

ISLE OF WIGHT DONKEY SANCTUARY CIO

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

**FOR THE YEAR ENDED
31 DECEMBER 2022**



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

Colin Ward

Dawn Finney

Elaine Maria Burtenshaw

Janine Dyer

Michael Spencer (Resigned 18/01/2023)

Rev. Keith Adlam (Resigned 10/04/2023)

Heather Humby MBE (Resigned 28/07/2022)

Registered office

Lower Winstone Farm

St. Johns Road

Wroxall

Ventnor

Isle of Wight

England

PO38 3AA

Registered charity number

1159886

Registered company number

CE002608

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

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 2022. 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's model for a CIO

Recruitment and appointment of new trustees

Trustees are appointed for a 3-year term and can seek re-election to a maximum of 9 years.

Organisation structure

The organisational structure of the charity is made up of a board of trustees and one chief executive. 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 - Estate and Health and Safety.

Ms Elaine Burtenshaw – Farm and Animal Welfare, Volunteers, and Safeguarding

Ms Janine Dyer – Media, Fundraising, and Visitor Services

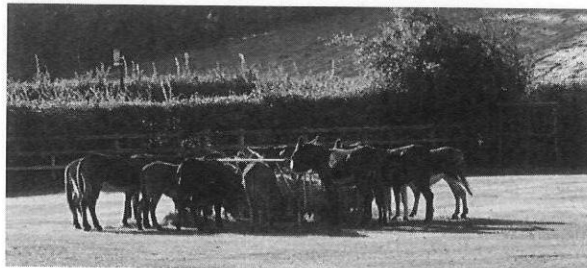
Mrs.Dawn Finney – Finance, Governance, and Leadership Development

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 will arrange 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

We would like to begin by thanking everyone for their continued support and ongoing commitment to the charity. Our financial review for 2022 is as follows:

- The accounts for 2022 show consolidated income of £2,164,053 and expenses totalling £1,667,309, which generated a surplus of funds of £486,744 this year.
- The charity continues to report an increase of assets, with the charity's fixed assets increasing by £137,486 and the current assets increasing by £288,855.
- Charity income continues to increase, with social media improvements having continued to improve donations and sanctuary footfall. Electronic card payment donation devices have also supported the increase in the capture of on-site donations, as society moves towards a more cash-less position.
- Expenditure continues to rise, due to the increased number of donkeys which are housed at the sanctuary and also due to worldwide inflationary pressures.
- In 2022 we increased our capacity to produce hay on our own land, not only reducing our carbon footprint, but also reducing our feed costs by £9,540.
- Legacy income increased once again in 2022, rising to £579,553. Whilst the charity aims to operate using only non-legacy income, legacies continue to significantly support the charity's strategy and allow it to plan and undertake capital improvements throughout the site.

Trading Subsidiary

- The trading subsidiary results show an increase in trading income of £172,583 in 2022.
- Trading expenses also increased in 2022, increasing by £159,264.
- When excluding government grants and disposal losses, the trading subsidiary generated similar profits in 2021 and 2022. All profits that are generated by the trading subsidiary, continue to be gifted to the charity for the use of charitable purposes.
- With the recent improvements to Cafe now complete, it was decided to start making improvements to the shop, which began towards the late stages in 2022. Such improvements are now complete and we hope that these improvement will show improved financial results for the trading subsidiary in 2023.

Financial Summary

- The level of consolidated cash reserves in the charity at the end of 2022 totalled £1,658,405, reducing slightly from last years' figure of £1,695,100.
- The charity retains over a year's worth of annual expenditure (£1,100,000) in its unrestricted reserves.
- The cash reserves alone dictate that the charity is a going concern and this is further supported by the increased level of total funds held by the group.

Objectives and Activities

In 2022 we built on our core activity which remains the same as previous years, a robust welfare regime with a continued focus on improving animal welfare whilst remaining safe and secure. We continued to build and improve foundations, providing training and enhanced monitoring, ensuring a healthy and happy environment for all our Donkeys.

