

Registered Charity Number: 1159886

ISLE OF WIGHT DONKEY SANCTUARY CIO
REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



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

Michael Spencer
Colin Ward
Rev. Keith Adlam
Dawn Finney
Heather Humby MBE

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
SHMS House
20 Little Park Farm Road
Fareham
PO15 5TD

Independent Auditor

Paul Underwood FCCA (Senior Statutory Auditor)
Morris Crocker Limited
Station House
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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 2021. 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
Ms. Heather Humby - Responsibilities include Charity Governance and Council Liasson.
Ms. Dawn Finney - Responsibilities include Animal Welfare.

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

Charity

- The accounts in 2021 were robust, and a strong surplus was in place by the end of the year. The charity raised consolidated income of £1,933,887 with expenses totalling £1,286,574.
- The charity has a policy of trying to meet its expenses with non-legacy income. In 2021 this was achieved. £826,269 of voluntary, non-legacy income was raised giving a surplus of £31,771, using the non-legacy criteria.
- The rise in charity income was again due to the strong sense of 'giving' that was present throughout the Covid Pandemic. Online income continued to increase through adoptions and donations via PayPal and Just Giving. This income was stimulated significantly by the new Online Fundraiser's Social Media inputs, including the concept of 'Welfare Wednesdays', which gave viewers a weekly look at all the welfare work undertaken on the farm and which regularly drew over 10,000 hits.
- Once the site opened, in line with National Pandemic Policy, on April 12th (outside areas only) donations continued to increase. Card payment donations were particularly high throughout the summer.
- Expenditure began to rise after the first lockdown. The charity's Covid planning meant that expenditure was kept to a minimum, but after lockdown, more routine work was authorised as income streams began to open up again. Vets' fees rose by 15%, Farrier bills increased by over 35 % whilst feed and hay costs increased by 67%. The sanctuary began to make its own hay in 2021 as a means of offsetting these high feed costs.
- Legacy income reached £563,088 in 2021. This income was retained for Capital Projects which were begun at the end of 2021. These planned projects, some of which overlapped into 2022, are included under the development plan section of this report

Trading Subsidiary

- The trading company for the charity endured a difficult year again with the continuation of Covid restrictions for the first three and a half months of the year. The onsite shop, Browse and Brays and the onsite Café, Grazers Café, were only able to open with 'outdoor service' from April 12th, though this service increased from May 23rd into a full indoor offering. Grazer's café has yet to have a full trading year since its construction in 2020.
- Turnover of the Limited Company in 2021 totalled £518,780 with expenditure of £428,533
- In common with other traders on the Isle of Wight, the Limited Company benefitted from large numbers of tourists in 2021 because of the inability of people to holiday abroad. The number of transactions which went through the Limited Company more than doubled those in 2020.

Financial Summary

- The amount of consolidated cash reserves in the charity at the end of 2021 totalled £1,695,101, up from £1,058,897 in 2020, led primarily by legacy and online income. Charity expenditure was cautious and controlled because of the uncertainty of the ending of pandemic restrictions.
- The charity retains over a year's worth of annual expenditure (£850,000) in its reserves.
- The cash reserves alone dictate that the charity is a going concern.

Objectives and activities

Rescue and Welfare

- The year began with the sanctuary having 104 donkeys but by the end of 2021 the sanctuary had 120 donkeys. 2 groups of donkeys, 16 in total, were rescued from slaughterhouses in France and began new lives on the island. This captured the public imagination about our welfare work, and significant income was raised for their care and welfare.
- Expertise and loose knit partnerships were put in place with the Flicka Foundation and Pour L'Amour des Anes in Brittany.

- A new welfare regime was put in place on site, to ensure continued improvement to animal health. A new Senior Manager was tasked with improving welfare processes. Additional training was provided for farm staff, new daily protocols were put in place, additional monitoring and reviewing of each donkey's needs was put in place, new machinery such as paddock sweepers were purchased to ensure better field cleaning and changes to animal husbandry were made ensuring the donkeys ate more natural foods and spent more time active time outside. The emphasis was on 'wellness' rather than dealing with illness and the result was that 2021 saw the best year for donkey welfare for some considerable time.

- The sanctuary re-joined the National Equine Welfare Council, and as a result was subject to an annual inspection of its facilities and practices. The NEC found that the conditions for the animals and the care and expertise of the staff and volunteers were outstanding.

