

Scottish Society for the  
Prevention of Cruelty to Animals

Consolidated financial statements

Company number SC201401  
Scottish Charity Ref: SC006467  
for the year ended 31 December 2021

**SCOTTISH SPCA**  
Scotland's Animal Welfare Charity

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## Reference & Administrative details

Company number: SC201401      Charity number: SC006467

Principal & Registered office: Kingseat Road, Halbeath, Dunfermline KY11 8RY

Chief Executive: K Campbell

Auditors: Henderson Loggie LLP, 11-15 Thistle Street,  
Edinburgh EH2 1DF.

Bankers: Bank of Scotland, 564 Queensferry Road, Edinburgh EH4 6AT.  
Clydesdale Bank, 14 Bothwell Street, Glasgow G2 6QY.  
Barclays Bank, 1 Churchill Place, Canary Wharf, London, E14 5HP

Solicitors: Brodies, 15 Atholl Crescent, Edinburgh, EH3 8HA.

Investment advisers: Brewin Dolphin

Company secretary D Webster

## Group directors' Annual report for 2021

The directors are pleased to present their report together with the audited financial statements of the charity for the year ending 31 December 2021.

### Our vision and values

The Scottish SPCA aims to enrich the lives of all animals and people. We champion animal welfare and encourage respect and kindness for all animals across all our communities in every environment. We educate people of all ages about the welfare of animals in our mission to eradicate animal cruelty and create a better future for all of us. We promote the importance of the human/animal bond, and the myriad medical, social and psychological advantages gained from animal companionship and we bring those who abuse animals to justice. We get animals back on their feet, into loving homes or to thrive in the wild.

Through partnerships with reputable universities we evaluate the impact our activities are having and this ensures we deliver the best preventative educational programmes possible. Through conducting scientific non-invasive projects, again with reputable partners, we can ensure that we are always enriching the lives of all animals in our care. Publicising our research enables us to share our knowledge and expertise with others globally.

We believe prevention is key to tackling animal abuse and neglect and that this is vital in breaking the link between animal directed cruelty and acts of violence towards humans. We have worked hard on developing our 'prevention through education' programme AnimalWISE to enable us to reach every generation, from early years to older adults, and ensure that everyone with whom we engage understands that animals have emotions and needs and we all have a responsibility to care for them.

### Living our Values

**Committed** - We have an unwavering commitment to rescuing and caring for animals in need, supporting the people of Scotland in animal welfare matters and helping to bring those guilty of animal cruelty to justice. Together, and with our partners, we are committed to making a difference and effecting real change for the benefit of animal welfare.

**Compassionate** - We care deeply about animal welfare and all the animals we serve. We firmly believe people should be supported in taking the best care of their animals and provide that service with care and compassion on a daily basis.

**Professional** - Always professional, we pride ourselves in the manner in which we engage with our team, our partners, our supporters and the people of Scotland.

**Expert** - We apply our knowledge and expertise in every aspect of our work. We strive to share that expertise and improve animal welfare across all parts of Scotland.

**Adaptable** - The work we do is dynamic and ever-changing. We need to be flexible and at times, quick-thinking to find solutions and create an innovative workplace and drive continuous improvement.

**Collaborative** - Whether it's with our colleagues, partners or supporters, we embrace the benefits of teamwork to achieve our shared goals.

### Supporting a successful Scotland

The Scottish Government has developed a National Performance Framework for Scotland with an aim of getting everyone to work together to create a more successful country; give opportunities to all people living in Scotland; increase the wellbeing of people living in Scotland; create sustainable and inclusive growth and reduce inequalities and give equal importance to economic, environmental and social progress.

Values have been set to guide this approach to ensure that as a society in Scotland we treat all our people with kindness, dignity and compassion, we respect the rule of law and we act in an open and transparent way.

## Group Directors' Annual Report (*continued*)

### Our vision and values (*continued*)

To help achieve its purpose, the National Performance Framework sets out 'national outcomes' with indicators aligned to each outcome as a tool for measuring impact. These outcomes describe the kind of Scotland it aims to create; reflect the values and aspirations of the people of Scotland; are aligned with the United Nations Sustainable Development Goals and will be used to help to track progress in reducing inequality.

The Scottish SPCA wholeheartedly supports, and contributes to, this ambition and since 2020 we have embraced the National Performance Framework and UN sustainable development goals.

### 2021 Strategic Review – Service demand is higher than ever

Everyone associated with the Scottish SPCA, from colleagues and volunteers to supporters and fundraisers, is dedicated to championing animal welfare. At our core we aim to proactively improve the animal welfare sector as a whole and therefore the lives of thousands of individual animals. We do this through inspiring, educating, advocating and campaigning. And we also reactively rescue animals in need, enforce the law when necessary and rehabilitate pets, wildlife and farmed animals.

Given our unique position as an animal welfare charity with enforcement powers, our experience differs significantly from that of other organisations during the pandemic. As we have a legal responsibility to remove animals when their welfare is at risk, we continued to seize animals when necessary. However, we could not move them on quickly due to the wait for new legislation to be implemented and the build of traffic in the courts due to COVID-19 delays. We dealt with this by innovating, forging new partnerships and building on existing ones.

Though COVID-19 continues to affect not only our services, but the lives of everyone and the services our partners and stakeholders can offer, 2021 was our busiest year ever. So, at a time when external conditions were incredibly challenging, we had to rise to the occasion and meet never-before-seen demand for our help. We have had to do all of this whilst taking care of our people, so that they can take care of animals. We're so grateful for the support we have received and so proud of our achievements.

### Health, Safety & Wellbeing

Our qualified health, safety and environmental expert continues to ensure ongoing legal compliance and good practice in these critical areas. We relied more than ever on professional support from our established health partnerships with Integral, Excel Occupational Health and Lifeworks, our employee assistance programme providers. We recorded a total absence of 2,186 days, which was 485 days higher than recorded over the same period in 2020 and an increase of 29%, with the pandemic continuing to be a major factor.

Wellbeing is always a priority for us, and this has been even more pertinent given the impact of the COVID-19 pandemic on people's mental health. We continue to offer free access to services such as *Lifeworks* for all of our people, and encourage our leaders and managers to prioritise mental health and wellbeing and create safe spaces for people to talk about how they are feeling.

Volunteers enrich our services in numerous ways and for that we are immensely grateful. They help deliver core functions, provide critical support to our teams, help to generate income and promote the work we do. At the end of 2021 we had 652 active volunteers supporting us the length and breadth of the organisation. Their contribution is phenomenal and they provided 24,037 hours of support, which equates to over £214,000 in financial terms.

### Delivering our services - Advise, Rescue & Enforce

The Scottish SPCA is unique among animal welfare organisations and charities in the UK in being a reporting agency to the Crown Office. This means we have the legal power to seize animals to protect their welfare, and report individuals for prosecution where there is evidence they have caused unnecessary suffering. As such we had a unique pandemic experience.

## Group Directors' Annual Report (*continued*)

### 2021 Strategic Review (*continued*)

Due to varying restrictions and lockdowns in 2020, call volumes to our Animal Helpline and incidents responded to by our Inspectorate were both down on 2019 levels. However, figures rebounded in 2021 and we were actually busier than pre-pandemic levels.

Our Helpline answered 266,972 calls in 2021, up from 255,159 in 2020 and 260,488 in 2019. This led to our Inspectorate responding to 87,742 reports of animals in need, an average of over 235 every single day. Our Special Investigations Unit opened over 900 investigations into serious animal welfare crimes, such as puppy farming, ear cropping and badger baiting. Tackling heinous crimes like these remains a critical part of our work, as evidenced by our leading role on Operation Delphin, the UK wide taskforce which disrupts the low-welfare puppy trade. We secured 36 prosecutions in 2021, though the pandemic continues to impact the speed with which cases are heard. Dog neglect remains the biggest reason for prosecution.

Continued enhancements to our online rehoming service reduced these types of calls to our Helpline by 35%, which was critical given increased volumes relating to animal welfare advice or concerns. We also introduced what3words, which has assisted our team in finding the exact location of incidents or animals and sped up response times.

We were able to resume farm assurance visits in 2021 after a heavily disrupted 2020. In partnership with Quality Meat Scotland, we inspect standards on beef, lamb and pork farms across Scotland and were able to carry out 133 visits in 2021.

### Spotlight on: Breed-specific legislation

2021 marked 30 years since the Dangerous Dogs Act was introduced. We have long argued this legislation is outdated and judges dogs based on their appearance, rather than behaviour. It has proven ineffective in reducing dog attacks, which have in fact increased substantially since 1991.

To mark the anniversary, we launched the 'No Bad Breed' campaign, which argued for a review and overhaul of existing legislation. The campaign smashed its target of 10,000 petition signatories within two days of launching and it remains on the agenda in the Scottish Parliament in 2022.

## Delivering our Services - Rehabilitate, Rehome & Release

The number of arrivals and departures from our animal rescue and rehoming centres fell for the second year in succession. Until October 2021, we had to keep animals involved in legal proceedings until any criminal case against their owner concluded. Due to the pandemic, average days in care for animals involved in such situations rose dramatically. We had 1,413 animals held under such circumstances in 2021. There has been significant impact on days in care. For cats, the figure has risen from 43 days in 2019 to 79 days in 2021. And for horses, it's risen from 198 days in 2019 to 481 days in 2021.

Further changes to the Animals and Wildlife (Penalties, Protections and Powers) (Scotland) Act came into effect in September 2021. This allowed us to rehome animals involved in legal proceedings after a minimum of a three-week period. This aspect of the legislation was something we had long campaigned for, and will have a massive impact considering the average days in care for such animals.

We have begun to use this new legislation to get animals rehomed more quickly, which is ultimately the best thing for their welfare and helps to address the capacity issues we face. We also worked with partner organisations to take in and rehome animals on our behalf, and piloted a fostering scheme to help further alleviate pressure on capacity and improve the experience animals in our care have.

Our National Wildlife Rescue Centre continues to be at the forefront of wildlife rehabilitation in the UK. We treated 6,605 wild animals in 2021, 41% of which were successfully released – a 2% improvement on release success rate on 2020. We have a phenomenal release rate when it comes to endangered land mammals. 90% of those treated at the centre were successfully reintroduced to the wild in 2021. We also developed new feeding

## Group Directors' Annual Report (*continued*)

### 2021 Strategic Review (*continued*)

regimes for some animals, such as seals, in 2021. This reduced the average time in care substantially. A second series of the hit BBC Show, *Born to be Wild*, aired in 2021 showcasing the work of the team on-site.

