

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Company number: 558085

Charity number: 209015

**THE SOCIETY FOR THE PROTECTION
OF ANIMALS ABROAD
(A company limited by guarantee)**

**Financial Statements
31 December 2012**

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

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THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Report of the Council (incorporating the Report of the Directors) For the year ended 31 December 2012

The Council, which comprises the Trustees of the Society as Directors for the purpose of the Companies Act, has pleasure in presenting its Report for the year ended 31 December 2012.

Overview

Challenges and achievements in 2012

A year of sharp focus for SPANA, its staff in the UK and partners overseas, its supporters, and Council. Importantly, also, to the recipients of our help and those we cannot reach.

These challenges included:

- the turbulent political climate in many countries where we bring support to working animals, communities, and in the wider field of animal welfare and education;
- the volatility in areas of finance, through varying currency exchange rates, rising costs of food and fodder, and many inflationary pressures.
- the squeeze on the incomes of donors where supporters often feel unable to give as much as they would wish to a cause dear to their heart.

In times of retrenchment the charitable need grows inexplicably: yet the inflow of funds becomes increasingly constrained. The Council believes these challenges will be with us for some time to come. Our goal is to maintain, wherever possible, a consistent level of veterinary, welfare, and educational support whilst looking beyond the immediate to the long term. This has involved taking a hard look at all our operations to ensure that donors' money is applied for the maximum benefit; so balancing the current (veterinary care) with the future (prevention and education).

Achievements in 2012

Veterinary

Direct intervention through regular clinics and the use of 22 mobile clinics visiting markets, souks, and villages. Over 362,000 treatments were provided with an emphasis on prevention. Clinical training brought 'hands on' to students across the northern half of Africa and in the Middle East. Links were established with the addition of the veterinary school in Senegal adding to those long established in Morocco, Tunisia, Jordan, Ethiopia and Syria. Opportunities for UK students to work with our 'in country' indigenous teams give a valuable insight into world animal welfare issues.

Community development was extended in Ethiopia to improve knowledge, attitudes, and better practice involving workshops and harnessing programmes. We continued with our successful licensing programmes, in collaboration with local administrations coupled with rewards for owners and handlers leading by example.

Outreach programmes were supported involving local groups in Burkina Faso, Botswana, Sierra Leone, Zambia and Zimbabwe. Shallow water wells was begun in the Gobi Desert to support the endangered horse population. Our work on catchment dams were extended in the Turkana region of Kenya: all designed to bring essential and lasting relief in these drought stricken areas of the world.

Education – Improved welfare for the future

The key initiative in the year was to measure the effectiveness of our education programme. An evaluation in Ethiopia showed a significant positive impact and has formed a basis for future measurement.

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Raising resources

A year of high activity resulting in a substantial increase of more than 50% in the number of committed supporters for our work. The year included the launch of a new, strikingly coloured logo coupled with a change of marketing partners. New initiatives in the UK to gain volunteers stemmed from more local events. The highlight was "Stride Out" held at Warwick, which attracted over 600 visitors.

Raising awareness

SPANAs work and value became increasingly better known through Facebook (a tenfold increase) and a more extensive and user friendly website was developed. A significant growth in on-line donations was achieved.

2012 has proved to be a challenging year for SPANA but Council can state that the Society has met these challenges in a positive way that has meant that the charitable objectives continue to be met. When we reported this time last year, the effects of the "Arab Spring", which started in 2011, were beginning to affect Syria and events have escalated there since February 2012; more recently, rebel activities in Mali have effectively split the country in half and caused refugees to move into southern Mauritania. Wherever possible, our veterinary and education clinics continue to operate but security and safety considerations are paramount.

The Council resolved to be consistent and maintain the level of support given in each country of operation and, if necessary, to draw upon reserves to maintain momentum.

In pursuing this strategy the importance of an appropriate level of reserves including specially designated funds to meet and sustain long-term charitable needs is paramount. This has to be measured also in the context of a fluctuating Stock Market since we are required, by charity accounting regulations, to include the market value of investments on our balance sheet.

The Council recognises the value of the charity's valuable work for animals, their owners and communities in which they live, and resolved to apply additional resources to (a) make SPANA better known, (b) attract new supporters and (c) target those activities which would have the greatest benefit. This has resulted in a significant increase in the costs of generating funds.

The Council manages the Society's finances from a conservative approach. In 2012 the operating budget allowed for a substantial deficit for the year.

We are showing an operating deficit of £1,648,452, after net strategic fundraising costs of £782,000, for 2012 before taking into account realised and unrealised gains on our investment portfolio.

The Council is determined to maintain its level of charitable support for 2013 and beyond and believes this to be the wish of our supporters and the growing number of individuals who are recognising the value of all the work SPANA undertakes.

SPANAs is fortunate to benefit from a high level of legacies and this reflects the importance our supporters attach to enabling us to carry on their support after they die for the long-term value of SPANA's projects in some of the poorest communities of the world.

Alongside these encouraging donations, the year saw increasing awareness and levels of support for our work.

The key features for the year were:

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- i. maintaining our level of aid and giving help to more animals.
- ii. extending our education work for young people to improve animal welfare in the future;
- iii. direct charitable expenditure of £3.6m;
- iv. continuation of relaunch and rebranding of our fundraising campaigns.

The economic climate saw:

- i. continuing uncertainty in global financial markets;
- ii. while the value of our investments fell by £0.2 million, this was after withdrawing funds to finance the deficit; on an equivalent basis, the value of the fund rose 14.4% compared with an 8% increase in FTSE All-Share Index
- iii. our unrestricted reserves fall by £1.0 million or 10.3%

Recognising the continuing financial crisis and the consequential increase in charitable need, the Council has resolved, to:

- i. maintain, wherever possible, the same level of service delivery as before;
- ii. take steps to buy currency forward in anticipation of the likely dramatic impact of world currency re-alignments.

We were only able to do so in the knowledge that the Society's reserves were healthy. The Council believes that reserves are there to tide the Society through difficult times. It has been far from wise for the authorities and the public to put charities under pressure to constrain the growth of reserves in the good times. Now those times are behind us for the foreseeable future, it is all the more imperative for us to strive to maintain our level of meeting the charitable work and the objectives which our founders, and supporters, over the years held so dear.

The Council is enormously grateful for the loyalty shown by our supporters and the efforts of the staff both in the UK and the countries where we operate.

The challenges ahead are daunting. If we are to keep on track, we must maintain our support for working and other animals, and their owners. Their lives would suffer or be impoverished, were it not for the generosity of our supporters. We owe it to them, as we do to every one of our valued donors.