- Towards the end of the year, it became clear that more donkeys were needing homes. Owners were under the financial pressure of reduced family budgets and animals of all varieties were being abandoned -it was expected that there would be a continuing rise in the number of donkey abandonments.

Therapy

- Restrictions on therapy visits were still in place because of the Covid pandemic. A small number of outside 'garden' visits were made by our donkeys. Inver House in Bembridge offered to play a training role for our therapy donkeys when restrictions were lifted, and therapy work could re-start.

Education

- All aspects of education work were negatively affected by Covid restrictions. No education interactive packages took place, though during the school summer holidays some limited grooming activities were permitted.

Visitor Numbers

- Visitor numbers throughout July and August were the highest on record. Consideration had been given to a booking system for the site, but previous experience of this had not been positive. It was therefore agreed to retain the existing 'come when you would like' system. The sanctuary participated in Visit England's Good to Go scheme. Additional preparations were put in place, such as extra car parking, a one-way system round the site, new signage, additional stewarding, but there were times when it was so busy that it was difficult for the sanctuary to function effectively. Nonetheless donation income reflected the increased number of visitors, whilst reviews of the sanctuary on Trip Advisor and Google were outstanding.

Personnel

- Significant changes were made to the Finance and Fundraising elements of the charity. The Business Manager retired, and the sanctuary was unable to recruit a suitable replacement. 2 administrators were appointed, one to oversee business and finance, one to be responsible for donations. These joined the existing senior administrator who is responsible for adoption and gift aid funding
- A new Manager for social media and Online Fundraising was appointed.
- A significant consultancy appointment was made in the form of a high value fundraiser and grant application expert. Throughout the year the charity made a number of successful bids to animal welfare trusts which helped to support the charity through the Covid periods when income was restricted.

Development Plan and Future Targets

-The Trustees reviewed the charity development plan (2019-2024) at the annual meeting in January. The key targets in the 5-year plan were ;

1- Improve the likelihood of donkey rescue by creating a donkey owners engagement programme. Achieve a target of 150 animals in the sanctuary by 2024.

OUTCOME- It was felt that the sanctuary's work with the Donkey Breed Society, the New Forest Agristers, speaking to groups on and off the island, setting up viable partnerships and publicising our welfare work on social media and our website has meant that this target was reached by the end of 2021.

2- Review an annual infrastructure development programme to meet the welfare needs of the animals and the requirements of our visitors.

OUTCOME -At the end of 2021 the site had 26 paddocks, 15 field shelters, 4 barns and a 'health suite' for the donkeys. Visitor walkways, new toilets, new hospitality facilities had all been introduced. Building of a new barn was underway.

3- Increase revenue generation programmes to achieve £1,000,000 income per annum.

OUTCOME -The restructure of the financial services element of the sanctuary and the appointment of a high value fundraiser with grant application expertise has enabled the charity to access higher levels of income than in previous years. Better online fundraising capability and a clearer focus on site of the need to achieve funding levels have all contributed to the funding target being reached for the second year in a row in 2021.

4- Continue to develop equine welfare programmes.

OUTCOME- Donkey Welfare was at its highest level at the sanctuary. No donkeys were lost in 2021, better review processes and record keeping were put in place, 5 new highly qualified staff were brought into the sanctuary, new Yard Managers appointed and new training for staff introduced. External agencies such as the NEWC, Vectis Equine Vets and the Donkey Sanctuary Welfare Officer commented on the outstanding welfare and care given to our donkeys.

5- Develop Community Engagement Programmes

OUTCOME – Despite the impact of the pandemic, the sanctuary maintained its community development work, by engaging visitors on site with our welfare programmes and by delivering talks to community groups across the island. This work meant that the charity was successful in becoming a Community Charity of the Year for the second time in 5 years at the Shanklin branch of our local Co-op.

6- Improving hospitality.

OUTCOME - Grazer's café is now fully operational and, in addition to regular visitors, it has hosted a range of island community groups. The success of the café has led to an increase in

7 - Improving Expertise by developing working partnerships.

In 2021 the sanctuary maintained its informal relationship with the Flicka Foundation and with Pour L'Amour des Anes in France.

OUTCOME - Shared expertise was developed on areas such as the care of young donkeys, the use of eye treatments and additional donkeys, came to the sanctuary.

Work started on 2 other key aspects of the Development Plan ;

8 - Development of a Communications Strategy.

OUTCOME- was to include the building of a new website and identify a Social Media Strategy which reached 25,000 followers on a variety of platforms.