We continued to enhance our external messaging and internal policies and training to reduce the number of animals coming into our care. Keeping a wild animal in its natural habitat, unless it needs help, is the ultimate aim.

**We do not put healthy animals to sleep.** This is a policy of which we are extremely proud.

### Delivering our Services - Being AnimalWISE

Our Education activity comes under the *Animal WISE* brand. Preventing cruelty is our core purpose, inspiring people to treat animals with kindness and respect.

We continued to expand our e-learning programme after launching this in the early stages of the pandemic in 2020. This work was shortlisted for a Learning Excellence Award and received positive feedback from teachers and parents. We also hosted Vetastic Adventures in 2021, a virtual event designed to inspire young people to consider a career in the veterinary sector. Over 6,000 people joined the event, all the way from primary school age through to adults.

Face-to-face learning remains a critical part of the programme, and there were fantastic levels of demand for the programme throughout 2021 at times when COVID-19 restrictions were relaxed. Despite the limitations, we did manage to engage with over 18,500 primary school pupils throughout the year.

Our cutting-edge *Animal Guardians* programme, which works with young people who have abused or displayed behaviours which suggests they could abuse animals, continued to expand. 40 young people were referred to the programme in 2021, and it expanded to cover the West and North East of Scotland.

In areas where demand for our programmes dropped due to our inability to go to schools, our education officers showed great adaptability and supported our animal rescue teams who were busier than ever.

We launched Pets & Tenants Together, a new campaign to highlight the lack of infrastructure and support available for tenants with pets. Often, tenants have to choose between a home or a pet due to landlords not allowing animal companions. The campaign, which will continue to run until this situation changes, aims to highlight not only the challenge for tenants but the support refuges and public and private landlords need to be comfortable with pets in homes for rent.

### Delivering our services – raising funds and awareness

We ended the year with a small surplus, ahead of what was forecast and approved by our Trustees in late 2020. This position is a testament to the hard work of our team and volunteers, our robust budget management and the continued, unwavering support of people who believe in our cause and partners who stepped in to help us.

More information on our finances is available later in this report, but here are some of our fundraising highlights:

- Our members remained steadfast, and their average donation value increased by 25p. We have focussed on our member engagement experience, with regular email updates and a twice-yearly magazine complemented by a personal approach.
- Income via campaigns was well ahead of target, as animal lovers responded to the urgent need to help us address capacity issues and high demand for services.
- Our community and fundraising income was well ahead of 2020 levels and events such as *Step for Pets* and *100KM in May* were brilliant successes.
- Legacy income was ahead of budget, reflective of the desire of our supporters to let their love of animals live on after they pass away. As our biggest income stream, this is vital to our work.

## Group Directors' Annual Report (*continued*)

### 2021 Strategic Review (*continued*)

Raising awareness is vital to us. Whether campaigning on key issues, highlighting welfare advice which reduces pressure on our services or advocating with policymakers and stakeholders, we continued to be at the forefront of animal welfare in Scotland in 2021.

To coincide with the Holyrood elections, we launched a manifesto for animals. We were delighted that four of the main political parties included pledges shared with our own in their manifestos. Over 20,000 people publicly supported our manifesto.

In Scotland, there has historically been confusion between the RSPCA and Scottish SPCA. We have worked constructively with our friends at the RSPCA to highlight we are two separate organisations and that we are the first port of call for animal welfare issues in Scotland. This hard work has yielded success, and a survey conducted in the summer of 2021 showed confusion with the RSPCA had fallen by 7% (from 23% to 16%).

We appeared in over 10,500 items of press coverage throughout 2021.

### Delivering our services – organisational excellence

We aspire to be a modern, inclusive charity that people want to work for, volunteer with, partner and support. In 2021 we continued to focus on developing our credentials in this space with a sustained emphasis on engagement with colleagues.

We launched a new colleague webinar, *From the Horse's Mouth*, which provided key operational updates to our teams across Scotland. We also further embedded our internal communications platform Workplace, and in an average month over 72% of colleagues regularly go online.

We retained our commitment to being a Real Living Wage employer and adjusted our payment levels appropriately to retain this accreditation in 2021.

Externally, we aimed to offer a first-class service to people who contacted us. Despite the incredible pressures our services were under, we saw a 7% reduction in complaints in 2021. Of the 266,000 calls we received, just 260 were classified as complaints (down from 280 in 2020). We continue to welcome this feedback as a great opportunity to continually improve and regularly reflect this feedback in refreshed policies, processes and procedures.

### Employee Engagement

Employee engagement is an area we prioritised in 2021 and it assumed even greater importance in light of the pandemic.

Employee engagement was a real area of importance in 2021 as we worked hard to keep our people safe and informed. As a reporting agency, we largely had to operate as normal throughout various phases of lockdown and restrictions. Maintaining our COVID-19 protocols, and ensuring everyone was aware of these as they changed, was a key part of our internal communication.

We continued to embed our internal communications tool, Workplace by Meta. As many of our colleagues are not desk-based, this mobile-first platform, which is free for charity organisations, was a critical method of engaging our people. The platform was used to issue key organisational updates, financial performance, policy changes by senior leaders, but also by colleagues from all areas of the Society to share successes and interesting aspects of their work. On average, 72% of colleagues used Workplace per month throughout 2021. This means approximately 300 people across the Society using it to stay up to date.

This platform was supplemented by a number of staff webinars, named *From the Horses Mouth*, where members of the Senior Leadership Team and other guest speakers would provide updates. The webinars were recorded so colleagues who could not attend were able to view when suitable.

## Group Directors' Annual Report (*continued*)

### 2021 Strategic Review (*continued*)

At the end of 2021, we conducted our third *Have Your Say* survey, which gives every member of staff the opportunity to provide a confidential, honest appraisal of how they feel about the charity, their line management, the broader leadership team, pay and compensation and much more. Following surveys in 2016 and 2018, the survey formed a critical part of our planning for 2022 and beyond and is the core reason people is the main theme of our latest business plan.

We have invested in job enrichment opportunities, career progression supported by structured and blended training and renewed our attention to employee voice through enhanced communication channels. It is these areas that continue to inform our internal engagement framework - from open town-hall style engagement sessions to the development of online resources such as Workplace.

### Stakeholder engagement

Our ability to engage with stakeholders on a face to face basis was impacted by COVID-19 however, we continued to engage and indeed expand our influence through increased partnership work and collaboration.

Given our unique position as a reporting agency and an animal welfare charity, our centres struggled with capacity due to the slowdown in the courts and the impact of COVID-19 on the speed with which we could rehome. However, we worked with partner animal welfare charities across not only Scotland but the rest of the UK to move animals to facilities which ensured they were rehabilitated and rehomed as quickly as possible. This included working with Edinburgh Dog & Cat Home, Blue Cross, Dogs Trust and Cats Protection.

In 2021 we continued to spearhead the campaign to disrupt the low-welfare puppy trade in the UK through chairing our Puppy Trade stakeholder group which has over 40 members from animal welfare organisations, local government and Scottish Government to DEFRA, HMRC and other key partners. Rising demand among the public continues to pose a challenge, but our efforts to lead a multi-agency response continue to deliver results.

We continued to work closely with the Scottish Government as further amendments to the Animals and Wildlife (Scotland) Act 2020 came into effect. We also provided evidence and counsel on key issues affecting animals, such as the use of fireworks. Throughout the year, a number of parliamentarians from Holyrood and Westminster visited our centres or shadowed our frontline teams to get a real sense of how animal welfare in Scotland had been impacted by COVID-19.

Meanwhile, we continued to forge relationships with key bodies in key sectors. In areas such as environmental, farming, veterinary and education, our experts engaged with the relevant industry organisations to put the key challenges facing animals – and opportunities to work together to address these – on the agenda.

### Financial review

The end of the year saw an overall surplus of £4,242k (2020: £159k deficit). This surplus was largely due to the £1,926k (2020: £206k gain) unrealised gain on our investment portfolio caused by the growth in capital markets in 2021. Excluding the impact of realised gains and unrealised movements in investment values, the Society generated an operating surplus of £2,156k (2020: £249k deficit). This has largely been driven by an increase in our voluntary income in 2021.

Total income increased by 17% in 2021 largely due to an increase in the level of legacy receipts in early 2022 which have been accrued into 2021 income in accordance with the Charities SORP. The level of legacy receipts in early 2021 which were accrued into 2020 income was significantly lower. Total costs increased by 5% in 2021 reflecting the increase in demand for our services as well as the impact of price increases across our supply chain. The day to day operating position remained strong and we were committed to delivering our essential services despite the significant financial and operational challenges that 2021 brought to the sector as well as the cost of living crisis.

## Group Directors' Annual Report (*continued*)

### Financial Review (*continued*)

The Society's wholly owned trading subsidiary, Braehead Enterprises Limited, generated a profit of £50,910 (2020: £90,125) which will be gifted to the Society in 2022.

The principal funding sources were voluntary income of £7,561,000 (2020: £7,139,000) and legacies of £9,039,000 (2020: £6,707,000). The principal costs were for the Inspectorate of £6,851,000 (2020: £6,388,000) and the animal rescue and re-homing centres and National Wildlife Centre of £6,929,000 (2020: £6,716,000). Expenditure on raising funds amounted to £1,375,000 (2020: £1,210,000). Details of consolidated income and expenditure can be found on page 23 and in the notes to the accounts.

Transfers between other charitable funds and designated funds are detailed in note 22.

### Performance Ratios

The true test of any charity is how much money it spends on its core charitable objectives which in the case of the Scottish SPCA is helping animals.

We are very proud of our achievements and in 2021:

- 81p in every £1 we spent was on our core mission of helping animals
- 9p in every £1 was spent on fundraising
- 10p in every £1 was spent on essential admin including finance, HR, IT, maintenance, administration and management
- We generated £12.07 from every £1 spent on fundraising – one of the best performances of any charity.

On all of these ratios we are performing strongly against other major UK animal welfare charities in the sector. This is something of which we are very proud.