Structure, governance and management

Governing document

The Society for the Protection of Animals Abroad, (SPANA) is a voluntary organisation and a registered charity founded in Great Britain in 1923. It is a company limited by guarantee and not having a share capital. It is governed by its Memorandum and Articles of Association, managed by an elected Council and funded by voluntary donations with its members and supporters located throughout the British Isles and elsewhere, including the countries in which SPANA operates.

The Trustees

SPANA's Council of Trustees currently comprises ten members of the Society, but may have up to fourteen members and not less than five members. Council identified certain areas of expertise where it needed strengthening and, having advertised for new Trustees, is in the course of interviewing potential new Trustees/has appointed two new Trustees to Council. The Council, who have to be members of the Company, meet in formal sessions four times per annum and at that time consider and decide upon:

- The activities and recommendation of SPANA's six main committees, each of which also meet regularly, namely those addressing:

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- Finance and General Purposes
 - Veterinary
 - Education
 - Investment
 - Fundraising and Communications and
 - Remuneration
- Progress and development of issues maintained under review within the:
 - Strategic Framework, and the
 - Risk Register (see below)

Contractual and other operational issues which fall outside the routine management scope are dealt with on a day-to-day basis by the Executive.

Appointment of Trustees, induction and training

With regard to the operation of the Council itself, each position on the Council of Trustees is identified according to the specialisation which its incumbent has to have, in order to discharge the duties of the particular role. Typically, a potential Council Trustee will have been involved with SPANA for a number of years and will have served on one or more of SPANA's sub-committees, and been able to demonstrate their skills and commitment, before being approached with a view to their being invited to stand for election to the Council. Once appointed, Trustees complete an induction programme including visits to the countries where SPANA is operational, to acquire first hand knowledge of SPANA's activities and the personnel involved; they are also invited to participate in such formal training and seminars as are appropriate (e.g. the legal dimension to being a trustee; the role of the trustee in the management of the Society's investments).

Appointment of members to the Council is through election by the Membership.

The Council reviews, regularly, the balance of skills and experience required for the successful governance of the Society. The skills available to the charity were strengthened, during the year, by the appointment, on 20 April 2012, of two new Trustees: Mr Donald Fraser and Professor Tim Greet.

Mr Ian Frazer and Mr Carl Boyde retired as Trustees on 20 April 2012. We are grateful for their support and guidance: Mr Frazer as past Chairman, Vice-Chairman and Treasurer and Mr Boyde as a member of the Veterinary Committee. We are pleased to announce that Mr Frazer was appointed a Vice President with effect from 14 June 2012.

Organisation

SPANAs is an organisation with clear objectives and a high international profile within the developing world. On a day-to-day basis it is managed by the Executive which comprises the Chief Executive and the Heads of the five functions: Veterinary, Education, Finance, Communications and Fundraising. The members of the Executive are not directors, under company law.

The group consists of the Society, its subsidiary in Jordan, branch in Mali and UK trading subsidiary.

Strategic and Risk management

The Society maintains two processes for the management of its strategic positioning and the assessment of risk, namely:

- The Strategic Framework document. This forms the basis of monitoring how the strategic direction of the Society is being maintained. It takes into account the issues addressed in

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the Risk Register and also ensures a continual awareness of the opportunities and strengths of the Society, as well as potential weaknesses and threats. A formal meeting of Trustees and the Executive to review the strategic document was held during the year;

- A Risk Register, first established some years ago, which is reviewed annually to assess areas of risk in all parts of SPANA's activities and identify SPANA's responses, in order to manage risk to an acceptable level. This provides a high level risk overview from which the Executive can proceed to implement responses at a more detailed level and should confirm that, in Council's opinion, systems are in place to manage major risks to which the Society is exposed.

Overseas operations

SPANA manages its overseas operations through a combination of:

- A rolling eighteen months fundraising forecast;
- A detailed annual budget which is agreed, prior to the commencement of each financial year, at meetings conducted with the senior staff of individual countries by a team comprising, as a minimum, one Council Trustee, the Chief Executive and the Finance Director;
- Monthly financial and statistical returns made by each country to head office,
- The limiting of funding to monthly remittances, made in accordance with budgets, but also taking into account the monthly returns received;
- Auditing and other certification, of financial statements made by the local SPANA organisation, by such independent bodies as are available locally;
- Periodic visits to countries, by senior staff and Council Trustees, which include spot checks and testing of business practices and controls;
- Setting aside funds, albeit limited, to respond to emergencies, e.g. east Africa and Egypt.

Objectives and activities

The objects of the Society are:

TO PREVENT UNNECESSARY SUFFERING TO ANIMALS AND NEGLECT OF THEIR BODILY NEEDS

SPANA seeks to achieve these objects by:

- Providing treatment in clinics, or otherwise, for sick and injured animals;
- Support and giving advice to owners and keepers;
- Promoting education in the humane treatment of animals and relevant environmental issues;
- Assisting in the enforcement of applicable laws; and.
- Action to preserve and develop local animal health and skills

SPANA's values and principles in action, and future aspirations, can be seen in the SPANA Annual Review (obtainable from the Society's registered office or website, www.spana.org).

SPANA is dedicated to elevating the level of welfare and quality of life for animals – principally working animals – and their owners, in the countries in which it operates. This we achieve:

- among the animal owners and adult population generally, by setting standards for the treatment of their animals and by demonstrating best practice, thereby raising awareness within the local society as a whole, with regard to the importance of animal welfare and improving animal husbandry;
- by raising awareness of the key importance of the working animal in sustaining the economic viability of indigenous communities;

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- by assisting the veterinary profession of the countries in which we operate to enhance standards of practice;
- among children, with each SPANA refuge having its own classroom and most having a small eco-garden, pond and exhibition room, by exposure to the importance of the environment and by first hand experiences with animals: this we implement with interactive teaching, enhanced by modern materials – films, books, posters, 'hands-on' exhibits, and other educational materials not usually available in the school environment which the children normally attend;
- by working, with national and regional government agencies, not only to see the existing laws enforced more effectively, but to spread awareness as to how laws might be improved;
- providing support and advice in emergencies with the aim of ensuring that livestock is safeguarded through provision of water and fodder as a bedrock for reinstating economically viable communities.

The substance and pattern of the Society's activities have been established, amended and moulded continually over the last eighty years and continue to evolve in response to needs as they arise, within the framework of the Society's governing document.

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

Achievements, performance and plans

Veterinary

2012 again proved to be a very difficult year operationally because of the effect of commodity price increases and currency movements on costs. Political instability and conflict affected SPANA's operations in Syria and Mali. The Council decided that existing programmes should be maintained and steps were taken to ensure the delivery of these programmes.