Core objectives for 2022 were to strengthen foundations for the future of animal welfare, committed staff, passionate volunteers, partners, and our suppliers, and to build on our local community work.

In 2022, we welcomed Molly, who came to us having lost her bonded friend. She was refusing to go into her stable, eat, or move around her paddock due to her loss. Her owners became worried as she refused to interact and kept trying to escape. Once she arrived at the Sanctuary, with new friends and interacting in a small group, it didn't take her long to find a new firm friend in Pinto. She has settled so well, we are now looking to train her to be involved with our visitor inter-active activity programme.

It was becoming obvious that we needed to consider improving our farm facilities for both the donkeys and staff and therefore we are pleased to report the completion of a new large stable/barn facility. This allows us to easily house an additional herd of twenty or so donkeys and if necessary, that number could be increased a little. A long-term supporter helped in the finance of this facility and therefore we named the barn after their recently deceased donkey, 'Busby'.

It was also realised that the conditions for the staff and volunteers was poor especially when they were trying to complete office work. This can get quite complex with write ups of veterinary visits, planning worming of a herd of 115 donkeys, and 23 ponies, farrier visits and the necessary updates of each donkey's medical record and where appropriate their passport.

We therefore moved the workshop out of the feed room area and converted that area into a small farm office. This gave us a two-person office and some added comfort for the farm manager and deputies.

Farm facilities were further upgraded by surveying our fences and agreeing to replace the rotten posts and rails. Whilst doing this we also added stock fencing to the inside of each paddock, this prevents the donkeys chewing the fences, a major cause of replacement needs.

Animal welfare improvements continued with far more emphasis placed on the condition of our Donkeys whereby we regularly body condition score each animal, giving them an individual RAG rating, building a holistic report for each animal and herd.

We have had ongoing issues with succession planning, where the Charity Manager had decided after eleven dedicated years, it was now time to retire. This brought about various discussions, do we replace with a Charity Manager or a Chief Executive. The latter would imply increased costs but may bring in persons with additional skills and experience. Much discussion took place, prior to advertising initially for a Charity Manager, but in the knowledge that the title would reflect the skill set of the successful candidate.

In house improvements took place with a new database to support greater integration for donations and adoptions. We also replaced the retiring Business Manager with a Finance Officer who had worked in a more computer-based environment. This brought about changes to working practises, better recording of finances and the start of updating processes that will be continued into 2023.

We had continued improvement in our conservation area with the wildlife meadows. Our Estates Manager engaged with the Wildlife organisations on the island and in taking their suggestions and advice changed the order of ground maintenance in such areas that encourage wildlife. This work is ongoing as much of the change is seasonal and subject to additional surveys. The area we are planning to use for our community engagement.

In 2022 we were awarded two Gold and a Silver at the Red Funnel Annual Awards, winning Best Large Attraction, Best Place to take Dogs and Runner Up in the Best Café award on the Isle of Wight. This came after winning Best Rural Tourism Business and Best Overall Rural Business at The Royal County Show Rural Awards Day. We should not forget that in 2022 we also received the Trip Advisor Travellers Choice Award, and we are especially proud to receive a High-Quality Standard, and to be accepted onto the Human Equine Interaction Register which is an approval standard of our therapy and community work, whilst our current grading by the National Equine Welfare Council is 'outstanding' in 2022.

We also created a Donkey rehoming programme, as capacity was high. This involves rehoming new donkeys in the local area, as some of these Donkeys are used to more individual attention and do not integrate well into a herd, therefore enhancing their welfare, all routine costs are then taken up by their foster guardians.

Vet Care

We have put in place quarterly VET care meetings to improve communications and animal welfare. Further integration with our VETs using live medication board consolidating this position.

We work closely with Liphook Equine Hospital to support facilities required in house and in the future.

Supporters

Continued growth in supporters represented by increased adoptions not only on site but via our online platform.

Education and Community Therapy

We received a national lottery grant to employ a community engagement officer to further progress the ongoing community work we continue to put in place. We visit local care homes, schools and community groups. Enhancing the lives of residents at these facilities.