### Related parties

The charity's wholly owned subsidiary, Braehead Enterprises Limited, was established to operate the commercial trading activities of the Society. It gift aids all of its distributable profits to the Society. In addition, the Society pays for the services of appropriate directors in their professional capacity.

### Investment powers and policy

Under the Memorandum and Articles of Association, the directors have wide investment powers. Investments may be made in any share or bond unless the underlying activity of the company or institution concerned is in direct conflict with the aims of the Scottish SPCA. In 2017 the Society carried out a review of its Ethical Investment Policy to ensure best practice in relation to the assessment of appropriate ethical standards for investment in stocks and shares. Whilst the Society will continue to argue for an end to animal testing, it would be hypocritical and inconsistent to continue buying veterinary products from pharmaceutical companies to help the animals in our care, but decline to invest in those companies when greater investment could itself help bring forward an end to animal testing. The society's ethical policy is designed to be sensitive to these concerns and a three step process is in place which should be followed in relation to investment assessment relating to any testing on animals. The process is laid out below:

(i) Testing for Regulatory reasons – The Society accepts that some testing is required for regulatory reasons. However, the Society will not invest in any companies whose testing is not required by regulation. In addition, where testing is required for regulatory purposes all testing facilities used must be accredited by a recognised body.

## Group Directors' Annual Report (*continued*)

### Financial Review (*continued*)

(ii) Testing for Cosmetic reasons – The Society will not invest in any companies who carry out animal testing for cosmetic purposes.

(iii) Testing for the development of drugs – The Society will only invest in companies who test on animals for the development of drugs for the purpose of treating and benefiting animals and humans.

In relation to all three steps indicated above the Society will not invest in companies that use wild-caught animals as part of their testing process. The Society's investments are managed under discretionary arrangements with Brewin Dolphin Investment Management with the policy reviewed regularly by the Board.

The Directors, having regard to the liquidity and income requirements of the Society and to the reserves policy, operate a policy of investing, where possible, the available funds across a wide range of asset classes. The investments of the Society are managed on a discretionary basis by Brewin Dolphin, taking a long-term view, with the aim of generating a return from a combination of income generation and capital growth. The remaining funds of the Society are held in an interest-bearing deposit account.

Over the year to 31 December 2021, the value of the portfolio increased, in total return terms, by 15.3%, compared to a rise in the benchmark of 13.8%. The benchmark is a composite of indices associated with the Risk Level 6 mandate that the Directors have chosen to follow. Income is important to the Society in contributing to the covering of operating costs. While not returning to 2019 levels, we have seen companies resume dividend payments, with the portfolio generating £498,645 over the year - equivalent to a yield of 2.5%.

The financial reporting year encompassed a period of substantial growth in equity markets as the vaccine was rolled out across the world and economies started to reopen. Corporate earnings also continued to recover from the disruptions of the previous year and Governments and Central Banks remained supportive, despite the emergence of higher inflation towards the end of the year.

The continued strength of corporate profits means we remain constructive on the prospects for equities and particularly quality companies with strong franchises and commanding market positions which have the ability to pass on inflationary pressures to their customers. We will continue to invest with a focus on structural opportunities and company fundamentals, rather than on short-term headlines, and we believe this will ensure that the portfolio achieves the best total return in the long term.

### Reserves policy

The majority of the Society's income comes from fundraising and legacies, which, being uncertain sources may not always provide the funds to cover essential costs. The Board has therefore agreed to set aside reserves, to meet future expenditure and protect against the impact of economic or other risks we may face. The most material risks currently faced are outlined below.

At 31 December 2021 total charity funds amounted to £45,413,000 (2020: £41,171,000). Other unrestricted income funds excluding designated funds totalled £43,073,000 (2020: £39,011,000). Increasing our fixed assets through capital development works will result in further increases to our charitable funds in the form of bricks and mortar and a much more relevant view would be to look at our unrestricted income funds excluding designated funds and fixed assets. At 31 December 2021 this amounted to £25,621,000 (2020: £20,810,000). This is currently sitting at the 19 month operating cost level mainly due to the performance of stock markets. Ideally we would aim to hold 12 months operating costs, but given volatility in investment markets we are content with this level of reserving. This will be regularly monitored moving forward. At 31 December 2021 restricted income funds totalled £934,000 (2020: £754,000).

In addition to the other charitable funds needed to fund the cost of preventing cruelty to animals and encouraging kindness and humanity in their treatment, designated reserves were also held to cover the development of new and existing ARRCs, business development activity and the acquisition of major capital equipment of £1,406,000 (2020: £1,406,000). These funds are designated and are set out in Note 22 of the consolidated financial statements.

## Group Directors' Annual Report (*continued*)

### Structure, Governance & Management

#### Our Directors

The directors serving during the year and since the year-end were as follows:

Mr W Beresford-Jones (appointed 25.05.21)	Ms K E Peebles
Ms B Tricker (resigned 25.05.21)	Mr A Biggar
Mr I Turnbull (resigned 25.05.21)	Ms F L Davis (resigned 25.05.21)
Mr R H Soutar (Chairman)	Ms L Davidson (appointed 25.05.21)
Ms S Johnstone	Ms M Donald
Ms V Simpson	Ms C McLeod
Ms S Dunsmuir (appointed 25.05.21)	Mrs F Macleod (appointed 03.03.22)
Mr N Connell (appointed 03.03.22)	

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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 auditor is aware of that information.

#### Directors' Responsibilities

The trustees (who are also directors of the Scottish Society for the Prevention of Cruelty to Animals for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Appointment, Induction & Training of Directors

The Board's primary consideration is to ensure a balance of appropriate skills, knowledge and experience from across Scotland while embracing the opportunities presented by a diverse Board. When a vacancy occurs the Society will advertise the position through various channels and a formal recruitment process will be undertaken.

## **Group Directors' Annual Report (*continued*)**

### **Structure, Governance & Management (*continued*)**

A sub-set of board directors will conduct the recruitment process and make recommendations to the full board. All directors are confirmed at the AGM.

New directors are briefed on their legal obligations under charity law, the content of the Memorandum and Articles of Association, committee structure and decision-making processes. Each new director is also engaged in the strategy, business plan and recent financial performance of the charity through briefings with the Executive team while the work of the charity is brought to life through visits to our Animal Helpline, Animal Rescue & Rehoming Centres and the National Wildlife Rescue Centre and in joining inspectors, animal rescue and education officers in their day to day work. Directors are, in addition, encouraged to attend appropriate external and internal training events where these will facilitate the undertaking of their role.

### **Board sub-committees - Organisation and decision-making**

The Board of directors, which can have not less than 6 and not more than 12 members, administers the charity. A Chief Executive is appointed by the directors to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the directors, for operational matters. Board sub-committees in the areas of Fundraising & Brand Building, Ethics & Policy, Finance, Operating Performance & Investment, Audit & Risk, People, Culture & Reward and Health, Safety, Wellbeing & Environmental meet on a regular basis in addition to the full Board.

### **Governing document**

The Scottish SPCA is a company limited by guarantee governed by its Memorandum and Articles of Association dated 8 November 1999, and later amended to allow for the current governance arrangement. The amended Memorandum and Articles of Association were adopted by Special Resolution dated 22 September 2020. The liability of the members is limited, and every member undertakes to contribute such amount as may be required (not exceeding £1) in the event of the charity winding up. The Scottish SPCA is registered as a charity with the Office of the Scottish Charity Regulator (OSCR). The Society currently has 48,798 members (2020: 49,002).

The Board of the Society resolved changes at the 2020 AGM amending the Society's Memorandum and adopting new Articles of Association. Included within these changes was the ability to conduct board meetings and AGMs virtually moving forward.

### **Directors' Section 172 Statement**

The Board of Directors of the Scottish SPCA continue to be mindful, both individually and collectively of their responsibility to promote the long-term success of the Society. As a Board we consider our decision making process to be in the best interests of our stakeholders, partners and charitable reputation.

- As a Board our aim is to continually support the Society to ensure that we deliver our mission which is to prevent cruelty to animals and to encourage kindness and humanity in their treatment. In doing so the advancement of animal welfare and the advancement of education in relation to animal welfare are our key purposes. The Society guarantees effective stewardship and management of resources, income generation, building influence and demonstration of the impact of our work.
- The team members across the Society are fundamental to the execution of our vision. The communication on all Society operations and performance which is relevant to them, is regularly updated through our team meetings, email communications and internal engagement sessions. The integration of new teams, through our formal induction process, is of paramount importance to the board as a method of instilling the Society's vision. Team members' wellbeing was at the forefront of the Board's decision-making process in the year ending 2021 and continues to be into 2022, especially during the Covid-19 pandemic.
- As a Board our continued commitment to the environment is at the forefront. The Society is now promoting the environmental impact of our operations and organisational responsibility of recycling and environmental awareness.

## Group Directors' Annual Report (*continued*)

### Structure, Governance & Management (*continued*)

- We, as a Board of directors, always aim to operate and behave with the upmost professionalism, to lead by example and ensure our management teams also act with the same integrity. This will be key in the delivery of a high level of service to our stakeholders which will contribute to the long-term success of the Society.

The Scottish SPCA promotes a workplace that emphasises employee wellbeing through being a real living wage employer that helps team members care for themselves and their families.

## Our policies

### Remuneration Policy

#### Commitment to frontline services

An effective and efficient Society, we are committed to ensuring our resources are prioritised to support the delivery of frontline services. This includes welcoming volunteers in increasing numbers and engaging those delivering our vital services in continuous improvement activities.

In 2021 the Society employed 17 non-uniformed managers out of a total management population of 47. Five executives were paid more than £60,000.

This approach aims to ensure overall management costs remain a low percentage of turnover and that resources can be focused on the front line and delivering the Society's vision.

#### Fair reward

The remuneration policy is determined by the Board. In appointing a new Chief Executive in July 2017 the Board took independent advice and benchmarked remuneration against a number of criteria, including Charity Sector Pay Surveys, to ensure fairness and equity.