The veterinary department continues to develop our current programmes to ensure that we achieve the greatest impact on working animal health and welfare. The veterinary strategy continues to focus on five key themes:

- **Direct Veterinary Intervention:** In 2012 the programme continued to provide direct veterinary care and attention to working animals at its 19 clinics and in markets and villages through its 22 mobile units. Overall, over 362,000 treatments were provided to animals during the course of the year, with a continued shift towards prevention rather than treatment being the key aspect. Supporting this, we continued our drive to improve the quality of the measurement of our results in the field, and our programmes effectiveness. In 2012, the quality of statistical reporting in terms of punctuality and the consistency of application of the set criteria have continued to improve very satisfactorily: monthly reports are received from all activities and the integrity of the data can be validated and seen to be reliable. This is given special attention by members of head office staff and Council Trustees, when they visit the SPANA countries of operation and when making field trips.
- **Training:** The provision of clinical training opportunities and placements for undergraduate veterinary students has continued to be a central part of the veterinary strategy. Students from veterinary faculties in Morocco, Senegal, Tunisia, Jordan and Ethiopia now all gain valuable "hands-on" experience working with SPANA programmes. In 2012, SPANA has also continued to provide continued professional development (CPD) to government and privately employed veterinary surgeons, and other veterinary professionals on subjects including equine healthcare and welfare.

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- **Community Development:** SPANA works to change the knowledge, attitudes and behavioural practices of working animal owners and users. It does this through various community engagement programmes, including awareness workshops, harness programmes and licensing schemes. In 2012, this included the expansion of participatory programmes into all of the towns in which SPANA works in Ethiopia, as well as continuing the successful Imilil Mule programme and Caleche horse licensing scheme in Morocco.
- **Research:** SPANA continues to work both internally and collaboratively with other partners to generate the essential evidence to help inform our decision, policies and practices, which in turn can lead to improvements in animal welfare. In 2012, SPANA staff were authors or co-authors on five peer-reviewed publications, as well as assisting in numerous undergraduate student research projects. SPANA also continues to attend and present papers at national and international veterinary conferences.
- **Outreach and Emergencies:** SPANA continues to fund a number of outreach programmes through our small grants programme in Burkina Faso, Botswana, Sierra Leone and Zambia. Two partner organisations in Zimbabwe (The AWARE Trust and The Donkey Protection Trust) continued to receive funding in 2012 for programmes working to improve the health and welfare of donkeys. Under our emergency programmes, two projects were funded in 2012, the first was a series of shallow water wells in the Gobi desert, Mongolia the second a rock catchment dam in Turkana region, Kenya.

Education

SPANA's tradition of working with school age children goes back to soon after it was founded. It educates youngsters in the belief animal welfare education will help develop positive attitudes to animals and that this is the best way to provide better lives for animals in the long term.

During 2012 SPANA's Education Programme has been, and will be, gathering evidence to prove its education delivery models are working. The most intensive of SPANA's school interventions takes place in Ethiopia. Here, a series of lessons has been developed in three schools. A formal evaluation of this programme has found that it has a measurable and significant positive impact on the children that take part.

A second study is currently underway in Morocco. The educational delivery model here is based on a single visit to a SPANA Centre where children participate in an interactive presentation and see at first hand some of the hospitalized animals being treated by SPANA's veterinary surgeons. From the initial results of the study, this style of delivery does not have such a significant effect on the children, but SPANA is hoping during the coming year to make a visit more meaningful and memorable by giving visitors the experience of handling specially tamed animals which should have a more profound effect on those taking part.

Other educational models currently underway overseas include mobile exhibitions which tour Tunisia and Syria, and another is soon to be launched in Morocco. Educating about the welfare of wildlife species takes place at Sidi Boughaba, an environmental centre in Morocco, and lesson plans on the welfare of wildlife and domestic species have been created by SPANA as part of an animal club project just starting in Kenya. SPANA's director in Mali has overseen the building of a new classroom in the veterinary centre and a teacher has recently been recruited. In Mauritania, a new animal welfare activity book has been created for use with the children that visit SPANA's Centre.

In total, 47,030 pupils and 29,221 other visitors have benefitted from SPANA's education centres during 2012. SPANA's Centres are open too to the general public and together with schools, over 76,000 people visited in 2012.

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Fundraising

The Council decided in 2011 that in order that SPANA should grow in future to enable its charitable activities to increase it would commit to increased fundraising expenditure. This campaign commenced in mid-2011 and involved a branding review, relaunch of marketing and fundraising activities and a change of marketing partners. This investment has had a positive response from existing and potential supporters and is already expanding the number of SPANA supporters.

SPANA continues to take part in events to generate media coverage and raise awareness about our programmes. In the UK, local events are organised either by SPANA or local volunteers and among successful campaigns developed in 2012 was the Stride-Out day held at Warwick, attracting over 600 people. Our Vice-President, Derek Knottenbelt, had another successful fundraising event, raising £109,000, by providing a Continuing Professional Development course in several European countries and Morocco to raise funding for Mali and Mauritania.

Communications

The Communications team has expanded its digital communications programmes, focusing particularly on social media. By the end of 2012, SPANA had grown its Facebook fanbase to over 20,000 people. This represents a tenfold increase in just over 12 months. A more extensive and user friendly website was developed. A significant growth in on-line donations was achieved.

Social media growth, supported by an investment in search engine optimisation, also resulted in a marked increase in website traffic, with 119,123 visits during the year and a continued growth in online income.

PR coverage during 2012 continued a growth trend. Notable campaigns included:

- A SPANA awareness campaign on radio, fronted by SPANA Ambassador and actor Jim Broadbent
- National, equine and veterinary media coverage for the Vets with Horsepower fundraising project, including coordinating media for the launch event at Buckingham Palace
- A responsible tourism campaign, encouraging tourists to consider the welfare of animals used in the tourist industry. SPANA Ambassador Ann Widdecombe helped secure coverage across national newspapers, television and radio.

Financial review

Donations, excluding legacies, increased by 9.8% to £2,399,000 (2011: £2,185,355). Legacy income, following an exceptional year in 2011, was £1,722,167 (2011: £2,538,251); with a further estimated value of notified legacies standing at £1.8 million in total yet to be received.

Direct charitable expenditure at £3,643,869 (2011: £3,935,285) was down 7.4% due partly to civil upheavals in our countries of operation, most notably Syria, and success in local fundraising to support in-country operations.

As a proportion of total income, legacies contributed 39% (2011:49%). Council continued to invest in growing the number of SPANA supporters. £782,000, financed from reserves, was applied to this goal. 2012 saw the beginning of the reward and growth in donations and planned giving is expected in the years ahead.

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Net outgoing resources of £1,648,452 reflected Council's policy of sustaining its direct welfare and educational work and investing for future long-term expansion.