Visitor Numbers

We have seen a continued uplift in numbers on the site, with the continued improvement of onsite parking and stewarding, this has been reflected in donation uplift income and our trip advisor and google reviews remaining at the outstanding level.

Future Targets

We are continuing to invest in Donkey Care and welfare whilst improving the site infrastructure.

Support and continue community engagement programs.

IT integration and communications ongoing improvements

Benefits and governance review to underpin the running of the charity.

Cyber-crime training

Increased focus on volunteer integration, communication and making the charity a safe and inclusive environment for all.

Continued improvement and upgrade of new rehoming scheme

Development of staff with individual development programs to improve equine knowledge.

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

Risk Management

The trustees have identified the following risks and introduced the following safeguards to mitigate these risks:

- Audit and assurance activities, including operational and financial controls need improving and these are in our plans and objectives at monthly meetings. We are continuing to improve management accounts and monthly budget reviews.

- Internal audits, controls are not measured, and this will be improved in 2023 with improvements ongoing.

- Cyber risks - both awareness training and cyber-crime to be implemented and monitored in the future to mitigate the risk.

- Staff – continuity of management and succession planning – improvements to be made on in house staff development, whilst maintaining a recruitment strategy

- Business continuity and resilience – improved strategy

- Health and Safety Infrastructure – Annual reviews, and policies in place, ongoing improvements

- Safeguarding – needs addressing will be implemented in 2023.

- Reputation – improvements in good communications and impact on negative media, mitigated by close monitoring of reviews.

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 9th October 2023 and signed on its behalf by:


Dawn Finney


Colin Ward

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 2022 on pages 12 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 2022 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: 12 October 2023

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 2022

	Notes	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Income from:					
Donations and legacies	2	1,470,145	-	1,470,145	1,389,357
Other trading activities	3	691,365	-	691,365	544,501
Investment Income	4	2,543	-	2,543	33
Total income		2,164,053	-	2,164,053	1,933,891
Resources expended					
Raising funds	5	114,525	-	114,525	65,601
Charitable activities	5	974,981	-	974,981	792,439
Other trading activities	5	587,803	-	587,803	428,538
Total resources expended		1,677,309	-	1,677,309	1,286,578
Net incoming resources		486,744	-	486,744	647,313
Reconciliation of funds					
Total funds brought forward		3,507,028	-	3,507,028	2,859,715
Total funds carried forward		<u>3,993,772</u>	<u>-</u>	<u>3,993,772</u>	<u>3,507,028</u>

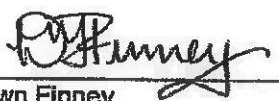
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movement in funds are disclosed in Note 20 to the financial statements.

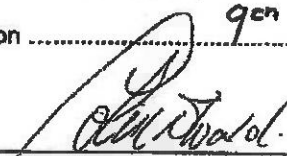
ISLE OF WIGHT DONKEY SANCTUARY CIO
Registered Charity Number: 1159886
Consolidated Statement of Financial Position
As at 31 December 2022

	Notes	The Group		The Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets					
Tangible assets	11	1,939,587	1,763,310	1,841,148	1,703,662
Investments	12	-	-	2	2
		<u>1,939,587</u>	<u>1,763,310</u>	<u>1,841,150</u>	<u>1,703,664</u>
Current assets					
Stocks	15	37,754	26,343	-	-
Debtors	16	434,522	157,679	734,090	486,717
Cash at bank and in hand		<u>1,658,405</u>	<u>1,695,100</u>	<u>1,462,986</u>	<u>1,421,504</u>
		<u>2,130,681</u>	<u>1,879,122</u>	<u>2,197,076</u>	<u>1,908,221</u>
Current Liabilities					
Creditors: amounts falling due within one year	17	<u>76,496</u>	<u>135,404</u>	<u>46,406</u>	<u>106,809</u>
Net current assets		<u>2,054,185</u>	<u>1,743,718</u>	<u>2,150,670</u>	<u>1,801,412</u>
Total assets less current liabilities		<u>3,993,772</u>	<u>3,507,028</u>	<u>3,991,820</u>	<u>3,505,076</u>
Creditors: amounts falling due after one year		-	-	-	-
Net assets		<u><u>3,993,772</u></u>	<u><u>3,507,028</u></u>	<u><u>3,991,820</u></u>	<u><u>3,505,076</u></u>
Funds	20				
Unrestricted funds		3,993,772	3,507,028	3,991,820	3,505,076
Restricted funds		-	-	-	-
Total Funds		<u><u>3,993,772</u></u>	<u><u>3,507,028</u></u>	<u><u>3,991,820</u></u>	<u><u>3,505,076</u></u>