Fair reward is at the heart of the Society and in 2018 we began an independent review of our pay and grading arrangements across the organisation, in every role and geography, with oversight from the Board. As a result of this review, a new job evaluation scheme was developed and proposed to the Board in December 2019. Given the prevailing challenging circumstances and economic uncertainty presented by the pandemic, full implementation of the job evaluation scheme was paused. However, the second phase is scheduled to go ahead in July 2022. The Society's commitment to offer our employees fair reward is however a cornerstone of our overall reward and recognition strategy and in early 2021 we were accredited by the Living Wage Foundation as a Real Living Wage employer.

### Disability Policy

The Scottish SPCA (the Society) is an equal opportunities employer and is committed to encouraging diversity and inclusion in all of our work practices. We aim to provide equality of opportunity and a positive, supportive and enabling environment for all employees and volunteers on the basis of individual merit, ability and potential.

The Society takes seriously our legal obligations under the Equality Act 2010 to achieve good practice in responding to the needs of disabled employees and volunteers and to make every reasonable effort to provide or arrange necessary support, adaptations, equipment and learning and development to enable employees to fulfil their potential.

### Employees & Communication

Our people are our greatest asset. We aim to be a leader in our sector for 'how' we do things and the way in which we run our Society. This will be achieved by empowering all our team members and volunteers to apply their skills, strengths and experiences to the task of delivering the ambitious agenda set out in our strategy.

## Group Directors' Annual Report (*continued*)

### Our policies (*continued*)

We have been actively reviewing our organisational design and adopt a collaborative approach to employee engagement, health, safety and wellbeing. We have committed to skills, career and talent development and invested in structured learning and development.

We have been actively developing clear progression routes and focusing on emphasising potential career growth as we embed equality and diversity across our Society. We've introduced new communication channels with online channels such as webinars complementing leadership led regional and national roadshows to reach all colleagues. Celebrating success and recognising achievement, we aim to be a Society where we live our values and foster a common vision.

## Risk Management

The directors have a risk management strategy, which comprises:

- Logging of our risks on the risk register. The Senior Leadership team assess their risks every six months. This is supplemented with benchmarking, audits and risk event monitoring;
- Rating our risks, so that we can focus on the risks that impact us the most;
- Reporting quarterly to our governance committees on progress;
- The establishment of systems and procedures to mitigate those risks identified; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by directors. The Society's reserves policy is detailed on page 8.

We have identified the following as our biggest risks:

### Financial sustainability

Given the economic impact of the pandemic, alongside Brexit, increased geopolitical risk, increasing supplier costs and rising inflation, our long term financial sustainability is a constant concern.

We are focused on being as efficient as possible, embracing continuous improvement, while building awareness and advocacy in our brand and diversifying income. We continually review our financial position and take action when required.

### Health and Safety

The safety of our employees, volunteers, fundraisers and contractors is of paramount importance to us, as is compliance with health and safety legislation.

Staff are trained in health and safety and we have risk assessments in place for our hazards. The health and safety policy is reviewed and updated annually.

### Leadership and culture

Our people are fundamental to our operations and we need to ensure we continue to attract, retain, develop and look after their wellbeing, whilst also continuing to comply with employment legal and regulatory requirements. The challenging nature of some of our roles, combined with COVID-19 impact and other external factors, make this area even more critical. This is an area of constant focus for us and we have a range of incentives to allow us to continue to be regarded as an employer of choice.

### Public relations and reputation

This is a key risk for any charity and can be caused by a number of factors, such as a negative use of our brand, adverse reaction to our activities or messages or supply chain issues. We perform due diligence on suppliers and maintain contracts, and we monitor social media which enables us to respond quickly.

## **Group Directors' Annual Report (*continued*)**

### **Risk Management (*continued*)**

#### **Demand and ability to deliver services**

We must be prepared for a rising number of animals in need of rescue, support and nurture. From the impact on people's ability to care for an animal to the growing concern of the low welfare puppy trade, we and our partners anticipate rising welfare issues in an increasingly fragile animal welfare sector.

Some of the mitigating actions currently in place include our work with partners on Operation Delphin to disrupt the illegal supply of puppies and our corresponding work with partners to influence demand and educate the public on responsible buying.

We welcome continued improvements in animal welfare legislation and are hoping to see the benefits of legislative change which allow us to rehome animals in a shorter timeframe.

We will continue our campaigns to reduce demand, such as Wildlife Wise and Say No to Puppy Dealers. And, vitally, will redouble our efforts for partnership working, both operationally and strategically, to mutual advantage.

We will work more efficiently including seeking operational efficiencies, operating procedures reviews, refreshed training for example supporting the right casualties being admitted by our wildlife centre. New services, including an expanded fostering offer, offered by our ARRCs will enable us to help more animals in need.

We will continue intelligence sharing and identification of issues and develop solutions with partners and governments with the longer term strategic direction of the Society beginning to be shaped in 2021 and influenced by environmental factors such as sustainability of the sector.

#### **Safeguarding**

Our education offering helps us to educate children to prevent animal cruelty. We take their safeguarding very seriously and frequently review our practices in this area.

We ensure all relevant staff and volunteers are qualified, trained and subject to the appropriate disclosure checks. Our safeguarding policy defines how we manage this risk.

#### **Technology and cyber security**

With digital transformation streamlining our ways of working and allowing us to have more efficient communication with donors/beneficiaries, there is an increasing need to focus on cyber security, the resilience of our IT systems and infrastructure and the protection of our data. We have policies in place and train our staff, we regularly back up our data and have a high level of system security (firewalls, patching etc.) and monitoring.

### **Our Plans for the Future**

2022 sees a continuation of the challenging circumstances we've been operating in since the start of the COVID-19 pandemic. We predict this will be further exacerbated by cost of living increases which affect not only people's ability to support us but the costs of running our own services and facilities.

Going forward, we will prioritise continuing to improve efficiencies so that we maximise the value we offer the people and animals we help.

We also have one eye on the long-term future and with that in mind will be carefully considering our place in the world. As well as continuing to improve as a charity, we will evaluate our role in shaping animal welfare in Scotland over the next decade.

## **Group directors' annual report** (*continued*)

### *Our Plans for the Future* (*continued*)

#### **People**

Our people have always worked hard, but this has never been more evident than throughout the pandemic. Demand for our services has grown and we need to grow to meet that demand. Therefore, we're committing to a £920k investment in new roles, particularly at our rescue and rehoming centres and wildlife centre, to ensure we have appropriate staffing levels to provide first-class care for animals. We intend to implement a Job Evaluation Framework in the second half of 2022. This will ensure we have a fair and transparent framework in place for all roles in the Society.

We're also expanding our learning and development provision through dedicated roles to support, in particular, our animal care and inspectorate areas.

#### **Animals**

With new legislation in place, the time is right to tackle the issue of average days in care for animals caught up in court cases. A big focus in 2022 will be reducing time spent in a kennel environment. We aim to do this by scaling up our fostering scheme and making use of the new law to rehome animals more quickly. More broadly, continued improvements to our external advice and engagement with the public and partners should continue to reduce the number of animals arriving in our care.

#### **Collaborations**

Our partners in improving animal welfare in Scotland are facing the same challenges we are. We will prioritise effective ways of working and sharing expertise and resource where it makes sense to do so to deliver the best possible service for the people and animals we support.

#### **Sustainability**

We need to ensure we're financially and environmentally sustainable. This means renewing our commitment to diversifying our income streams, whilst growing and protecting well-established ones. And looking after the wonderful people who support us and enable us to do what we're here for. Environmentally, it means establishing our credentials for the move towards net-zero. We will launch a dedicated strategy in 2022.

#### **One Welfare**

Recognising the One Health agenda and relationship between animal health, human health and the environment we will place renewed focus on our environmental commitments. Our ambitions over the next ten years are set out below.

## Group directors' annual report (*continued*)

### *Our Plans for the Future (continued)*



All of our goals and ambitions will be supported by a greater awareness and advocacy of our brand. We are proud to be Scotland's animal champions and are keen to be recognised for the support we provide to people and animals nationwide through the diverse work we do.

## Streamlined Energy and Carbon Reporting

A summary of the 2021 Streamlined Energy and Carbon Reporting (SECR) report for the Scottish Society for the Prevention of Cruelty to Animals (SSPCA) is set out below. This is required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. It considers:

- **Scope 1 direct emissions**
- **Scope 2 indirect emissions**
- **Scope 3 indirect emissions (SECR mandatory)** related to fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage).

The market-based method for calculating scope 2 emissions with respect to electricity consumption has been applied. Total emissions account for our efforts in purchasing low-carbon electricity across our estate.

## Organisational & operational boundary

The SECR report covers the Scottish Society for the Prevention of Cruelty to Animals (SSPCA) (Company Registration no. SC201401), as a charity and unquoted, large company. Two of the three qualifying conditions are met by SSPCA:

- at least 250 employees- Qualified
- an annual turnover greater than £36m- N/A
- an annual balance sheet total greater than £18m- Qualified

An operational control boundary has been used.

## Group directors' annual report (*continued*)

### *Streamlined Energy and Carbon Reporting (continued)*

Please refer to Energy Efficiency Actions on P17 regarding energy efficiency measures taken in period, and our future plans.

## Environmental Performance & Reporting Methodology

Our reporting period covers 01st January 2021- 31st December 2021.

### Consumption

The energy consumption used to calculate our emissions was 5,106,580 kWh, as shown below, which represents a 2.9% increase from our base year.

		Unit	2021	2020
Scope 1	Company Facilities – Stationary combustion	kWh	1,622,274	1,414,878
	Company Facilities – Fugitive emissions	kWh	-	-
	Company Vehicles - Fuel	kWh	2,215,057	2,158,174
Scope 2	Company Facilities – Purchased electricity	kWh	1,269,249	1,391,160
Scope 3*	Indirect emissions related to Fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage)	kWh	-	-
Sub-total Consumption		kWh	5,106,580	4,964,212
<b>Total Consumption Reported</b>		<b>kWh</b>	<b>5,106,580</b>	<b>4,964,212</b>

### SECR data & emissions

The GHG emissions and intensity ratio for 2021 are shown below, and compared with our base year, 2020.

- The reported emissions (market-based) for 2021 are **833.88 tonnes CO<sub>2</sub>e**.
- This represents a 4.8% increase from our base year.
- A comparison is provided between market-based & location-based emissions.

For 2021, our primary intensity ratio metric is full-time equivalent (FTE) with a reference value of 392 FTE in period, compared to 386 in 2020.