Net assets at the year end stood at £9,241,574. This sum included Restricted Funds (£559,369), funds designated for identified future purposes (£3,590,079) and the value of the head office premises necessary for the proper functioning of the charity and its operations (£1,600,000), leaving £3,492,126 in the general fund for financing cash flow, and future certainty for its current work.

SPANAs subsidiary, SPANA Trading Limited, made a valuable contribution to the Society's funds and, through the sale of Christmas cards, merchandise and gifts, brought attention of the Society's work to an ever increasing audience.

During the year the Society has reconsidered its relationship with its operations in Jordan and Mali to being one of subsidiary and branch respectively; the effects of this are explained in note 17 to the accounts.

Reserves policy

The Council's vision for the future is that of SPANA maintaining its long-term commitment to providing sustainable support for the welfare of animals, their considerate use and benefit to local communities and, for the long-term, the understanding amongst future generations of the benefit of high standards of care for animals.

Simultaneously, however, the Council recognises the difficulty of forecasting income streams with any accuracy and hence the difficulties of matching annual budget undertakings with current revenues.

The Council believes, therefore, that SPANA's level of reserves must remain strong to meet its specific and general charitable objectives and commitments, in the face of fluctuating income streams. The principal policy, which is reviewed annually, continues to be to maintain reserves at a level which ensures that SPANA can support its operations both in the immediate and longer terms, in spite of any temporary threats to its annual income.

SPANAs continues its policy of setting aside designated funds at the discretion of the Council for specific purposes; these designated funds are shown in note 12 to the financial statements.

The Council has agreed in principle that its work should be expanded and in order to finance this increased activity has agreed to increase fundraising activity over the coming years.

The Council's policy is to hold general unrestricted reserves equivalent to at least 26 weeks of planned future annual expenditure. The purpose of holding adequate reserves is to ensure that the charity has the resources to invest for future growth and to meet periods of downturn or exceptional demand. At the year end, the Society holds reserves equal to 34 weeks of planned future expenditure. The Council keeps this policy under review.

Investment powers, policy and performance

Monies of the Society not immediately required for its own purposes are invested in such investments, securities, or property and over such period as the Trustees think fit.

The Council has adopted a policy which is risk averse, investing in both fixed interest funds and equities and to this end have also issued a statement of the Society's Investment Policy, Terms of Reference for the investment managers and a statement of their Ethical Policy.

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The Council considers that the performance of its investment portfolio was in line with its policies and overall global stock market conditions in 2012.

As part of the Society's governance practice, it carries out periodic reviews of its investment advisors and this was last done in 2009.

Fixed assets

Full details of movements are given in notes 8 and 9 to the financial statements.

Going concern

Given the financial position of the Society, its reserves levels and future plans, Council considers that it remains appropriate to continue to prepare the financial statements on the going concern basis.

Future plans

SPANAs adopts a focused three-year operational strategy, in addition to the detailed annual preparation of operating budgets; planning discussions with country management teams are developed accordingly.

The current emphasis on improving quality management and securing value for money will continue and a formal programme of grant agreements with each partner organisation was implemented with effect from 1 January 2013.

The Council is keen to build on their highly regarded expertise and extend the Society's work in existing countries of operation and adjacent territories where the need is urgent. They recognise that this will only be possible through raising the level of income on a sustainable year-by-year basis across all streams of donor income and Trust support. The Council is grateful to those Trusts who recognise the value of the Society's work and their continuing support.

The Council has also agreed, in principle, that the Society's veterinary and education programmes should be expanded and in order to finance this increased charitable work has agreed to increase fundraising activity over the coming years.

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Report of the Council (incorporating the Report of the Directors)
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Reference and administrative details

Office Holders of the Society:

The Rt. Hon. The Lord de Mauley, TD (President)
The Rt. Hon. The Lord Soulsby of Swaffham Prior MA, PhD., DSc., DVM, FRCVS (Vice President)
Professor D. Knottenbelt OBE, BVM&S, DVM, MRCVS (Vice President)
Mr. I.W. Frazer FCA (Vice President)

Members of the Council (Board of Directors and Trustees):

Sir Roger Gale MP (Chairman)
The Lady Slynne of Hadley SRN (Vice Chairman) (1) (3) (5)
Dr J. R. Amory (2)
Mr. C. Boyde MRCVS (2) (retired 20 April 2012)
Brigadier (ret'd) J.M. Castle OBE
Dr R. Curtis PhD MSc BVSc DTVM DVOphthal FRCVS (2) (6)
Mr D.H.M. Fraser (appointed 20 April 2012) (1) (2)
Mr. I.W. Frazer FCA (1) (2) (4) (5) (6) (retired 20 April 2012)
Mr. W.H. Fullerton CMG (1) (4)
Professor T.R.C. Greet (appointed 15 March 2012) (2)
Ms O Johnson (1) (6)
Mr. H.A. Kennard MBE FCA (Treasurer) (1) (4) (5) (6)

The numbers above indicate which Trustees are also members of the following committees:

- (1) Finance & General Purposes
- (2) Veterinary
- (3) Education
- (4) Investment
- (5) Fundraising and Communications
- (6) Remuneration

Chief Executive:

Mr. J.F. Hulme

Company Secretary:

Mr M.J. Reid MA, FCA

Auditor:

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Registered Office:

14 John Street
London WC1N 2EB

Bankers:

CAF Bank Limited
P O Box 289
West Malling
Kent ME19 4TA

NatWest Bank plc
57 Victoria Street
London SW1H 0HN

Company Number:

558085

Charity Number:

209015

Website

www.spana.org

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Statement of the Council's responsibilities

The Council is responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations.

Company law requires the Council, as directors and trustees, to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of its result for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 group will continue to operate.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Council is aware:

- there is no relevant audit information of which the Society's auditor is unaware; and
- each member of Council has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small company provisions

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Auditor

A resolution to re-appoint Crowe Clark Whitehill LLP will be presented at the Annual General Meeting.

Approved by the Trustees on 13 March 2013 and signed on their behalf by



SIR ROGER GALE
Chairman

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Independent Auditor's Report to the Members of The Society for the Protection of Animals Abroad

We have audited the financial statements of The Society for the Protection of Animals Abroad for the year ended 31 December 2012 which are set out on pages 15 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of the Council's Responsibilities, the Council (who are also the directors and trustees of the charitable company) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2012 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 Companies Act 2006.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Independent Auditor's Report to the Members of The Society for the Protection of Animals Abroad (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Council.



