated with the above charity. This donation has been recorded within restricted income.

3	Income from raising funds	2020	2019
		£	£
	Raffle income	-	10,307
		<u>-</u>	<u>10,307</u>

All income from raising funds was attributable to unrestricted funds in 2019.

No raffle was undertaken in 2020, due to the Coronavirus pandemic.

4	Income from other trading activities	2020	2019
		£	£
	Income from trading subsidiary	209,456	249,941
	Government funding	33,333	-
		<u>242,789</u>	<u>249,941</u>

Government funding includes £21,999, in 2020, which relates to the Coronavirus Job Retention Scheme, this has been recorded within restricted income. No government grants were received in 2019.

5	Investment Income	2020	2019
		£	£
	Interest receivable	65	4,025
		<u>65</u>	<u>4,025</u>

All income from investments was attributable to unrestricted funds in 2020 and 2019.

ISLE OF WIGHT DONKEY SANCTUARY CIO
Notes to the Financial Statements

6a Analysis of expenditure (current year)

	Raising Funds	Charitable Activities	Other Trading Activities	Governance Costs	Support Costs	Total
	£	£	£	£	£	£
Staff costs (note 8)	17,697	244,947	94,717	10,815	-	368,176
Direct Costs	-	115,279	86,109	-	-	201,388
Advertising	-	-	-	-	15,988	15,988
Bank charges	-	8,351	4,808	-	-	13,159
Depreciation	-	57,397	5,727	-	-	63,124
IT & Telephone costs	-	-	820	-	6,790	7,610
Legal and professional costs	-	6,646	5,622	-	-	12,268
Office and administration	-	-	-	-	23,878	23,878
Other costs	-	17,047	6,070	-	-	23,117
Premises costs	-	43,154	8,702	-	-	51,856
Travel and subsistence	-	8,509	84	-	-	8,593
Audit and accountancy	-	-	-	8,160	-	8,160
	17,697	501,330	212,659	18,975	46,656	797,317
Support costs	23,328	23,328	-	-	(46,656)	-
Governance costs	-	18,975	-	(18,975)	-	-
Total expenditure	41,025	543,633	212,659	-	-	797,317

Of the total expenditure, £745,362 was unrestricted and £41,263 was restricted.

ISLE OF WIGHT DONKEY SANCTUARY CIO
Notes to the Financial Statements

6b Analysis of expenditure (prior year)

	Raising Funds	Charitable Activities	Other Trading Activities	Governance Costs	Support Costs	Total
	£	£	£	£	£	£
Staff costs (note 8)	14,600	269,993	76,951	11,700	-	373,244
Direct Costs	1,550	124,510	110,345	-	-	236,405
Advertising	-	-	200	-	21,068	21,268
Bank charges	-	4,630	5,547	-	-	10,177
Depreciation	-	40,643	4,835	-	-	45,478
IT & Telephone costs	-	-	786	-	3,809	4,595
Legal and professional costs	-	9,162	4,500	-	-	13,662
Office and administration	-	-	-	-	26,281	26,281
Other costs	-	11,919	4,366	-	-	16,285
Premises costs	-	55,370	11,699	-	-	67,069
Travel and subsistence	-	15,978	487	-	-	16,465
Audit and accountancy	-	-	-	2,400	-	2,400
	16,150	532,205	219,716	14,100	51,158	833,329
Support costs	25,579	25,579	-	-	(51,158)	-
Governance costs	-	14,100	-	(14,100)	-	-
Total expenditure	41,729	571,884	219,716	-	-	833,329

Of the total expenditure, £883,329 was unrestricted and £0 was restricted.

ISLE OF WIGHT DONKEY SANCTUARY CIO**Registered Charity Number: 1159886****Notes to the Financial Statements**

7	Net income/(expenditure)	2020	2019
		£	£
	Net income/(expenditure) is stated after charging/(crediting):		
	Depreciation	50,954	45,316
	Profit/loss on disposal of fixed assets	12,172	160
	Auditor's remuneration	5,760	-
8	Staff costs		
	Number of employees	2020	2019
	The average number of employees during the year was:	Number	Number
	Farm Staff	11	11
	Office Staff	5	6
	Fundraising Staff	1	1
	Café Staff	5	2
	Shop Staff	2	1
	Retail management Staff	1	2
		<u>25</u>	<u>23</u>
	Employment costs	2020	2019
		£	£
	Salaries and wages	345,952	350,837
	Social security costs	17,280	18,606
	Employer's contribution to defined contribution pension scheme.	4,944	3,801
		<u>368,176</u>	<u>373,244</u>

There were no employees whose annual remuneration was £60,000 or more.