The resultant primary intensity ratio is 2.13 t CO<sub>2</sub>e/FTE.

## Group directors' annual report (*continued*)

### *Streamlined Energy and Carbon Reporting (continued)*

Scope	Type	Requirement	Indicator name	Unit	2021	2020
Scope 1	Direct emissions	SECR mandatory	Company Facilities – Stationary combustion	tCO <sub>2</sub> eq.	304.43	269.69
			Company Facilities – Fugitive emissions	tCO <sub>2</sub> eq.	5.42	6.97
			Company Vehicles - Fuel	tCO <sub>2</sub> eq.	524.03	519.21
			<b>Scope 1 Sub-Total</b>	<b>tCO<sub>2</sub>eq.</b>	<b>833.88</b>	<b>795.87</b>
Scope 2	Indirect emissions	SECR mandatory	Company Facilities – Purchased electricity (location-based)	tCO <sub>2</sub> eq.	269.50	324.33
			Company Facilities – Purchased electricity (market-based)	tCO <sub>2</sub> eq.	0	0
Scope 3	Indirect Emissions	SECR mandatory	Indirect emissions related to Fuel used in personal/hire cars on business use (including fuel for which the organisation reimburses its employees following claims for business mileage)	tCO <sub>2</sub> eq.	0	0
Total GHG emissions reported		SECR mandatory	Location-based Market-based	tCO <sub>2</sub> eq. tCO <sub>2</sub> eq.	1,103.38 833.88	1,120.21 795.87
Consumption equivalent		SECR mandatory		kWh.	<b>5,106,580</b>	<b>4,964,212</b>
GHG intensity ratios	Market-based	SECR mandatory	GHG emissions per FTE	tCO <sub>2</sub> eq/FTE	<b>2.13</b>	<b>2.06</b>

### Energy Efficiency Actions

We have continued to utilise our smart cloud-based energy and carbon monitoring system/portal which will allow us to measure, manage, control and monitor our energy and carbon effectively, and support our Environmental Ambitions Programme 2020-2030.

We have procured our electricity from a fully green tariff, backed by Renewable Energy Guarantees of Origin certificates. This has been reflected within our market-based emissions.

All our vehicles and plant (boilers and air-conditioning) have been serviced and maintained in accordance with the manufacturers intervals to ensure they continue to operate effectively and efficiently.

We installed a heat pump towards the end of 2021 at our Inverness facility, which reduced electricity consumption by 8% in the last quarter of 2021.

Our EV Transition Planning has been impacted by global supply chain issues.

## **Group directors' annual report** *(continued)*

### ***Streamlined Energy and Carbon Reporting*** *(continued)*

#### **Methodology**

The methodology used is the Greenhouse Gas Protocol, using UK Government conversion factors produced by the Department for Business, Energy & Industrial Strategy (BEIS 2021, issued 24th January 2022).

Our report has been prepared in line with the UK Government's 'Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance' (dated March 2019).

The market-based method for calculating scope 2 electricity emissions has been applied for the purchase of lower-carbon electricity, via a 100% green tariff. The natural gas procured is not from a green source.

Assumptions made in our reporting were as follows:

- Air conditioning operational emissions assumed based upon refrigerant charge, engineering judgement and IPCC/BEIS/DEFRA recommendations.
- Emissions from refrigerant leakage from SSPCA's A/C & refrigeration plant, and emissions from wastewater treatment, have been assumed based upon the engineering judgement of a Chartered Mechanical Engineer & SSPCA's wastewater lead, in line with CIBSE, EA, IPCC & governmental data where applicable.

## Approval of the financial statements

At the time of approving this report, the directors are aware of no relevant audit information of which the group and charitable company's auditors are unaware and have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditors are aware of that information.

### Thank You

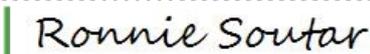
We rely on the generosity of the public. From our members, volunteers and supporters, to those who donate food and essentials to our centres, we are incredibly grateful. It is because of this support that the Scottish SPCA is able to exist.

We rely entirely on the goodwill and financial support of the general public to carry out our work. Everyone associated with the Scottish SPCA is grateful for this continued support. Without it, the Society would not exist and thousands of people and animals would not benefit from the services it provides every year.

In 2021, that support has arguably been more important than ever. Despite the pandemic, the Society continued to be there in every community across Scotland, supporting animals and people every day. This required a sustained level of support from members, supporters, volunteers and our partners. We are well aware that the consequences of this pandemic have put emotional and financial pressure on the people we rely on, but that support has never wavered. The ongoing help we have received has been humbling.

We thank you so much for your generosity.

The Annual Report is signed by the Chair on behalf of the Board of Directors. The Directors also approve the Strategic Report, which is contained within the Annual Report, in their capacity as company directors.

  
Ronnie Soutar - 2022-04-29, 07:15:01 UTC

**R Soutar**  
*Chairman*

## **Independent auditor's report to the trustees and members of the Scottish Society for the Prevention of Cruelty to Animals**

### **Opinion**

We have audited the financial statements of the Scottish Society for the Prevention of Cruelty to Animals (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the Group and Parent Charitable Company Statements of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Statements of Cash Flow 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 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 charitable company's affairs as at 31 December 2021 and of 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and Trustees' Report which includes the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report which includes the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors**

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charitable law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiring with management about any known or suspected instances of non-compliance with laws and regulations, including GDPR and employment law, and fraud;
- Review of correspondence with regulators including OSCR and the Health & Safety Executive;
- Review of legal fee expenditure and board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); Animal Welfare Act; and compliance with the UK Companies Act, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts Regulations 2006.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors 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 charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

  
James Davidson - 2022-04-29, 09:40:21 UTC

**James Davidson (Senior Statutory Auditor)**  
**For and on behalf of Henderson Loggie LLP**  
**Chartered Accountants**  
**Statutory Auditor**

11-15 Thistle Street  
Edinburgh  
EH2 1DF

**Parent Charity statement of financial activities (incorporating income and expenditure account)  
for the year ended 31 December 2021**

	Notes	Unrestricted Funds		Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
		Charitable funds £'000	Designated funds £'000			
<b>Income</b>						
Donations and legacies	2	15,801	-	799	16,600	13,846
Income from charitable activities	3	359	-	-	359	433
Income from other trading activities	4	81	-	-	81	85
Income from investments	18	583	-	5	588	678
Other income	5	476	-	-	476	400
<b>Total income</b>		<b>17,300</b>	<b>-</b>	<b>804</b>	<b>18,104</b>	<b>15,442</b>
<b>Expenditure</b>						
Expenditure on raising funds	6	(1,326)	-	(14)	(1,340)	(1,193)
Expenditure on charitable activities						
<i>Inspectorate</i>	7	(6,707)	-	(143)	(6,850)	(6,387)
<i>Animal rescue and re-homing centres</i>	8	(6,481)	-	(447)	(6,928)	(6,715)
<i>Education and junior division</i>	9	(257)	-	(30)	(287)	(394)
<i>Press and publications</i>	10	(374)	-	(88)	(462)	(414)
<i>Campaigns</i>		(44)	-	-	(44)	(44)
<b>Total expenditure</b>		<b>(15,189)</b>	<b>-</b>	<b>(722)</b>	<b>(15,911)</b>	<b>(15,147)</b>
Net income / (expenditure) before investments		2,111	-	82	2,193	295
Gain / (Loss) on disposal of investments		160	-	-	160	(614)
Unrealised investment gains / (losses)	18	1,926	-	-	1,926	206
<b>Net income / (expenditure)</b>		<b>4,197</b>	<b>-</b>	<b>82</b>	<b>4,279</b>	<b>(113)</b>
Transfers between funds	22/23	(98)	-	98	-	-
<b>Net movement in funds</b>		<b>4,099</b>	<b>-</b>	<b>180</b>	<b>4,279</b>	<b>(113)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		38,922	1,406	754	41,082	41,195
<b>Total funds carried forward</b>	24	<b>43,021</b>	<b>1,406</b>	<b>934</b>	<b>45,361</b>	<b>41,082</b>

All operations are continuing.  
Statement of Financial Activities includes all gains and losses in the year.

**Consolidated statement of financial activities (incorporating income and expenditure account)  
 for the year ended 31 December 2021**

	Notes	Unrestricted Funds		Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
		Charitable funds £'000	Designated funds £'000			
<b>Income</b>						
Donations and legacies	2	15,801	-	799	16,600	13,846
Income from charitable activities	3	359	-	-	359	433
Income from other trading activities	4	171	-	-	171	195
Income from investments	18	498	-	-	498	541
Other income	5	476	-	-	476	400
<b>Total income</b>		<b>17,305</b>	<b>-</b>	<b>799</b>	<b>18,104</b>	<b>15,415</b>
<b>Expenditure</b>						
Expenditure on raising funds	6	(1,361)	-	(14)	(1,375)	(1,210)
Expenditure on charitable activities						
Inspectorate	7	(6,708)	-	(143)	(6,851)	(6,388)
Animal rescue and re-homing centres	8	(6,482)	-	(447)	(6,929)	(6,716)
Education and junior division	9	(262)	-	(25)	(287)	(394)
Press and publications	10	(374)	-	(88)	(462)	(414)
Campaigns		(44)	-	-	(44)	(44)
<b>Total expenditure</b>		<b>(15,231)</b>	<b>-</b>	<b>(717)</b>	<b>(15,948)</b>	<b>(15,166)</b>
Net income / (expenditure) before investments		2,074	-	82	2,156	249
(Loss) / Gain on disposal of investments		160	-	-	160	(614)
Unrealised investment (losses) / gains	18	1,926	-	-	1,926	206
Net income / (expenditure)		4,160	-	82	4,242	(159)
Transfers between funds	22/23	(98)	-	98	-	-
Net movement in funds		4,062	-	180	4,242	(159)
<b>Reconciliation of funds</b>						
Total funds brought forward		39,011	1,406	754	41,171	41,330
Total funds carried forward	24	43,073	1,406	934	45,413	41,171

All operations are continuing.

Statement of Financial Activities includes all gains and losses in the year.