9 - Create a Performance Management Strategy

OUTCOME – Roll out Performance Management Training to all managers and provide a Performance Management process that all staff take part in during Spring/Summer 2022. This will identify training and development opportunities for all staff.

Planned Capital Projects to support the development plan objectives

Infrastructure to support animal welfare

- Construction of Busby's B - £200,000
- Building 4 new field shelters - £25,000
- Creation of 3 new paddocks - £15,000
- Re fencing most paddocks and walkways - £20,000
- Purchase of new All Terrain vehicle for the farm - £11,000
- Building a new concrete ramp to the farmyard - £10,000
- Placing a new filtration tank on site - £15,000

Infrastructure to support the communications strategy

- Building a new website - £20,000
- Installing a new Broadband Line - £12,000
- Installing wi-fi to all areas of the farm - £15,000

Infrastructure to support hospitality

- Purchase of new friers
 - Purchase of hot and cold grab and go cabinets
 - Purchase of additional tables/chairs
- Total - £30,000

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 a strong online presence, ensuring donations can still be made in the event of a site closure
- * 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. In 2021 the sanctuary was the target of a protracted reputational risk by the pursuit of a complaint by an animal rights organization. The complaint was investigated and found to be fallacious, but the potential of reputational risk was significant.

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

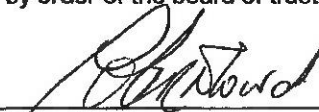
- * select suitable accounting policies and then apply them consistently;
- * observe the methods and principles in the Charity SORP;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures 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 20-09-22 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 2021 on pages 11 to 32, 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 2021 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. 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 at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be 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: 30 September 2022

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 2021

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income from:					
Donations and legacies	2	1,389,357	-	1,389,357	1,198,560
Other trading activities	3	544,501	-	544,501	242,790
Investment Income	4	33	-	33	65
Total income		<u>1,933,891</u>	<u>-</u>	<u>1,933,891</u>	<u>1,441,415</u>
Resources expended					
Raising funds	5	65,601	-	65,601	41,025
Charitable activities	5	792,439	-	792,439	543,633
Other trading activities	5	<u>428,538</u>	<u>-</u>	<u>428,538</u>	<u>212,660</u>
Total resources expended		<u>1,286,578</u>	<u>-</u>	<u>1,286,578</u>	<u>797,318</u>
Net incoming resources		647,313	-	647,313	644,097
Reconciliation of funds					
Total funds brought forward		2,859,715	-	2,859,715	2,215,618
Total funds carried forward		<u>3,507,028</u>	<u>-</u>	<u>3,507,028</u>	<u>2,859,715</u>

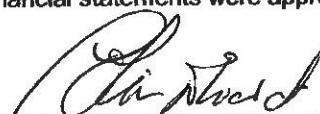
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movement in funds are disclosed in Note 20 to the financial statements.

ISLE OF WIGHT DONKEY SANCTUARY CIO
Registered Charity Number: 1159886
Consolidated Statement of Financial Position
As at 31 December 2021

	Notes	The Group		The Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible assets	11	1,763,310	1,643,945	1,703,662	1,556,619
Investments	12	-	-	2	2
		<u>1,763,310</u>	<u>1,643,945</u>	<u>1,703,664</u>	<u>1,556,621</u>
Current assets					
Stocks	15	26,343	22,585	-	-
Debtors	16	157,679	253,991	486,717	470,739
Cash at bank and in hand		<u>1,695,100</u>	<u>1,058,897</u>	<u>1,421,504</u>	<u>937,182</u>
		<u>1,879,122</u>	<u>1,335,473</u>	<u>1,908,221</u>	<u>1,407,921</u>
Current Liabilities					
Creditors: amounts falling due within one year	17	<u>135,404</u>	<u>119,703</u>	<u>106,809</u>	<u>115,949</u>
Net current assets		<u>1,743,718</u>	<u>1,215,770</u>	<u>1,801,412</u>	<u>1,291,972</u>
Total assets less current liabilities		<u>3,507,028</u>	<u>2,859,715</u>	<u>3,505,076</u>	<u>2,848,593</u>
Creditors: amounts falling due after one year	18	-	-	-	-
Net assets		<u>3,507,028</u>	<u>2,859,715</u>	<u>3,505,076</u>	<u>2,848,593</u>
Funds	20				
Unrestricted funds		3,507,028	2,859,715	3,505,076	2,848,593
Restricted funds		-	-	-	-
Total Funds		<u>3,507,028</u>	<u>2,859,715</u>	<u>3,505,076</u>	<u>2,848,593</u>