The charity trustees were neither paid, received any benefits from employment, nor were they paid any expenses by the charity in the year (2019: £nil).

The total employment benefits including employer pension contributions of the key management personnel were £47,402. (2019 - £51,336)

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements

9 Retirement benefit scheme

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Pension costs	2020 £	2019 £
Employer's pension cost	4,944	3,801
	<u>4,944</u>	<u>3,801</u>

10 Related party transactions

There are no donations from related parties which are outside the normal course of business.

The charity has taken advantage of the exemptions in FRS102, from disclosing transactions with other members of the group.

During the year, Wages of £13,630 were paid to Mr S Ward.(2019: £12,987)

Mr S Ward is deemed to be a related party to the trustee, Mr C Ward.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The charity's trading subsidiary, The Isle of Wight Donkey Sanctuary Ltd, gift aids available profits to the parent charity. Its charge to corporation tax in the year was £nil (2019: £nil).

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements

12 Tangible fixed assets

Group and charity	Land and buildings	Plant and machinery etc	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020	1,289,052	211,177	25,692	1,525,921
Additions	440,825	68,145	-	508,970
Disposals	(13,871)	(18,222)	-	(32,093)
At 31 December 2020	<u>1,716,006</u>	<u>261,100</u>	<u>25,692</u>	<u>2,002,798</u>
Depreciation				
At 1 January 2020	196,454	112,898	17,869	327,221
Charge for the year	26,823	22,175	1,956	50,954
On disposals	(2,808)	(16,514)	-	(19,322)
At 31 December 2020	<u>220,469</u>	<u>118,559</u>	<u>19,825</u>	<u>358,853</u>
Net book value				
At 31 December 2020	<u>1,495,537</u>	<u>142,541</u>	<u>5,867</u>	<u>1,643,945</u>
At 31 December 2019	<u>1,092,598</u>	<u>98,279</u>	<u>7,823</u>	<u>1,198,700</u>

Charity	Land and buildings	Plant and machinery etc	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020	1,289,052	155,533	25,692	1,470,277
Additions	440,825	10,990	-	451,815
Disposals	(13,871)	(17,756)	-	(31,627)
At 31 December 2020	<u>1,716,006</u>	<u>148,767</u>	<u>25,692</u>	<u>1,890,465</u>
Depreciation				
At 1 January 2020	196,454	93,153	17,869	307,476
Charge for the year	26,823	16,631	1,956	45,410
On disposals	(2,808)	(16,232)	-	(19,040)
At 31 December 2020	<u>220,469</u>	<u>93,552</u>	<u>19,825</u>	<u>333,846</u>
Net book value				
At 31 December 2020	<u>1,495,537</u>	<u>55,215</u>	<u>5,867</u>	<u>1,556,619</u>
At 31 December 2019	<u>1,092,598</u>	<u>62,380</u>	<u>7,823</u>	<u>1,162,801</u>

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements

13 Investments

Charity

	Subsidiary Undertakings	
	2020	2019
	£	£
Cost and net book value at 1 January and 31 December	2	2

Details of the subsidiary undertakings are set out below:

	County of Incorporation	% Held
The Isle of Wight Donkey Sanctuary Limited	England	100

The charity's investment is in respect of its wholly owned subsidiary, The Isle of Wight Donkey Sanctuary Limited, a company which operates trading activities for the charity by operating a café and gift shop. The Isle of Wight Donkey Sanctuary Limited is a company registered in England.

14 Subsidiary undertaking

The charity owns the whole of the issued share capital of The Isle of Wight Donkey Sanctuary Limited, a company registered in England. The company number is 03020657. The registered office address is 4 Talisman Business Centre, Duncan Road, Park Gate, Southampton, England, SO31 7GA.