Company No.  
 SC201401

**Consolidated balance sheet and Charity balance sheet**  
*at 31 December 2021*

	<i>Notes</i>	<b>2021 Group £'000</b>	<b>2021 Charity £'000</b>	2020 Group £'000	2020 Charity £'000
<b>Fixed assets</b>					
Tangible assets	16	17,438	17,438	18,185	18,185
Intangible assets	17	14	14	16	16
Investments	18	18,977	18,977	16,907	16,907
Total Fixed Assets		<u>36,429</u>	<u>36,429</u>	<u>35,108</u>	<u>35,108</u>
<b>Current assets</b>					
Stocks		138	113	174	123
Debtors	19	4,645	4,652	3,201	3,201
Cash at bank and in hand		5,015	4,974	3,418	3,362
Total Current Assets		<u>9,798</u>	<u>9,739</u>	<u>6,793</u>	<u>6,686</u>
<b>Current liabilities</b>					
Creditors: falling due within one year	20	(814)	(807)	(730)	(712)
<b>Net current assets</b>		<u>8,984</u>	<u>8,932</u>	<u>6,063</u>	<u>5,974</u>
<b>Total assets less current liabilities</b>		<u>45,413</u>	<u>45,361</u>	<u>41,171</u>	<u>41,082</u>
<b>Net assets</b>	24	<u><u>45,413</u></u>	<u><u>45,361</u></u>	<u><u>41,171</u></u>	<u><u>41,082</u></u>
<b>The funds of the charity:</b>					
Restricted income funds	23	934	934	754	754
Unrestricted income funds		44,479	44,427	40,417	40,328
Total charity funds	24	<u><u>45,413</u></u>	<u><u>45,361</u></u>	<u><u>41,171</u></u>	<u><u>41,082</u></u>

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

*Ronnie Soutar*  
 Ronnie Soutar – 2022-04-29, 07:15:01 UTC

**R Soutar**  
 Chairman

**Consolidated and Charity statement of cash flows**  
*for the year ended 31 December 2021*

	2021 Group £'000	2021 Charity £'000	2020 Group £'000	2020 Charity £'000
<b>Cash flows from operating activities:</b>				
Net cash (used in) / provided by operating activities	690	615	670	620
<b>Cash flows from investing activities</b>				
Dividends and interest from investments	498	588	541	678
Proceeds from the sale of property, plant and equipment	620	620	335	335
Purchase of property, plant and equipment and intangible assets	(227)	(227)	(232)	(232)
Proceeds from sale of investments	3,613	3,613	3,233	3,233
Purchase of investments	(3,597)	(3,597)	(3,052)	(3,052)
<b>Net cash provided by investing activities</b>	<b>907</b>	<b>997</b>	825	962
<b>Change in cash and cash equivalents in the reporting period</b>	<b>1,597</b>	<b>1,612</b>	1,495	1,582
Cash and cash equivalents at the beginning of the year	3,418	3,362	1,923	1,780
Cash and cash equivalents at the end of the year	<b>5,015</b>	<b>4,974</b>	3,418	3,362

**Notes to the statement of cash flows**

**a Reconciliation of net (expenditure) / income to net cash inflow from operating activities**

	2021 Group £'000	2021 Charity £'000	2020 Group £'000	2020 Charity £'000
Net income / (expenditure) for the year	4,242	4,279	(159)	(113)
<b>Adjustments for:</b>				
Depreciation charges	823	823	824	824
(Gains) / Losses on investments	(2,086)	(2,086)	408	408
Dividends and interest from investments	(498)	(588)	(541)	(678)
(Profit) on the sale of fixed assets	(221)	(221)	(316)	(316)
Decrease / (Increase) in stocks	36	10	9	4
(Increase) / decrease in debtors	(1,690)	(1,697)	368	403
(Decrease) / Increase in creditors	84	95	77	88
<b>Net cash (used in) / provided by operating activities</b>	<b>690</b>	<b>615</b>	670	620

**b Analysis of cash and cash equivalents**

	2021 £'000	Cash flow £'000	2020 £'000
Cash and cash equivalents - Group	5,015	1,597	3,418
Cash and cash equivalents - Charity	4,974	1,612	3,362

## Notes to the financial statements

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group and charity's financial statements.

#### *Basis of preparation*

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity and a private company limited by guarantee, incorporated in Scotland. The registered office is noted on page 1. The financial statements are compliant with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations, the Companies Act 2006, the Statement of Recommended Practice (SORP) FRS102 "Accounting and Reporting by Charities" (revised 2015), and in accordance with Financial Reporting Standard 102 (FRS102).

The financial statements are prepared in Sterling, which is the functional currency of the Society. Monetary amounts in these financial statements are rounded to the nearest pound, unless otherwise stated.

The Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Society and its subsidiary undertaking made up to 31 December 2021. The acquisition method of accounting has been adopted.

#### *Going Concern*

The Society's activities, together with the factors likely to affect its future development, performance and position are set out in the Group directors' annual report on pages 2 to 21. The financial position of the Society is described on pages 7 to 9. The Society has strong financial resources and consequently, the directors believe that the Society is well placed to manage its operating risks successfully despite the current uncertain economic outlook as a result of Covid-19 pandemic. These risks are set out on pages 13 to 14 alongside the plans to mitigate and manage these risks. The directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### *Critical accounting judgements and estimation uncertainty*

In preparing the financial statements, the Trustees are required to make judgements, estimates and assumptions, which may affect reported income, expenses, assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from such estimates. Judgements made in preparing these financial statements comprise:

- The applicability of the estimated useful lives of fixed assets used to calculate the period over which depreciation is applied.
- The review of fixed assets for impairment or obsolescence.
- The assessment of leases to determine whether the risks and rewards of ownership remain with the lessor or are transferred to the Charity.

#### *Income*

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

#### *Donations and legacies*

Income under deeds of covenant and donations under the Gift Aid scheme are shown inclusive of the tax recoverable by the Society and are brought into account when receipt is probable and the amount receivable can be measured reliably.

#### *Government grant income*

Donations and government grants are brought into account when receipt is probable and the amount receivable can be measured reliably. Donations under the Gift Aid scheme are shown inclusive of the tax recoverable by the Society.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Donated goods income*

Where goods are donated to the charity these are included in the Statement of Financial Activities at their market value.

The majority of the Society's subscription income is received from members who donate by monthly direct debit or standing order. In all cases the income is brought into account when it is received.

For legacies, entitlement is taken as the earlier of the date on which either:

- the Society is aware that confirmation or probate has been granted, the estate has been finalised and notification has been made by the executor to the Society that a distribution will be made; or
- 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 confirmation or probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

#### *Other trading activities*

Income from other trading activities is made up of rental income and a management charge and is recognised in the period in which it is generated.

#### *Income from investments*

Interest and dividends are accounted for when receivable and the amount can be measured reliably. Gift Aid payable from the subsidiary company is accounted for when paid.

#### *Income from charitable activities*

Income generated from the Society's animal rescue and re-homing centres includes re-homing fees, boarding income and voluntary donations and all of the related income is brought into account when it is received.

#### ***Expenditure***

All expenditure is accounted for on an accruals basis when a liability is incurred. Termination payments are accounted for in the period incurred. Where directly attributable, resources expended are allocated to the relevant functional category. All costs of supporting charitable expenditure including governance costs are allocated to the relevant heading based on their proportion of direct costs for each activity.

#### *Expenditure on raising funds*

The costs of raising funds include expenditure related to the fundraising activities of the Society. This includes staff costs, organised events, mailings and insert campaigns.

#### *Expenditure on charitable activities*

The costs of charitable activities include all expenditure associated with achieving the objectives of the Society.

#### ***Donated Services***

In accordance with the Charities SORP (FRS 102), the general volunteer time of the volunteers is not recognised.

#### ***Fixed assets***

Certain properties are shown at cost less depreciation at the following rates:

All animal welfare centres are depreciated on a straight-line basis at 3.0% per annum.

All other heritable property is stated at cost and no depreciation is charged as, in the opinion of the Directors, this property has high residual value or long economic life that makes a depreciation charge immaterial. The

## Notes (continued)

### 1 Accounting policies (continued)

management undertake an annual impairment review and any permanent impairment would be reported to the Directors and written off in the year the impairment is identified.

Vehicles, furniture and equipment are stated at cost less depreciation at the following rates, calculated to write down to estimated residual value over their useful lives on a straight-line basis.

Motor vehicles	10-25%
IT equipment	33%
Equipment	20%
Furniture and fittings	10%

Professional and development fees incurred in regard to land & buildings are capitalised and depreciated over the life of the related asset.

Assets under the course of construction are shown separately and are not depreciated until the asset is brought into use.

#### *Intangible assets*

Intangible assets are stated at cost less amortisation at 10%, calculated to write down to estimated residual value over their useful lives on a straight-line basis.

#### *Investments*

Quoted investments are stated at market value. Unquoted investments are stated at the lower of cost and net realisable value. The realised and unrealised gains or losses are applied to other charitable funds.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Provision is made for slow-moving or obsolete stock. Donated stock is valued at market value and assessed for impairment at the reporting date.

#### *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.

#### *Cash at bank and in hand*

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### *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.

#### *Financial instruments*

The Society 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.

#### *Funds*

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

Unrestricted funds are expendable at the discretion of the Directors in furtherance of the objects of the Scottish Society for the Prevention of Cruelty to Animals. If part of the unrestricted fund is earmarked at the discretion of the Directors for a particular project it is designated as a separate fund. This designation has an administrative purpose only, and does not legally restrict the Directors' discretion to apply the fund.

**Notes** (continued)

**1 Accounting policies** (continued)

Transfers are made from the unrestricted general fund to the designated fund to designate reserves to the following year. These are explained further in note 22.

Restricted funds are funds subject to specific trusts, which have been declared by the donor or with their authority (e.g. by the restrictive wording of an appeal).

**Post-retirement benefits**

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The amount charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting year.

**Operating leases**

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the life of the lease.

**Taxation**

The Society is recognised by the HMRC as a charity for the purposes of the Corporation Tax Act 2010 part II and is exempt from income and corporation tax on its charitable activities.