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

The financial statements were approved by the Trustees on 9th October 2023


Dawn Finney


Colin Ward

ISLE OF WIGHT DONKEY SANCTUARY CIO
Registered Charity Number: 1159886
Consolidated Statement of Cash Flows
For the year ended 31 December 2022

	Notes	The Group		The Charity	
		2022 £	2021 £	2022 £	2021 £
Cash flows from operating activities	21	211,812	846,343	243,998	694,462
Cash flows from investing activities					
Interest receivable		2,543	33	2,543	33
Purchase of tangible fixed assets		(275,102)	(229,262)	(229,108)	(229,262)
Disposal of tangible fixed assets		24,052	19,089	24,050	19,089
Net cash provided by investing activities		(248,507)	(210,140)	(202,515)	(210,140)
Change in cash and cash equivalents in the year		(36,695)	636,203	41,483	484,322
Cash and cash equivalents at the beginning of the year		1,695,100	1,058,897	1,421,504	937,182
		<u>1,658,405</u>	<u>1,695,100</u>	<u>1,462,987</u>	<u>1,421,504</u>
Cash and cash equivalents at the end of the year		<u>1,658,405</u>	<u>1,695,100</u>	<u>1,462,987</u>	<u>1,421,504</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

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Notes to the Financial Statements

2	Income from donations and legacies	2022 £	2021 £
	Adopt a donkey scheme	238,842	185,500
	Donations	559,216	562,025
	Government funding	-	10,933
	Gift aid	92,535	67,811
	Legacies	579,552	563,088
		<u>1,470,145</u>	<u>1,389,357</u>

All income from donations and legacies, was attributable to unrestricted funds in 2022 and 2021

3	Income from other trading activities	2022 £	2021 £
	Income from trading activities	691,365	518,782
	Other operating income, including government grants	-	25,719
		<u>691,365</u>	<u>544,501</u>

All income from other trading activities, was attributable to unrestricted funds in 2022 and 2021.

4	Investment Income	2022 £	2021 £
	Interest receivable	2,543	33
		<u>2,543</u>	<u>33</u>

All income from investments was attributable to unrestricted funds in 2022 and 2021.

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)	26,498	392,391	229,541	12,334	-	660,764
Direct Costs	-	170,126	288,325	-	-	458,451
Advertising	-	-	-	-	38,057	38,057
Bank charges	-	9,667	9,871	-	-	19,538
Depreciation	-	67,573	7,200	-	-	74,773
IT & Telephone costs	-	-	3,005	-	33,207	36,212
Legal and professional costs	31,700	13,162	8,113	-	-	52,975
Office and administration	-	-	-	-	41,391	41,391
Other costs	-	46,925	15,763	-	-	62,688
Premises costs	-	170,417	25,985	-	-	196,402
Travel and subsistence	-	27,798	-	-	-	27,798
Audit and accountancy	-	-	-	8,260	-	8,260
	58,198	898,059	587,803	20,594	112,655	1,677,309
Support costs	56,327	56,328	-	-	(112,655)	-
Governance costs	-	20,594	-	(20,594)	-	-
Total expenditure	114,525	974,981	587,803	-	-	1,677,309

All expenses were attributable to unrestricted funds in 2022.