Sally Kirby

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

20 March 2013 .

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Group statement of financial activities

(Incorporating income and expenditure account)

For the year ended 31 December 2012

	Notes	Unrestricted Funds		Restricted Funds	Total 2012	Total 2011
		General	Designated			
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations		2,122,069	-	276,931	2,399,000	2,185,355
Legacies	5	1,722,167	-	-	1,722,167	2,538,251
Trusts		37,343	-	36,257	73,600	136,796
		3,881,579	-	313,188	4,194,767	4,860,402
Activities for generating funds	4	42,033	-	-	42,033	32,360
Investment income		197,641	-	-	197,641	218,078
Total incoming resources		4,121,253	-	313,188	4,434,441	5,110,840
Resources expended						
Cost of generating funds						
Cost of generating voluntary income	6(a)	2,302,514	-	15,162	2,317,676	2,023,607
Fundraising trading: cost of goods sold		13,865	-	-	13,865	22,464
Investment management costs		38,434	-	-	38,434	39,312
		2,354,813	-	15,162	2,369,975	2,085,383
Charitable activities						
Treatment of sick/injured animals	6(b),(c)	2,349,495	41,299	123,203	2,513,997	2,737,990
Educational activities	6(b),(c)	1,077,521	7,074	45,277	1,129,872	1,197,295
		3,427,016	48,373	168,480	3,643,869	3,935,285
Governance costs	6(d)	69,049	-	-	69,049	70,604
Total resources expended		5,850,878	48,373	183,642	6,082,893	6,091,272
Net (outgoing)/incoming resources before transfers		(1,729,625)	(48,373)	129,546	(1,648,452)	(980,432)
Realised gains/(losses) on disposal of investments		84,571	-	-	84,571	(58,076)
Transfer between funds	12	367,909	(367,909)	-	-	-
Net (expenditure)/income for the year		(1,277,145)	(416,282)	129,546	(1,563,881)	(1,038,508)
Unrealised gains/(losses) on investments	9(b)	-	693,436	-	693,436	(382,095)
Net movement in funds		(1,277,145)	277,154	129,546	(870,445)	(1,420,603)
Funds brought forward at 1 January 2012		4,769,271	4,912,925	429,823	10,112,019	11,532,622
Funds carried forward at 31 December 2012		3,492,126	5,190,079	559,369	9,241,574	10,112,019

All the above amounts relate to continuing activities.

All gains/losses in the year are shown above.

The notes on pages 17 to 27 form part of these financial statements.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Balance sheets as at 31 December 2012

	Notes	Group 2012 £	2011 £	Society 2012 £	2011 £
Fixed assets					
Tangible assets	8	1,455,358	1,480,631	1,455,358	1,480,631
Investments	9(a)	7,490,796	7,663,754	7,490,797	7,663,755
		<u>8,946,154</u>	<u>9,144,385</u>	<u>8,946,155</u>	<u>9,144,386</u>
Current assets					
Stock		13,200	8,200	-	-
Debtors	10	399,030	650,237	430,815	662,723
Short-term deposits		70,786	438,125	70,786	438,125
Cash at bank and in hand		112,102	325,659	92,016	319,872
		<u>595,118</u>	<u>1,422,221</u>	<u>593,617</u>	<u>1,420,720</u>
Creditors: amounts due within one year	11	(299,698)	(454,587)	(298,198)	(453,087)
Net current assets		<u>295,420</u>	<u>967,634</u>	<u>295,419</u>	<u>967,633</u>
Net assets	14	<u>9,241,574</u>	<u>10,112,019</u>	<u>9,241,574</u>	<u>10,112,019</u>
Represented by:					
Unrestricted funds					
General fund		3,492,126	4,769,271	3,492,126	4,769,271
Designated funds	12	<u>5,190,079</u>	<u>4,912,925</u>	<u>5,190,079</u>	<u>4,912,925</u>
		<u>8,682,205</u>	<u>9,682,196</u>	<u>8,682,205</u>	<u>9,682,196</u>
Restricted funds	13	<u>559,369</u>	<u>429,823</u>	<u>559,369</u>	<u>429,823</u>
Total funds		<u>9,241,574</u>	<u>10,112,019</u>	<u>9,241,574</u>	<u>10,112,019</u>

Approved by the Council and authorised for issue on 13 March 2013 and signed on its behalf by

SIR ROGER GALE
Chairman

ALAN KENNARD
Honorary Treasurer

The notes on pages 17 to 27 form part of these financial statements.

Small company provisions

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Company Number: 558085

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements

For the year ended 31 December 2012

1 Limited liability

The Society is a registered charity and as such is a non-profit making organisation, limited by guarantee and therefore with no share capital. The number of members at 31 December 2012 is 139 (2011 : 146) and their liability on a liquidation is limited to £1 each.

2 Accounting policies

(a) Basis of accounting

These financial statements are prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with applicable accounting standards, the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities', issued in March 2005.

After making enquires, Council have a reasonable expectation that the Society has adequate resources to continue its activities for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements as outlined in the Statement of the Council's Responsibilities on page 12.

In accordance with FRS 1, the Society has taken advantage of the small company exemption, to which it is entitled, and has not therefore produced a cash flow statement.

In accordance with FRS 8, the Society has taken advantage of the small company exemption, to which it is entitled, and has not therefore disclosed certain intra group transactions.

The consolidated financial statements comprise the financial statements of the Society and its subsidiary undertakings, SPANA Trading Limited and SPANA Jordan, on a line by line basis. No separate statement of financial activities or income and expenditure account has been presented for the Society alone as permitted by the Companies Act 2006 and paragraph 397 of the 2005 Charities SORP. The Society's results are made up of the group results adjusted for the receipt of the trading subsidiary's profit under Gift Aid and the value of funds sent to its subsidiary SPANA Jordan but not yet spent.

(b) Incoming resources

Donations and Trust Income are recognised upon receipt. Accruals are made on a monthly basis for related Gift Aid where applicable.

Legacy income is included when there is sufficient evidence of entitlement, certainty of receipt and where the amount is measurable. Legacies, notified prior to the year end, are accrued where it can be demonstrated that the Society had entitlement as at the year end, and the amounts can be quantified with reasonable certainty. No value is included where a legacy is subject to a life interest held by another party.

Investment income is accounted for on an accruals basis together with any income tax recoverable.

(c) Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the balance sheet date.

SPANAs purchases foreign currencies under forward rate contracts and transactions in foreign currencies are translated into sterling at the contracted rate of exchange. Exchange differences are taken into account in arriving at the surplus/deficit for the year.

(d) Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost of fixed assets, less residual values, over their expected useful lives, on a straight line basis, using the following periods:-

Freehold building	- over 50 years
Furniture, fittings and equipment	- over 5 years
Computers	- over 3 years
Land is not depreciated.	

Assets, whose cost is more than £1,000, purchased by the Society are capitalised. The assets purchased by the Society's overseas subsidiary and branch are fully depreciated in the year of acquisition in view of uncertainty of conditions overseas.