**2 Donations and Legacies**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Legacies	<b>8,458</b>	6,034	<b>581</b>	673
Ordinary subscriptions	<b>4,885</b>	4,785	-	-
Ordinary donations	<b>1,620</b>	1,468	<b>113</b>	150
Government grants	<b>131</b>	318	<b>97</b>	105
Junior division donations	<b>4</b>	7	-	-
Special efforts	<b>374</b>	51	-	-
Supporters groups	<b>4</b>	7	-	-
Appeals and events	<b>306</b>	229	<b>8</b>	-
Flag days	<b>1</b>	2	-	-
Collecting boxes	<b>18</b>	17	-	-
	<b>15,801</b>	12,918	<b>799</b>	928

Appeals and events includes donated food income of £31,377 (2020: £28,524). Basis of valuation is Market Value.

**3 Income from Charitable Activities**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Animals reclaimed and homed	<b>286</b>	315
Neutering scheme	<b>14</b>	2
Stray dog fees	<b>43</b>	63
Boarding fees	<b>9</b>	37
Inspectorate income	<b>7</b>	16
	<b>359</b>	433

All income from charitable activities is unrestricted.

**Notes** (continued)

**4 Income from other trading activities**

	<b>Group</b> <b>2021</b> <b>£'000</b>	Group 2020 £'000	<b>Charity</b> <b>2021</b> <b>£'000</b>	Charity 2020 £'000
Rental income	48	52	48	52
Income from subsidiary undertaking	123	143	33	33
	<u>171</u>	<u>195</u>	<u>81</u>	<u>85</u>
All income from other trading activities is unrestricted				

**5 Other Income**

	<b>2021</b> <b>£'000</b>	2020 £'000
Gain on disposal of fixed assets	467	316
Compensation payments received	9	84
	<u>476</u>	<u>400</u>

**6a Expenditure on Raising Funds – Group**

	<b>Unrestricted</b> <b>2021</b> <b>£'000</b>	Unrestricted 2020 £'000	<b>Restricted</b> <b>2021</b> <b>£'000</b>	Restricted 2020 £'000
Emoluments and pensions (note 13)	470	418	14	31
Stationery and printing	2	1	-	-
Postage	16	13	-	-
Advertising	11	-	-	-
Other appeals and events	631	557	-	-
Other costs	81	86	-	-
Irrecoverable VAT	49	33	-	-
Costs of activities for generating funds	44	23	-	-
Investment management costs	57	48	-	-
	<u>1,361</u>	<u>1,179</u>	<u>14</u>	<u>31</u>

**6b Expenditure on Raising Funds - Charity**

	<b>Unrestricted</b> <b>2021</b> <b>£'000</b>	Unrestricted 2020 £'000	<b>Restricted</b> <b>2021</b> <b>£'000</b>	Restricted 2020 £'000
Emoluments and pensions (note 13)	470	418	14	31
Stationery and printing	2	1	-	-
Postage	16	13	-	-
Advertising	11	-	-	-
Other appeals and events	631	557	-	-
Other costs	81	86	-	-
Irrecoverable VAT	49	33	-	-
Costs of activities for generating funds	9	6	-	-
Investment management costs	57	48	-	-
	<u>1,326</u>	<u>1,162</u>	<u>14</u>	<u>31</u>

**Notes** (continued)

**7a Inspectorate expenditure - Group**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	<b>4,415</b>	4,132	<b>121</b>	185
Vehicle running costs	<b>830</b>	703	<b>8</b>	51
Telephone	<b>59</b>	60	<b>1</b>	1
Veterinary fees	<b>94</b>	77	-	-
Depreciation	<b>26</b>	18	<b>1</b>	1
Non-vehicle insurance	<b>46</b>	45	-	-
Council tax and water	<b>25</b>	29	<b>1</b>	1
Repairs and maintenance	<b>11</b>	9	-	-
Irrecoverable VAT	<b>225</b>	179	-	-
Support costs (note 11)	<b>757</b>	696	<b>1</b>	6
Other costs	<b>220</b>	186	<b>10</b>	9
	<b>6,708</b>	6,134	<b>143</b>	254

**7b Inspectorate expenditure - Charity**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	<b>4,415</b>	4,132	<b>121</b>	185
Vehicle running costs	<b>830</b>	703	<b>8</b>	51
Telephone	<b>59</b>	60	<b>1</b>	1
Veterinary fees	<b>94</b>	77	-	-
Depreciation	<b>26</b>	18	<b>1</b>	1
Non-vehicle insurance	<b>46</b>	45	-	-
Council tax and water	<b>25</b>	29	<b>1</b>	1
Repairs and maintenance	<b>11</b>	9	-	-
Irrecoverable VAT	<b>225</b>	179	-	-
Support costs (note 11)	<b>756</b>	695	<b>1</b>	6
Other costs	<b>220</b>	186	<b>10</b>	9
	<b>6,707</b>	6,133	<b>143</b>	254

**8a Animal Rescue and Re-homing Centre expenditure - Group**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	<b>3,417</b>	2,989	<b>268</b>	635
Vehicle running costs	<b>72</b>	71	<b>6</b>	9
Security costs	<b>8</b>	4	<b>1</b>	1
Heat and light	<b>193</b>	177	<b>16</b>	32
Veterinary fees	<b>435</b>	399	<b>25</b>	96
Animal foods	<b>149</b>	108	<b>11</b>	28
Depreciation	<b>672</b>	638	<b>64</b>	104
Non-vehicle insurance	<b>42</b>	38	<b>3</b>	6
Council tax and water	<b>97</b>	69	<b>7</b>	15
Repairs and maintenance	<b>126</b>	99	<b>12</b>	15
Irrecoverable VAT	<b>34</b>	23	-	2
Support costs (note 11)	<b>766</b>	735	<b>1</b>	7
Other costs	<b>471</b>	362	<b>33</b>	54
	<b>6,482</b>	5,712	<b>447</b>	1,004

**Notes** (continued)

**8 Animal Rescue and Re-homing Centre expenditure** (continued)

**8b Animal Rescue and Re-homing Centre expenditure - Charity**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	3,417	2,989	268	635
Vehicle running costs	72	71	6	9
Security costs	8	4	1	1
Heat and light	193	177	16	32
Veterinary fees	435	399	25	96
Animal foods	149	108	11	28
Depreciation	672	638	64	104
Non-vehicle insurance	42	38	3	6
Council tax and water	97	69	7	15
Repairs and maintenance	126	99	12	15
Irrecoverable VAT	34	23	-	2
Support costs (note 11)	765	734	1	7
Other costs	471	362	33	54
	<u>6,481</u>	<u>5,711</u>	<u>447</u>	<u>1,004</u>

Animal foods includes donated food usage of £37,357 (2020: £30,357). Basis of valuation is Market Value.

**9a Education and junior division - Group**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	165	163	20	88
Vehicle running costs	16	26	-	2
Advertising	1	20	-	1
Professional fees	3	9	-	-
Equipment	4	6	5	-
Heat and light	5	4	-	-
Depreciation	15	17	-	-
Irrecoverable VAT	1	-	-	-
Support costs (note 11)	32	43	-	-
Other costs	20	15	-	-
	<u>262</u>	<u>303</u>	<u>25</u>	<u>91</u>

**9b Education and junior division - Charity**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	161	142	24	109
Vehicle running costs	16	25	-	3
Advertising	1	19	-	2
Professional fees	3	8	-	1
Equipment	3	5	6	1
Heat and light	5	4	-	-
Depreciation	15	15	-	2
Irrecoverable VAT	1	-	-	-
Support costs (note 11)	32	43	-	-
Other costs	20	14	-	1
	<u>257</u>	<u>275</u>	<u>30</u>	<u>119</u>

**Notes** (continued)

**10 Press and publications**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	186	137	-	-
Publications and printing	4	3	-	-
Advertising	32	27	-	-
Professional fees	4	15	-	-
Subscriptions and publications	24	12	-	-
Irrecoverable VAT	17	34	-	-
Support costs (note 11)	51	46	-	-
Other costs	56	35	88	105
	<u>374</u>	<u>309</u>	<u>88</u>	<u>105</u>

**11a Support costs - Group**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	1,034	1,040	2	13
Travel costs	3	4	-	-
Non-vehicle insurance	6	5	-	-
Repairs and maintenance	4	2	-	-
Professional fees	184	125	-	-
Irrecoverable VAT	77	68	-	-
Equipment	86	105	-	-
Training and conferences	15	6	-	-
Rent	1	1	-	-
Telephone, fax and internet	92	97	-	-
Heat and light	4	4	-	-
Recruitment	29	2	-	-
Vehicle running costs	35	25	-	-
Governance costs (note 12)	14	14	-	-
Other costs	27	27	-	-
	<u>1,611</u>	<u>1,525</u>	<u>2</u>	<u>13</u>

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<i>Support costs have been allocated as follows;</i>				
Inspectorate expenditure (note 7)	757	696	1	6
Animal Rescue and Re-homing Centres (note 8)	766	735	1	7
Education and Junior division (note 9)	32	43	-	-
Press and publications (note 10)	51	46	-	-
Campaigns	5	5	-	-
	<u>1,611</u>	<u>1,525</u>	<u>2</u>	<u>13</u>

Included in Support Costs are £13k of termination payments (2020:£109k). All payments were made in full in the year.

**Notes** (continued)

**11 – Support costs (continued)**

**11b Support costs - Charity**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	<b>1,034</b>	1,040	<b>2</b>	13
Travel costs	<b>3</b>	4	-	-
Non-vehicle insurance	<b>6</b>	5	-	-
Repairs and maintenance	<b>4</b>	2	-	-
Professional fees	<b>184</b>	125	-	-
Irrecoverable VAT	<b>77</b>	68	-	-
Equipment	<b>86</b>	105	-	-
Training and conferences	<b>15</b>	6	-	-
Rent	<b>1</b>	1	-	-
Telephone, fax and internet	<b>92</b>	97	-	-
Heat and light	<b>4</b>	4	-	-
Recruitment	<b>29</b>	2	-	-
Vehicle running costs	<b>35</b>	25	-	-
Governance costs (note 12)	<b>12</b>	12	-	-
Other costs	<b>27</b>	27	-	-
	<b>1,609</b>	1,523	<b>2</b>	13

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<i>Support costs have been allocated as follows;</i>				
Inspectorate expenditure (note 7)	<b>756</b>	695	<b>1</b>	6
Animal Rescue and Re-homing Centres (note 8)	<b>765</b>	734	<b>1</b>	7
Education and Junior division (note 9)	<b>32</b>	43	-	-
Press and publications (note 10)	<b>51</b>	46	-	-
Campaigns	<b>5</b>	5	-	-
Charitable activities	<b>1,609</b>	1,523	<b>2</b>	13

Included in Support Costs are £13k of termination payments (2020:£109k). All payments were made in full in the year.