The subsidiary is used for non-primary purpose trading activities, in the form of operating a café and gift shop. All activities have been consolidated on a line by line basis on the statement of financial activities. Available profits are distributed to the parent charity.

Summary of subsidiary results	2020 £	2019 £
Turnover	209,456	249,941
Cost of sales	(86,109)	(110,345)
Gross profit	123,347	139,596
Administrative expenses	(126,550)	(109,371)
Government Funding	33,333	-
Profit on ordinary activities	30,130	30,225
Deed of covenant to parent undertaking	(35,857)	(32,449)
Profit for the financial year	(5,727)	(2,224)
The aggregate of assets, liabilities and funds was:		
Assets	237,814	98,918
Liabilities	(226,690)	(82,067)
Funds	11,124	16,851

Amounts owed to/from parent undertaking are shown in note 17

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements

15 Parent Charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020 £	2019 £ as restated
Gross incoming resources	1,234,482	969,587
Result for the year	649,824	355,974

Result for the year includes a donation from subsidiary undertaking of £35,857 (2019: £30,449)

16 Stocks

	The Group		The Charity	
	2020 £	2019 £	2020 £	2019 £
Stocks held for other trading activities	22,585	24,052	-	-
	22,585	24,052	-	-

Stocks held are used within the charity's trading subsidiary and used solely for trading activities

17 Debtors: amount falling due within one year

	The Group		The Charity	
	2020 £	2019 £ as restated	2020 £	2019 £ as restated
Other Debtors	9,368	14,398	3,511	14,398
Prepayments	15,946	4,224	15,615	3,675
Amounts due from group undertakings	-	-	222,936	70,559
Accrued income	9,681	2,216	9,681	2,216
Legacies receivable	218,996	179,532	218,996	179,532
	253,991	200,370	470,739	270,380

18 Creditors: amounts falling due within one year

	The Group		The Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	12,749	22,708	9,635	18,913
Taxation and social security	6,773	11,382	6,773	6,190
Other creditors	-	12,239	-	10,618
Accrued expenses	10,909	2,350	10,269	1,450
Bank loan	89,272	5,679	89,272	5,679
	119,703	54,358	115,949	42,850

As at the end of 2019, the total bank loans due were £38,370 (£5,679 within 1 year, £32,691 due more than 1 year). Due to the level of funds held within the charity this loan was repaid in full in September 2020. In April 2020 an additional loan of £200,000 was obtained, to support the Barn conversion project. Given the level of funds held by the charity, several large repayments were made against this loan in 2020. The balance of this loan has subsequently been settled in March 2021.

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements

19 Creditors: amounts falling due after one year

	The Group		The Charity	
	2020	2019	2020	2019
Bank loan	-	32,691	-	32,691
	<u>-</u>	<u>32,691</u>	<u>-</u>	<u>32,691</u>

Please refer to the note 18 for further information regarding bank loans.

20 Analysis of group net assets between funds (current year)

	General unrestricted	Restricted funds	Total funds
	£	£	£
Net assets	2,859,715	-	2,859,715
	<u>2,859,715</u>	<u>-</u>	<u>2,859,715</u>

21 Analysis of group net assets between funds (prior year)

	General unrestricted	Restricted funds	Total funds
	£	£	£
	as restated		as restated
Net assets	2,215,618	-	2,215,618
	<u>2,215,618</u>	<u>-</u>	<u>2,215,618</u>

22a Movements in funds (current year)

	As at 1 Jan 2020	Income & Gains	Expenses & Losses	As at 31 Dec 2020
	£	£	£	£
Total Unrestricted funds	2,215,618	1,400,047	755,950	2,859,715
Restricted funds				
Government funding - Charitable activities	-	18,543	18,543	-
Government funding - Other trading activities	-	21,999	21,999	-
The Donkey Sanctuary - Rehoming costs	-	825	825	-
Total funds	<u>2,215,618</u>	<u>1,441,414</u>	<u>797,317</u>	<u>2,859,715</u>

The narrative to explain the purpose of each fund is given in note 23

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements**22b Movements in funds (prior year)**

	As at 1 Jan 2019 £ as restated	Income & Gains £ as restated	Expenses & Losses £	As at 31 Dec 2019 £ as restated
Total Unrestricted funds	1,861,868	1,187,079	833,329	2,215,618
Total funds	<u><u>1,861,868</u></u>	<u><u>1,187,079</u></u>	<u><u>833,329</u></u>	<u><u>2,215,618</u></u>

No restricted funds were received in 2019

23 Purposes of restricted funds**Government funding - Charitable activities**

Being monies received from HMRC in relation to the Coronavirus Job Retention Scheme to reimburse staff costs during the covid-19 pandemic.