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)	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

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Notes to the Financial Statements

6	Net income/(expenditure)	2022	2021
		£	£
	Net income/(expenditure) is stated after charging/(crediting):		
	Depreciation	79,338	70,438
	(Profit)/loss on disposal of fixed assets	(4,565)	20,370
	Auditor's remuneration	5,860	5,760
7	Staff costs		
	Number of employees	2022	2021
	The average number of employees during the year was:	Number	Number
	Farm Staff	9	13
	Office Staff	7	7
	Fundraising Staff	2	1
	Café Staff	13	8
	Shop Staff	2	2
	Estate Management	2	0
		<u>35</u>	<u>31</u>
	Employment costs	2022	2021
		£	£
	Salaries and wages	612,032	460,704
	Social security costs	39,186	24,320
	Employer's contribution to defined contribution pension scheme.	9,546	6,664
		<u>660,764</u>	<u>491,688</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 (2021: £Nil).

Payments totalling £74, were made to Colin Ward during the year, as reimbursement of expenses incurred on behalf of the charity. Reimbursements of £72 were made to Colin in 2021.

The total employment benefits including employer pension contributions of the key management personnel were £80,055. (2021 - £77,491). Key management personnel comprises of 3 staff.

- * Derek Needham - Charity Manager
- * Jill Dubery - Finance & HR Administrator
- * 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	2022 £	2021 £
Employer's pension cost	9,546	6,664
	<u>9,546</u>	<u>6,664</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 £15,979 were paid to Mr S Ward.(2021: £14,756)

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

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 (2021: £nil).

ISLE OF WIGHT DONKEY SANCTUARY CIO

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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 2022	1,832,966	265,707	51,304	2,149,977
Additions	154,024	121,078	-	275,102
Disposals	-	(36,215)	-	(36,215)
At 31 December 2022	<u>1,986,990</u>	<u>350,570</u>	<u>51,304</u>	<u>2,388,864</u>
Depreciation				
At 1 January 2022	253,518	115,426	17,723	386,667
Charge for the year	35,296	35,647	8,395	79,338
On disposals	-	(16,728)	-	(16,728)
At 31 December 2022	<u>288,814</u>	<u>134,345</u>	<u>26,118</u>	<u>449,277</u>
Net book value				
At 31 December 2022	<u>1,698,176</u>	<u>216,225</u>	<u>25,186</u>	<u>1,939,587</u>
At 31 December 2021	<u>1,579,448</u>	<u>150,281</u>	<u>33,581</u>	<u>1,763,310</u>

Charity	Land and buildings	Plant and machinery etc	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2022	1,832,966	188,752	51,304	2,073,022
Additions	154,024	75,084	-	229,108
Disposals	-	(36,213)	-	(36,213)
At 31 December 2022	<u>1,986,990</u>	<u>227,623</u>	<u>51,304</u>	<u>2,265,917</u>
Depreciation				
At 1 January 2022	253,518	98,119	17,723	369,360
Charge for the year	35,296	28,446	8,395	72,137
On disposals	-	(16,728)	-	(16,728)
At 31 December 2022	<u>288,814</u>	<u>109,837</u>	<u>26,118</u>	<u>424,769</u>
Net book value				
At 31 December 2022	<u>1,698,176</u>	<u>117,786</u>	<u>25,186</u>	<u>1,841,148</u>
At 31 December 2021	<u>1,579,448</u>	<u>90,633</u>	<u>33,581</u>	<u>1,703,662</u>

ISLE OF WIGHT DONKEY SANCTUARY CIO

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Notes to the Financial Statements

12 Investments

Charity	Subsidiary Undertakings	
	2022	2021
	£	£
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	2022 £	2021 £
Turnover	691,365	518,782
Cost of sales	(288,324)	(194,736)
Gross profit	403,041	324,046
Administrative expenses	(299,478)	(233,802)
Other operating income (inc. government grants)	-	25,719
Profit on ordinary activities	103,563	115,963
Deed of covenant to parent undertaking	(103,563)	(125,132)
Profit for the financial year	-	(9,169)
The aggregate of assets, liabilities and funds was:		
Assets	332,569	360,216
Liabilities	(330,614)	(358,261)
Funds	1,955	1,955