For the working animals of the world

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements

For the year ended 31 December 2012

(e) Investments

Listed investments are valued at the mid-market price ruling at the balance sheet date which gives rise to unrealised gains/losses which are included in the Group Statement of Financial Activities. Realised gains/losses arising on the disposal of investments during the year are separately disclosed in the Group Statement of Financial Activities. Investments in subsidiaries are initially included at cost (see note 9e for further details about the valuation of SPANA Jordan).

(f) Stocks

Stocks are stated at the lower of cost and net realisable value.

(g) Resources expended

All UK expenditure is recognised on an accruals basis.

UK expenditure has been allocated to costs of generating funds, charitable activities and governance costs when clearly identified, or is otherwise apportioned to these categories, on the basis of staff time and utilisation.

Costs of generating funds comprises fundraising and publicity costs, cost of goods sold for fundraising purposes, investment management fees and an apportionment of head office overheads.

Expenditure on charitable activities is split between the two main activities of SPANA. It includes funding for overseas operations (recognised when monies are transferred) and grants to Outreach projects (which are recognised when they are approved), as shown in Note 6. It also includes support costs, including apportioned head office overheads, representing the necessary and prudent overseeing of operations to ensure the effective use of charitable funds in meeting the Society's objectives in overseas countries.

Governance costs as shown in Note 6(d) are those necessary for the proper compliance with statutory and constitutional requirements.

(h) Funds

General funds are unrestricted funds which include buildings and equipment necessary for the proper functioning of the charity and other funds available for use at the discretion of the Trustees in furtherance of the Society's objectives.

Designated funds are set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of the other general funds.

Restricted funds are the funds which are subject to specific restrictions as imposed by the donor or nature of the appeal.

3 Income and expenditure account

A separate income and expenditure account has not been prepared as the figures comprising net (expenditure)/income for the year shown in the Statement of Financial Activities give the information required under the Companies Act 2006, together with details of other recognised gains and losses.

4 Activities for generating funds

	2012	2011
	£	£
Sale of Merchandise	42,033	32,360

5 Legacies

The estimated value of legacies, notified to SPANA prior to 31 December 2012 and expected to be received in future years, is £1.8million (2011: £1.2 million). This figure excludes life interest legacies, which are considered too uncertain to be included. In accordance with the accounting policy shown in Note 2(b) these legacies have not been included as part of incoming resources for the year on the basis that the amounts cannot be quantified with enough certainty.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2012

6 Analysis of resources expended

(a) Analysis of cost of generating voluntary income

	2012 £	2011 £
Staff costs	561,173	465,146
Other direct costs	1,586,521	1,394,056
Allocated overheads	159,418	153,266
Depreciation	10,564	11,139
	2,317,676	2,023,607

(b) Charitable activities by country

	Treatment of sick animals £	Education £	2012 Total £	2011 Total £
Algeria	1,735	-	1,735	6,707
Ethiopia	126,435	62,696	189,131	175,447
Jordan	286,492	178,526	465,018	521,099
Mali	167,207	165,949	333,156	293,933
Mauritania	275,430	89,388	364,818	285,950
Morocco	1,247,120	427,581	1,674,701	1,670,217
Syria	114,611	73,082	187,693	344,138
Tunisia	208,757	132,650	341,407	448,806
Outreach and Emergency	86,210	-	86,210	188,988
	2,513,997	1,129,872	3,643,869	3,935,285

(c) Charitable activities by type of expenditure

	Treatment of sick animals £	Education £	2012 Total £	2011 Total £
Direct funding for overseas projects	1,682,561	389,125	2,071,686	2,235,524
Grants payable for outreach funding	86,210	-	86,210	188,988
Staff costs	537,568	294,841	832,409	852,504
Support costs	207,658	445,906	653,564	658,269
	2,513,997	1,129,872	3,643,869	3,935,285

The 2011 comparative has changed from the published financial statements due to a reallocation of overseas spending between staff costs and direct funding. See note 17, prior year adjustments for further details.

(d) Analysis of governance costs

	2012 £	2011 £
Audit fees	16,100	15,000
Auditor's fee for non audit services	5,215	-
Auditor's overseas affiliates' fees	10,000	-
Other professional fees	-	21,520
Trustees' expenses	5,751	3,458
Staff costs	21,832	18,313
Allocated overheads	10,151	12,313
	69,049	70,604

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2012

7 Resources expended include:

(a) Staff costs and employees (United Kingdom)

	2012	2011
	£	£
Wages and salaries	1,031,997	937,876
Social Security costs	116,178	97,906
Pension costs (Note 15)	88,352	66,134
Other staff costs	48,065	44,646
	1,284,592	1,146,562

The average monthly number of staff during the year was:

	No.	No.
Charitable activities	23	20
Cost of generating funds and Governance	2	2
	25	22

Employees earning more than £60,000 p.a.

	No.	No.
£60,000 - £70,000	2	2
£70,000 - £80,000	1	1
£80,000 - £90,000	1	1
£90,000-£100,000	1	-

Pension contributions of £37,013 (2011: £29,716) were made for these employees.

(b) Staff costs and employees (Overseas)

	2012	2011
	£	£
Wages and salaries	152,337	173,165
Social Security costs	20,488	19,755
	172,825	192,920

The average monthly number of staff during the year was:

	No.	No.
Charitable activities	29	32
Cost of generating funds and Governance	4	4
	33	36

(c) Trustees' expenses and remuneration

Reimbursements to Trustees, and amounts paid on their behalf, were made to 6 (2011: 8) Trustees during the year for travel and other necessary costs incurred in the UK and overseas in connection with the work of the charity. Amounts paid on behalf of Trustees, including expenses reimbursed, during the year totalled £5,751 (2011: £3,458)

The Trustees received no remuneration for their services during the year (2011 : NIL).