Government funding - Other trading activities

Being monies received from HMRC in relation to the Coronavirus Job Retention Scheme to reimburse staff costs during the covid-19 pandemic.

The Donkey Sanctuary - Rehoming costs

Being the money received from, The Donkey Sanctuary, as reimbursement of costs associated with temporarily rehoming a donkey associated with this charity.

24 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £ as restated
Net income for the reporting period	644,097	353,750
Adjustments for:		
Depreciation charges	50,953	45,316
(Profit)/Loss on disposal of fixed assets	12,172	160
Interest receivable	(65)	(4,025)
(Increase)/Decrease in stocks	1,467	(7,380)
(Increase)/Decrease in debtors	(53,621)	(132,176)
Increase/(Decrease) in creditors	32,654	(10,339)
Net cash provided by operating activities	<u><u>687,657</u></u>	<u><u>245,306</u></u>

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements

25 Comparatives for the statement of financial activities

	2019 Unrestricted Funds £ as restated	2019 Restricted Funds £	2019 Total Funds £ as restated	2018 Total Funds £
Income from:				
Donations and legacies	922,806	-	922,806	600,677
Raising funds	10,307	-	10,307	15,626
Other trading activities	249,941	-	249,941	222,299
Investment Income	4,025	-	4,025	3,693
Total incoming resources	1,187,079	-	1,187,079	842,295
Resources expended				
Raising funds	41,729	-	41,729	14,600
Charitable activities	219,716	-	219,716	503,671
Other trading activities	571,884	-	571,884	191,999
Total resources expended	833,329	-	833,329	710,270
Net Income	353,750	-	353,750	132,025
Reconciliation of funds				
Total funds brought forward	1,861,868		1,861,868	1,729,843
Total funds carried forward	2,215,618	-	2,215,618	1,861,868

There were no restricted funds in 2018

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements**26 Operating lease commitments payable as a lessee**

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Equipment	
	2020	2019
	£	£
Less than one year	1,997	-
More than one year	7,155	-
	<u>9,152</u>	<u>-</u>

27 Capital commitments

At the balance sheet date, the group had committed to £nil (2019: £nil)

28 Controlling party

The charity is controlled by its trustees

29 Prior year adjustments**Statement of changes in charitable funds**

	The Charity	
	2020	2019
	£	£
Total funds Bfwd	2,198,769	1,842,794
Net incoming resources for the year	649,824	176,443
Prior year adjustment (note a)	-	179,532
Total funds Cfwd	<u>2,848,593</u>	<u>2,198,769</u>

	The Group	
	2020	2019
	£	£
Total funds Bfwd	2,215,618	1,861,868
Net incoming resources for the year	644,097	174,218
Prior year adjustment (note a)	-	179,532
Total funds Cfwd	<u>2,859,715</u>	<u>2,215,618</u>

Note A: Legacies receivable - prior year adjustment

The financial statements have been restated to incorporate the impact of an omission of legacies which were receivable as at 31/12/2019. Amounts received during 2020, have since been identified as relating to 2019 and updated accordingly. This change has resulted in an increase of net incoming resources to the charity for 2019 as stated above.

Summary of the prior year accounting impact	2019
	£
Increase in debtors - legacies receivable	179,532

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30 Material Legacies

Legacy income is only including as incoming resources where the legacy has been received or both the receipt and the amount is probable. As at 31 December 2020 the charity had been notified of the following legacies which have not been recognised as income within these accounts:

An estate where the charity is entitled to 1/5th share, on 70% of the residual estate.

An estate where the charity is entitled to 1/8th of the residual estate.

An estate where the charity is entitled to 1/4th of the residual estate.