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

The financial statements were approved by the Trustees on 20-09-22


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 2021

	Notes	The Group		The Charity	
		2021 £	2020 £	2021 £	2020 £
Cash flows from operating activities	21	846,343	687,657	694,462	547,205
Cash flows from investing activities					
Interest receivable	33	65	65	33	65
Purchase of tangible fixed assets		(229,262)	(508,970)	(229,262)	(451,815)
Disposal of tangible fixed assets		19,089	600	19,089	600
Net cash provided by investing activities		(210,140)	(508,305)	(210,140)	(451,150)
Change in cash and cash equivalents in the year		636,203	179,352	484,322	96,055
Cash and cash equivalents at the beginning of the year		1,058,897	879,545	937,182	841,127
		<u>1,695,100</u>	<u>1,058,897</u>	<u>1,421,504</u>	<u>937,182</u>
Cash and cash equivalents at the end of the year		<u>1,695,100</u>	<u>1,058,897</u>	<u>1,421,504</u>	<u>937,182</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	2021	2020
		£	£
	Adopt a donkey scheme	185,500	175,500
	Donations	562,025	353,484
	Government funding	10,933	18,543
	Gift aid	67,811	47,656
	Legacies	563,088	603,377
		<u>1,389,357</u>	<u>1,198,560</u>

All income from donations and legacies, was attributable to unrestricted funds in 2021.
(Restricted funds of £18,543 in 2020)

3	Income from other trading activities	2021	2020
		£	£
	Income from trading activities	518,782	209,457
	Other operating income, including government grants	25,719	33,333
		<u>544,501</u>	<u>242,790</u>

All income from other trading activities, was attributable to unrestricted funds in 2021.
(Restricted funds of £21,999 in 2020)

4	Investment Income	2021	2020
		£	£
	Interest receivable	33	65
		<u>33</u>	<u>65</u>

All income from investments was attributable to unrestricted funds in 2021 and 2020.

ISLE OF WIGHT DONKEY SANCTUARY CIO
Notes to the Financial Statements

5a Analysis of expenditure (current year)

	Raising Funds	Charitable Activities	Other Trading Activities	Governance Costs	Support Costs	Total
	£	£	£	£	£	£
Staff costs (note 7)	16,010	295,805	166,058	13,815	-	491,688
Direct Costs	-	152,059	194,736	-	-	346,795
Advertising	-	-	-	-	28,655	28,655
Bank charges	-	6,825	7,323	-	-	14,148
Depreciation	-	63,131	27,677	-	-	90,808
IT & Telephone costs	-	-	712	-	3,658	4,370
Legal and professional costs	19,483	9,521	6,238	-	-	35,242
Office and administration	-	-	-	-	27,903	27,903
Other costs	-	18,979	9,232	-	-	28,211
Premises costs	-	162,401	16,562	-	-	178,963
Travel and subsistence	-	31,635	-	-	-	31,635
Audit and accountancy	-	-	-	8,160	-	8,160
	35,493	740,356	428,538	21,975	60,216	1,286,578
Support costs	30,108	30,108	-	-	(60,216)	-
Governance costs	-	21,975	-	(21,975)	-	-
Total expenditure	65,601	792,439	428,538	-	-	1,286,578

All expenses were attributable to unrestricted funds in 2021.

ISLE OF WIGHT DONKEY SANCTUARY CIO
Notes to the Financial Statements

5b Analysis of expenditure (prior year)

	Raising Funds	Charitable Activities	Other Trading Activities	Governance Costs	Support Costs	Total
	£	£	£	£	£	£
Staff costs (note 7)	17,697	244,947	94,717	10,815	-	368,176
Direct Costs	-	115,279	86,110	-	-	201,389
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	212,660	18,975	46,656	797,318
Support costs	23,328	23,328	-	-	(46,656)	-
Governance costs	-	18,975	-	(18,975)	-	-
Total expenditure	41,025	543,633	212,660	-	-	797,318

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

ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Notes to the Financial Statements

6	Net income/(expenditure)	2021	2020
		£	£
	Net income/(expenditure) is stated after charging/(crediting):		
	Depreciation	70,438	50,954
	Profit/loss on disposal of fixed assets	20,370	12,172
	Auditor's remuneration	5,760	5,760
7	Staff costs		
	Number of employees	2021	2020
	The average number of employees during the year was:	Number	Number
	Farm Staff	13	11
	Office Staff	7	5
	Fundraising Staff	1	1
	Café Staff	8	5
	Shop Staff	2	2
	Retail management Staff	0	1
		<u>31</u>	<u>25</u>
	Employment costs	2021	2020
		£	£
	Salaries and wages	460,704	345,952
	Social security costs	24,320	17,280
	Employer's contribution to defined contribution pension scheme.	6,664	4,944
		<u>491,688</u>	<u>368,176</u>

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

The charity trustees were neither paid or received any benefits from employment during the year (2020: £Nil).