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2012

8 Tangible fixed assets Group and Society

	Freehold land and buildings	Computers	Furniture, fittings and equipment	Total
Cost:	£	£	£	£
1 January 2012	1,623,096	111,365	150,080	1,884,541
Additions	-	2,526	-	2,526
31 December 2012	1,623,096	113,891	150,080	1,887,067
Depreciation:				
1 January 2012	157,500	100,316	146,094	403,910
Charge for the year	17,500	7,860	2,439	27,799
31 December 2012	175,000	108,176	148,533	431,709
Net book value:				
31 December 2012	1,448,096	5,715	1,547	1,455,358
31 December 2011	1,465,596	11,049	3,986	1,480,631

9 Investments

	Group		Society	
	2012	2011	2012	2011
	£	£	£	£
(a) Listed Investments (note 9b)	7,490,796	7,663,754	7,490,796	7,663,754
Investments in Subsidiary (note 9e)	-	-	1	1
	7,490,796	7,663,754	7,490,797	7,663,755
(b) Listed Investments			2012	2011
			£	£
Valuation at 1 January 2012			6,894,676	7,462,749
Add: acquisitions at cost			1,141,145	1,325,475
Less: disposals at opening market value			(1,607,155)	(1,511,453)
Net unrealised investment gains/(losses) for the year			693,436	(382,095)
Valuation at 31 December 2012 (see (c) below)			7,122,102	6,894,676
Cash held by investment managers			368,694	769,078
Total market value at 31 December 2012			7,490,796	7,663,754
Historical cost of investments			5,605,934	5,825,035
(c) The valuation is made up of:			2012	2011
			£	£
Investments dealt on a recognised stock exchange:				
UK equities			3,283,345	3,001,843
UK fixed interest securities			1,082,860	1,282,617
Overseas fixed interest securities			130,420	112,014
Overseas equities			2,566,843	2,334,609
Alternative investments - hedge fund			58,634	163,593
			7,122,102	6,894,676

Investment certificates are held by the investment managers in a nominee capacity.

For the working animals of the world

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2012

9 Investments (continued)

(d) The following investment accounts for more than 5% of the portfolio value (2011: nil).

	2012 £	2011 £
Findlay Park FP American (USD)	404,774	-

(e) The Society holds unlisted investments at a cost of £1 in the following subsidiary undertakings:

	Incorporated in	Principal activity	Class of shares	Percentage of share capital held
SPANA Trading Limited	England	Merchandise sales	Ordinary £1	100%

The results of SPANA Trading Limited, extracted from its audited financial statements, are summarised below:

	2012 £	2011 £
Turnover	42,033	32,360
Administrative expenses	(31,469)	(29,051)
Profit on ordinary activities before and after taxation	10,564	3,309
Payment under Gift Aid	(10,564)	(3,309)
Retained profit for the year	-	-
Net assets	1	1

	Incorporated in	Principal activity	Class of shares	Percentage of share capital held
Society for the Protection of Animals	Jordan	Animal welfare and education	Capital of JOD50,000 (£47,170)	100%

The results of Society for the Protection of Animals, extracted from its unaudited financial statements, are summarised below:

	2012 £	2011 £
Turnover	266,563	288,686
Charitable and administrative expenses	(279,625)	(304,925)
Deficit on ordinary activities	(13,062)	(16,239)
Deficit for the year	(13,062)	(16,239)
Net assets	62,646	78,877
Including cash (unspent funds from the SPANA UK)	17,713	-

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements

For the year ended 31 December 2012

9 Investments (continued)

The value of the investment in the subsidiary in Jordan in the consolidated financial statements is nil. The original investment of JOD50,000 (£47,170) consisted of fixed assets recorded in the Jordan accounts, which were acquired using funds sent by the Society (SPANNA UK). In accordance with the group policy of writing off overseas fixed assets, the value of the investment in the subsidiary is considered to be nil in the Society's accounts. The net assets of the subsidiary include fixed assets which would have been written off under the Society's policy on depreciation for overseas assets, these have been adjusted for on consolidation. The remaining assets and liabilities of the subsidiary, except for the unspent direct contribution at the year end, are excluded from the consolidated financial statements on the basis that they are not material.

10 Debtors

Group	2012	2011
	£	£
Gift Aid and recoverable taxes	86,069	144,819
Other debtors	21,029	29,526
Prepayments and accrued income	291,932	475,892
	<u>399,030</u>	<u>650,237</u>
Society	2012	2011
	£	£
Gift Aid and recoverable taxes	86,069	144,768
Other debtors	21,029	29,526
Prepayments and accrued income	291,932	475,892
Amount due from subsidiary undertakings	31,785	12,537
	<u>430,815</u>	<u>662,723</u>

11 Creditors: amounts falling due within one year

Group	2012	2011
	£	£
Trade creditors	91,310	213,715
Other taxes and Social Security	38,852	40,962
Other creditors and accruals	169,536	199,910
	<u>299,698</u>	<u>454,587</u>
Society	2012	2011
	£	£
Trade creditors	91,310	213,715
Other taxes and Social Security	38,852	40,962
Other creditors and accruals	168,036	198,410
	<u>298,198</u>	<u>453,087</u>

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2012

12 Designated funds

	Balance 1 January 2012 £	Transfers	Investment gains in year £	Net outgoing resources in year £	Balance 31 December 2012 £
Property fund	1,600,000	-	-	-	1,600,000
Marketing	982,000	(170,000)	-	-	812,000
Projected deficit	750,000	49,000	-	-	799,000
Outreach programme	35,000	-	-	-	35,000
Emergency response	100,000	-	-	-	100,000
Unrealised gains on investments	1,069,641	(246,909)	693,436	-	1,516,168
Vehicle replacement fund	328,738	-	-	(28,297)	300,441
Zimbabwe animal welfare project	47,546	-	-	(20,076)	27,470
	4,912,925	(367,909)	693,436	(48,373)	5,190,079

The Society has created designated funds for the following purposes:

Property fund	The balance represents the cost price of the Society's premises purchased using unrestricted funds.
Marketing	The Society is dependent for its income on donor funding. In order to widen and increase the donor base, the Society is investing in an extended marketing campaign.
Projected deficit	In order to ensure that the immediate year's activities are safe guarded.
Outreach programme	The budget has been set aside for the expected second year cost of a two year programme.
Emergency response	The budget has been set aside for the expected second year cost of a two year programme.
Unrealised gains/(losses) on investments	The balance represents the unrealised gains/(losses) on investments held.
Vehicle replacement fund	Fund to replace all the working vehicles at the end of their useful life.
Zimbabwe animal welfare project	Funding for a permanent project in Zimbabwe.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2012