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:

	2022	2021
	£	£
Gross incoming resources	1,576,252	1,514,522
Result for the year	<u>486,744</u>	<u>656,483</u>

Result for the year includes a donation from subsidiary undertaking of £103,248 (2021: £125,132)

15 Stocks

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Stocks held for other trading activities	37,754	26,343	-	-
	<u>37,754</u>	<u>26,343</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	
	2022	2021	2022	2021
	£	£	£	£
Other Debtors	29,213	23,130	29,213	23,124
Prepayments	19,872	20,938	19,384	20,317
Amounts due from group undertakings	-	-	300,516	329,665
Accrued income	10,679	32,640	10,679	32,640
Trade Debtors	460	-	-	-
Legacies receivable	374,298	80,971	374,298	80,971
	<u>434,522</u>	<u>157,679</u>	<u>734,090</u>	<u>486,717</u>

17 Creditors: amounts falling due within one year

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	38,671	98,996	23,042	84,672
Taxation and social security	23,342	22,294	10,628	9,701
Other creditors	1	185	-	152
Accrued expenses	12,338	13,929	10,639	12,284
Credit Card	2,144	-	2,097	-
	<u>76,496</u>	<u>135,404</u>	<u>46,406</u>	<u>106,809</u>

ISLE OF WIGHT DONKEY SANCTUARY CIO

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

	General unrestricted	Restricted funds	Total funds
	£	£	£
Net assets	3,993,772	-	3,993,772
	<u>3,993,772</u>	<u>-</u>	<u>3,993,772</u>

19 Analysis of group net assets between funds (prior 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>

20a Movements in funds (current year)

	As at 1 Jan 2022	Income & Gains	Expenses & Losses	Transfers between funds	As at 31 Dec 2022
	£	£	£	£	£
Unrestricted funds					
General	3,507,028	2,164,053	1,677,309	(250,000)	3,743,772
Designated funds - Equine Clinic				250,000	250,000
Restricted funds	-	-	-	-	-
Total funds	<u>3,507,028</u>	<u>2,164,053</u>	<u>1,677,309</u>	<u>-</u>	<u>3,993,772</u>

There were no restricted funds in 2022.

Designated funds - Equine Clinic

Funds of £250,000 were designated in 2022, (2021 £nil) in respect of the build and fit of an Equine Clinic, due to commence in October 2023.

20b Movements in funds (prior year)

	As at 1 Jan 2021	Income & Gains	Expenses & Losses	Transfers between funds	As at 31 Dec 2021
	£	£	£	£	£
Unrestricted funds					
General	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>-</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

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

	2022 £	2021 £
Net income for the reporting period	486,744	647,313
Adjustments for:		
Depreciation charges	79,338	70,438
(Profit)/Loss on disposal of fixed assets	(4,565)	20,370
Interest receivable	(2,543)	(33)
(Increase)/Decrease in stocks	(11,411)	(3,758)
(Increase)/Decrease in debtors	(276,843)	96,312
Increase/(Decrease) in creditors	(58,908)	15,701
Net cash provided by operating activities	<u>211,812</u>	<u>846,343</u>

22 Comparatives for the statement of financial activities

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

There were no restricted funds in 2021

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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	
	2022	2021
	£	£
Less than one year	1,997	1,997
More than one year	3,161	5,158
	<u>5,158</u>	<u>7,155</u>

24 Capital commitments

At the balance sheet date, the group had a constructive commitment to complete groundworks on the site, which were completed in 2023. At the reporting date, the charity had committed £57,499 towards the completion of this project.

At the previous reporting date, the group had construction commitments of £50,000, in relation to the building of the new donkey barn which was completed in 2022.

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 2022 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 10% of the residual estate, although interim payments of £26,400 have already been received.