A payment of £72, was made to Colin Ward during the year, as a reimbursement of travel costs incurred on behalf of the charity. No expenses payments were made to trustees in 2020.

The total employment benefits including employer pension contributions of the key management personnel were £77,491. (2020 - £47,401). Key management personnel comprises of 4 staff:

- * Derek Needham - Charity Manager
- * Carol Foote - Business Manager & Legacy Officer (Resigned June 2021)
- * Jill Dubery - Finance & HR Administrator (Appointed May 2021)
- * Julia Newton - Senior Farm & Training Manager

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements

8 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	2021 £	2020 £
Employer's pension cost	6,664	4,944
	<u>6,664</u>	<u>4,944</u>

9 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 £14,756 were paid to Mr S Ward.(2020: £13,630)

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

No other payments were made to trustees or related parties during 2021.

10 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 (2020: £nil).

ISLE OF WIGHT DONKEY SANCTUARY CIO
Registered Charity Number: 1159886
Notes to the Financial Statements
11 Tangible fixed assets

Group and charity	Land and buildings	Plant and machinery etc	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2021	1,716,006	261,100	25,692	2,002,798
Additions	119,927	69,025	40,310	229,262
Disposals	(2,967)	(64,418)	(14,698)	(82,083)
At 31 December 2021	<u>1,832,966</u>	<u>265,707</u>	<u>51,304</u>	<u>2,149,977</u>
Depreciation				
At 1 January 2021	220,469	118,559	19,825	358,853
Charge for the year	33,086	28,014	9,338	70,438
On disposals	(37)	(31,147)	(11,440)	(42,624)
At 31 December 2021	<u>253,518</u>	<u>115,426</u>	<u>17,723</u>	<u>386,667</u>
Net book value				
At 31 December 2021	<u>1,579,448</u>	<u>150,281</u>	<u>33,581</u>	<u>1,763,310</u>
At 31 December 2020	<u>1,495,537</u>	<u>142,541</u>	<u>5,867</u>	<u>1,643,945</u>

Charity	Land and buildings	Plant and machinery etc	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2021	1,716,006	148,767	25,692	1,890,465
Additions	119,927	69,025	40,310	229,262
Disposals	(2,967)	(29,038)	(14,698)	(46,703)
At 31 December 2021	<u>1,832,966</u>	<u>188,754</u>	<u>51,304</u>	<u>2,073,024</u>
Depreciation				
At 1 January 2021	220,469	93,552	19,825	333,846
Charge for the year	33,086	21,387	9,338	63,811
On disposals	(37)	(16,818)	(11,440)	(28,295)
At 31 December 2021	<u>253,518</u>	<u>98,121</u>	<u>17,723</u>	<u>369,362</u>
Net book value				
At 31 December 2021	<u>1,579,448</u>	<u>90,633</u>	<u>33,581</u>	<u>1,703,662</u>
At 31 December 2020	<u>1,495,537</u>	<u>55,215</u>	<u>5,867</u>	<u>1,556,619</u>

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements**12 Investments****Charity**

	Subsidiary Undertakings	
	2021	2020
	£	£
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.

13 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

SHMS House, 20 Little Park Farm Road, Fareham, Hampshire, United Kingdom, PO15 5TD.

The subsidiary is used for non-primary purpose trading activities, in the form of operating an 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	2021	2020
	£	£
Turnover	518,782	209,457
Cost of sales	(194,736)	(86,110)
Gross profit	324,046	123,347
Administrative expenses	(233,802)	(126,550)
Other operating income (inc. government grants)	25,719	33,333
Profit on ordinary activities	115,963	30,130
Deed of covenant to parent undertaking	(125,132)	(35,857)
Profit for the financial year	(9,169)	(5,727)
The aggregate of assets, liabilities and funds was:		
Assets	360,216	237,814
Liabilities	(358,261)	(226,690)
Funds	1,955	11,124