13 Restricted funds

	Balance 1 January 2012 £	Incoming resources £	Resources expended £	Balance 31 December 2012 £
Emergency Appeal	54,146	144	(6,146)	48,144
Helen Worsely: Syrian Camel Clinic	7,546	23	-	7,569
Reflective Tags Project (BHS Donations)	3,104	9	-	3,113
HorsePower 2011	12,696	38	-	12,734
HorsePower 2012	-	109,838	(15,162)	94,676
Zimbabwe Emergency appeal	93,591	332	(22,888)	71,035
Mali Tetanus Appeal	36,691	108	(828)	35,971
Mali Handicapped Riders	26,635	53	(9,098)	17,590
Afghanistan Emergency appeal	13,089	39	-	13,128
EZL	42,624	407	(7,146)	35,885
Minilabs	24,096	72	-	24,168
Syrian Brown Bears	1,947	6	-	1,953
African Horse Sickness	2,065	2	(1,439)	628
Ethiopia Equid Health & Welfare Study	2,410	7	-	2,417
Mongolia	15,530	43	(1,257)	14,316
Ethiopian Farrier	2,008	6	-	2,014
Ethiopian New Animal Health technician	4,747	8	(1,977)	2,778
Ethiopian Clinical Health Teacher	13,399	36	(1,258)	12,177
Emergency response unit	40,160	101	(6,542)	33,719
Mali Classroom and Teacher	-	22,762	(20,445)	2,317
CPD	1,991	444	(2,435)	-
Rosso Emergency appeal	2,758	-	(2,758)	-
Mauritania activity booklets	2,247	24	(2,271)	-
Turkana water project	8,043	1,000	(9,043)	-
Emergency programme manager	18,300	-	(18,300)	-
Mali Vet	-	6,219	-	6,219
Tunis (Kebili) Animal Handling Facility	-	1,000	(1,000)	-
Dentistry for all Countries	-	20,060	-	20,060
Vet training in Mali & Jordan	-	23,021	-	23,021
Eye Medicine, Research & Owner Education	-	40,046	(24,546)	15,500
Ethiopia Animal Handling Centre	-	22,066	-	22,066
Community Development Advisor	-	32,096	-	32,096
Ethiopia CPD	-	1,275	-	1,275
Lameness (Stablemate)	-	6,642	(3,842)	2,800
Morocco courtesy animal scheme	-	1,919	(1,919)	-
Sidi Bou Ghaba Reserve, Morocco	-	10,000	(10,000)	-
Tunisia classroom materials(Stablemate)	-	2,463	(2,463)	-
Mauritania Water Points	-	8,449	(8,449)	-
		2,430	(2,430)	-
Total	429,823	313,188	(183,642)	559,369

The above restricted funds are subject to specific conditions imposed by the donor, the contract or the appeal made by SPANA for projects being undertaken. Interest is allocated to the funds at the average rates earned during the year.

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13 Restricted funds (continued)

The funds with a balance carried forward as at 31 December 2012 are to be used for the following purposes:

Emergency Appeal	Funds originally raised for emergency work in Iraq. The Charity Commission has given permission for the balance of this fund to be used for general Emergency work.
Helen Worsley: Syrian Camel Clinic	Funds for a Syrian camel clinic.
Reflective Tags Project	Purchase of reflective tags for animals and carts.
HorsePower 2011	Funding clinical and surgical equipment in Mali and Mauritania.
HorsePower 2012	Funding for Mali and Mauritania.
Zimbabwe Emergency appeal	Emergency work in Zimbabwe.
Rosso Emergency appeal	Provide mobile clinic in Rosso region of Mauritania.
Mali Tetanus Appeal	Investigation into and vaccination against tetanus in Mali.
Mali Handicapped Riders	Replace bus and provide running costs for handicapped riders in Mali.
Afghanistan Emergency appeal	Emergency animal welfare work in conjunction with British army in Afghanistan.
EZL	Investigation into and vaccination against epizootic lymphangitis in Ethiopia.
Minilabs	Provide basic laboratory facilities in mobile clinics.
Syrian Brown Bears Appeal	Build refuge for bears in Syria.
African Horse Sickness	Study into and treatment of African Horse sickness.
Ethiopia Equid Health & Welfare Study	Ethiopia Equid Health & Welfare Study.
Mongolia	Provide funding for project in Mongolia.
Ethiopian farrier training	Funding for farrier training programme in Ethiopia.
Ethiopian animal health technician	Funding for animal health technician to be employed in Ethiopia.
Ethiopian clinical health teacher	Funding for clinical skills instructor to be employed in Ethiopia.
Emergency response unit	Funding to establish emergency response unit.
Mali classroom and teacher	Funding for new classroom and teacher in Bamako.
Mali Vet	Funding for additional vet in Mali.
Dentistry for all Countries	Dental awareness programmes and dental equipment.
Vet training in Mali & Jordan	Programme to be run with local students and ministry vets.
Eye Medicine, Research & Owner Education	Funding for eye disease research.
Ethiopia Animal Handling Centre	Small animal handling facility.
Community Development Advisor	To work with owners and the wider community.
Ethiopia CPD	Funding for 2013 CPD programmes.
Lameness (Stablemate)	Lameness programmes across all countries.

14 Analysis of net assets -group

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Fixed assets	8,946,154	-	8,946,154	9,144,385
Current assets	35,749	559,369	595,118	1,422,221
Current liabilities	(299,698)	-	(299,698)	(454,587)
Total	8,682,205	559,369	9,241,574	10,112,019

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Notes to the financial statements

For the year ended 31 December 2012

15 Pension costs

The Society does not operate a company pension scheme. The pension costs (Note 7(a)) represent contributions paid by the Society to employees' personal pension plans in the UK during the year. This complies with Stakeholder pension requirements. There are no pension schemes for overseas staff.

16 Contingent liability

At the year end the Society was committed to purchasing a total of USD 485,000 (2011 - USD 600,000), EURO 530,000 (2011 - EURO 480,000), MAD 11,750,000 (2011 - MAD 12,400,000) and TND 400,500 (2011 - TND 336,000) under forward rate contracts with our bankers which mature between 7 January 2013 and 2 December 2013 to settle payments arising in the normal course of the Society's activities. The Society has not recognised any exchange gain or loss arising on these forward contracts in these financial statements as any currency gains or losses arising on the maturity of the contracts forms part of the cost of activities in the period to which it relates.

A legal case has been brought against staff in SPANA Jordan. The initial allegations were investigated by the Ministry of Social Development in Jordan and found to be unsubstantiated by a Secretary-General. However, this was not confirmed in writing. A new Secretary-General has now taken over the case and referred it to the Jordanian Court for a decision as to whether there is a case to be heard. No further information is available. The Trustees strongly consider that there is no basis to the allegations; no provision is included in the financial statements of SPANA Jordan and the Trustees do not consider that a provision is required in the Society's group financial statements.

17 Prior year adjustment

During the year the Society has reconsidered its relationship with its operators in Jordan and Mali. These had previously been treated as external organisations who carried out work with SPANA UK funding. They are now understood to be a subsidiary and branch respectively. This has meant that certain disclosures have had to be restated for the prior year. The different treatment reallocates spending from payments to external providers to direct expenditure of the group. For the year ended 31 December 2011 amounts have been restated as follows:

Staff costs were reallocated from direct funding for overseas projects of £192,920. The net assets of the subsidiary in Jordan and the branch in Mali, after adjusting for the effect of group accounting policies, was immaterial (£10,000) and only related to unspent funds held as cash, and as such they have not been adjusted in 2011.

This restatement had no effect on the net assets of the Group or the Society as at 31 December 2011.