Amounts owed to/from parent undertaking are shown in note 16

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements**14 Parent Charity**

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

	2021	2020
	£	£
Gross incoming resources	1,514,522	1,234,482
Result for the year	<u>656,483</u>	<u>649,824</u>

Result for the year includes a donation from subsidiary undertaking of £125,132 (2020: £35,857)

15 Stocks

	The Group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Stocks held for other trading activities	26,343	22,585	-	-
	<u>26,343</u>	<u>22,585</u>	<u>-</u>	<u>-</u>

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

16 Debtors: amount falling due within one year

	The Group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Other Debtors	23,130	9,368	23,124	3,511
Prepayments	20,938	15,946	20,317	15,615
Amounts due from group undertakings	-	-	329,665	222,936
Accrued income	32,640	9,681	32,640	9,681
Legacies receivable	80,971	218,996	80,971	218,996
	<u>157,679</u>	<u>253,991</u>	<u>486,717</u>	<u>470,739</u>

17 Creditors: amounts falling due within one year

	The Group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	98,996	12,749	84,672	9,635
Taxation and social security	22,294	6,773	9,701	6,773
Other creditors	185	-	152	-
Accrued expenses	13,929	10,909	12,284	10,269
Bank loan	-	89,272	-	89,272
	<u>135,404</u>	<u>119,703</u>	<u>106,809</u>	<u>115,949</u>

ISLE OF WIGHT DONKEY SANCTUARY CIO

Registered Charity Number: 1159886

Notes to the Financial Statements**18 Analysis of group net assets between funds (current year)**

	General unrestricted	Restricted funds	Total funds
	£	£	£
Net assets	3,507,028	-	3,507,028
	<u>3,507,028</u>	<u>-</u>	<u>3,507,028</u>

19 Analysis of group net assets between funds (prior 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>

20a Movements in funds (current year)

	As at 1 Jan 2021	Income & Gains	Expenses & Losses	As at 31 Dec 2021
	£	£	£	£
Total Unrestricted funds	2,859,715	1,933,891	1,286,578	3,507,028
Restricted funds	-	-	-	-
Total funds	<u>2,859,715</u>	<u>1,933,891</u>	<u>1,286,578</u>	<u>3,507,028</u>

There were no restricted funds in 2021.

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements**20b Movements in funds (prior year)**

	As at 1 Jan 2020 £	Income & Gains £	Expenses & Losses £	As at 31 Dec 2020 £
Total Unrestricted funds	2,215,618	1,441,415	797,318	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>1,482,782</u>	<u>838,685</u>	<u>2,859,715</u>

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

	2021 £	2020 £
Net income for the reporting period	647,313	644,097
Adjustments for:		
Depreciation charges	70,438	50,953
(Profit)/Loss on disposal of fixed assets	20,370	12,172
Interest receivable	(33)	(65)
(Increase)/Decrease in stocks	(3,758)	1,467
(Increase)/Decrease in debtors	96,312	(53,621)
Increase/(Decrease) in creditors	15,701	32,654
Net cash provided by operating activities	<u>846,343</u>	<u>687,657</u>

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements**22 Comparatives for the statement of financial activities**

	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Income from:				
Donations and legacies	1,198,560	19,368	1,217,928	922,806
Raising funds	-	-	-	10,307
Other trading activities	242,790	21,999	264,789	249,941
Investment Income	65	-	65	4,025
Total incoming resources	1,441,415	41,367	1,482,782	1,187,079
Resources expended				
Raising funds	41,025	-	41,025	41,729
Charitable activities	212,660	19,368	232,028	571,884
Other trading activities	543,633	21,999	565,632	219,716
Total resources expended	797,318	41,367	838,685	833,329
Net Income	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	2,859,715	-	2,859,715	2,215,618

There were no restricted funds in 2019

ISLE OF WIGHT DONKEY SANCTUARY CIO**Registered Charity Number: 1159886****Notes to the Financial Statements****23 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	
	2021	2020
	£	£
Less than one year	1,997	1,997
More than one year	5,158	7,155
	<u>7,155</u>	<u>9,152</u>

24 Capital commitments

At the balance sheet date, the group had a constructive commitment to complete the building of the new donkey barn, which was completed in 2022. At the reporting date, the charity had committed £50,000 towards the completion of the project.

There were no capital commitment in 2020.

25 Controlling party

The charity is controlled by its trustees

26 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 2021 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 3.13% of the residual estate.

An estate where the charity is entitled to 1/3rd of the residual estate.