**12 Governance costs**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Audit Fees	<b>13</b>	12	<b>11</b>	10
Costs of AGM and Board meetings	<b>1</b>	2	<b>1</b>	2
	<b>14</b>	14	<b>12</b>	12

## Notes (continued)

### 13 Employee costs

	2021	2020
	No.	No.
<i>The average number of employees for the year was as follows:</i>		
Fundraising	14	15
Charitable activities	354	349
Support	24	22
	<u>392</u>	<u>386</u>

	2021	2020
	£'000	£'000
<i>The aggregate payroll costs of these persons were as follows:</i>		
Wages and salaries	8,933	8,683
Apprenticeship levy	30	28
Social security costs	775	736
Pension costs	411	421
	<u>10,149</u>	<u>9,868</u>

*And have been allocated as follows:*

Inspectorate expenditure (note 7)	4,536	4,317
Animal Rescue and Re-homing Centres (note 8)	3,685	3,624
Support costs (note 11)	1,036	1,053
Education and Junior division (note 9)	185	251
Press and publications (note 10)	186	137
Campaigns	37	37
	<u>9,665</u>	<u>9,419</u>
Charitable activities	9,665	9,419
Expenditure on raising funds (note 6)	484	449
	<u>10,149</u>	<u>9,868</u>

The key management personnel of the Society comprise the Chief Executive, the Chief Superintendent, the Deputy Chief Superintendent, the Director of Fundraising and Marketing, the Director of Finance and Corporate Services, the Director of People and Culture, the Head of Field Operations, the Chief Veterinary Officer, the Head of Communications and Engagement and the Head of Education, Policy and Research. In 2020 key management personnel comprised the Chief Executive, the Chief Superintendent, the Deputy Chief Superintendent, the Director of Fundraising and Marketing, the Director of Finance, the Director of HR and Organisational Development, the ARRCs Superintendent and the Chief Veterinary Officer. Total amount of employee benefits (including pension contributions) received by its key management personnel for their services to the charity was £883,719 (2020: £856,075). Included in this figure were employer's national insurance contributions of £85,268 (2020: £81,222). This is in line with the Society's remuneration policy as set out in the group directors' report on page 11.

The number of employees whose emoluments for the year fall above £60,000 are as follows:

	2021	2020
£60,000 - £69,999	2	4
£70,000 - £79,999	-	-
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-
£110,000 - £119,999	1	1
£120,000 - £129,999	1	1

Pension contributions of £54,614 (2020: £61,371) were made by the Society on these employees' behalf.

## Notes (continued)

### 13 Employee costs (continued)

No Pension contributions to the defined benefit pension scheme were made on behalf of these employees after 31 August 2007, when the scheme closed to further accrual of benefits. Pension contributions to a defined contribution pension scheme were made on behalf of these employees at rates of 1% to 25%. At 31<sup>st</sup> December 2021 335 employees were members of the defined contribution scheme including those auto-enrolled in 2021. £33,395 (2020: £33,473) of outstanding employer contributions were included in creditors at the year end.

#### Directors

During 2021, no directors were reimbursed for travel expenses (2020: £0). No directors received remuneration or pension contributions during 2021. Indemnity insurance was purchased for directors and staff at a cost of £4,284 (2020: £3,920).

### 14 Net income / (expenditure)

<i>Net income/(expenditure) is stated after charging;</i>		<b>2021</b>	2020
		<b>£'000</b>	£'000
Auditors' remuneration	- Charity	<b>11</b>	10
	- Group	<b>13</b>	12
To entities related to the Auditors (taxation compliance)	-Charity	<b>1</b>	1
	- Group	<b>2</b>	2
Depreciation			
- Land and Buildings		<b>655</b>	653
- Motor Vehicles		<b>10</b>	17
- Equipment		<b>132</b>	130
- Fixtures and Fittings		<b>24</b>	24
Gain / (Loss) on disposal of investments		<b>160</b>	(614)
Gain / (Loss) on disposal of fixed assets		<b>467</b>	316

### 15 Parent charity results

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Gross income of the parent charity	<b>18,104</b>	15,442
Results of the parent charity	<b>4,279</b>	(113)
	<b>=====</b>	<b>=====</b>

Included within the above results are £1,926k (2020: £206k gain) of unrealised investment gains due to movements in share values on the FTSE 100 index in the year.

**Notes** (continued)

**16 Tangible fixed assets – group and company**

	Depreciated land and buildings £'000	Non- depreciated land and buildings £'000	Assets under construction £'000	Motor Vehicles £'000	Equipment £'000	Fixtures and fittings £'000	Total £'000
<i>Cost</i>							
At 1 January 2021	25,306	3,598	13	140	1,199	278	30,534
Additions	71	11	36	-	108	1	227
Disposals	-	(153)	-	(5)	-	-	(158)
At 31 December 2021	25,377	3,456	49	135	1,307	279	30,603
<i>Depreciation</i>							
At 1 January 2021	11,191	-	-	118	899	141	12,349
Charge for year	655	-	-	10	132	24	821
Eliminated on disposal	-	-	-	(5)	-	-	(5)
At 31 December 2021	11,846	-	-	123	1,031	165	13,165
<i>Net book value</i>							
<b>At 31 December 2021</b>	<b>13,531</b>	<b>3,456</b>	<b>49</b>	<b>12</b>	<b>276</b>	<b>114</b>	<b>17,438</b>
At 31 December 2020	14,115	3,598	13	22	300	137	18,185

No tangible fixed assets are held for investment purposes. The Society has entered into an option agreement with Cala Homes for the future sale of its site at Middlebank Farm. Should planning permission be granted before the end of the option agreement period the Society has given security to Cala to purchase the site.

**17 Intangible Fixed Assets**

	Trademarks £'000
<i>Cost</i>	
At 1 January 2021	18
At 31 December 2021	18
<i>Amortisation</i>	
At 1 January 2021	2
Charge for year	2
At 31 December 2021	4
<i>Net book value</i>	
<b>At 31 December 2021</b>	<b>14</b>
At 31 December 2020	16

**Notes** (continued)

**18 Investments – group and company**

	<b>2021</b>	2020
	<b>£'000</b>	£'000
<i>Quoted investments</i>		
At beginning of year	<b>16,907</b>	17,495
Additions	<b>3,597</b>	3,052
Disposals at opening or subsequent acquisition value	<b>(3,453)</b>	(3,846)
Unrealised investment gains / (losses)	<b>1,926</b>	206
	<hr/>	<hr/>
Total investments	<b>18,977</b>	16,907
	<hr/> <hr/>	<hr/> <hr/>
	<b>2021</b>	2020
	<b>£'000</b>	£'000
<i>Historic cost of investments</i>	<b>14,904</b>	14,230
	<hr/> <hr/>	<hr/> <hr/>

Movements in our investment portfolio in the year were caused by an upturn in the FTSE 100 investment market. Please note that these investment gains are non-cash in nature and are subject to movements in the FTSE 100 index in the year.

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

- Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk: this comprises currency risk, interest rate risk and other price risk.
- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Charity has exposure to these risks because of the investments it makes to implement its investment strategy. The Trustees manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Charity's strategic investment objectives. These investment objectives and risk limits are implemented through the investment manager agreements in place with the Charity's investment managers and monitored by the Trustees by regular reviews of the investment portfolios.

Further information on the Trustees' approach to risk management and the Charity's exposure to credit and market risks are set out below.

**Credit Risk**

The Charity invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

**Analysis of direct credit risk**

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and diversification of investments amongst a number of pooled arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager. Pooled investment arrangements used by the Charity comprise authorised unit trusts.

## Notes (continued)

### Investments (continued)

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in at least investment grade credit rated securities.

### Currency risk

The Charity is subject to currency risk because some of the Charity's investments are held in overseas markets, via the pooled investment vehicles.

### Interest rate risk

The Charity is subject to interest rate risk through investments comprising bonds.

### Other price risk

Other price risk arises principally in relation to equities held in pooled vehicles. The Charity manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

### Subsidiary

Included within unquoted investments is £2 consisting of 100% of the issued ordinary share capital of Braehead Enterprises Limited (SC184953), the trading subsidiary company incorporated in Scotland. The results of the subsidiary company are as follows;

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Net assets/(deficiency of assets)	<b>50</b>	90
Turnover	<b>122</b>	143
Result for the year	<b>50</b>	90

When the Society incorporated in 1999 the old voluntary association was left live with a simple constitution adopted and the titles of the properties were in the names of the Trustees. During 2007, a special company, Scottish SPCA Property Trustee Ltd was incorporated in Scotland and the new company was appointed as the sole Trustee under the constitution.

Included within investment income of the Charity is £90,125 (2020: £138,024) in respect of gift aid from Braehead Enterprises Ltd.

### Investment Income - Group

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Dividends	<b>498</b>	540	-	-
Bank Interest	-	1	-	-
Gift Aid	-	-	-	-
	<b>498</b>	541	-	-

### Investment Income – Charity

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Dividends	<b>498</b>	540	-	-
Bank Interest	-	1	-	-
Gift Aid	<b>85</b>	109	<b>5</b>	28
	<b>583</b>	650	<b>5</b>	28

**Notes** (continued)

**19 Debtors**

	<b>2021</b>	<b>2021</b>	2020	2020
	<b>Group</b>	<b>Charity</b>	Group	Charity
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Trade debtors	310	305	338	330
Amounts owed by subsidiary undertaking	-	24	-	25
Other debtors	70	68	69	69
Prepayments and accrued income	4,265	4,255	2,794	2,777
	<u>4,645</u>	<u>4,652</u>	<u>3,201</u>	<u>3,201</u>

**20 Creditors**

	<b>2021</b>	<b>2021</b>	2020	2020
	<b>Group</b>	<b>Charity</b>	Group	Charity
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Trade creditors	419	419	363	358
Taxation and social security	202	202	188	188
Accruals	132	125	116	104
Other creditors	61	61	63	62
	<u>814</u>	<u>807</u>	<u>730</u>	<u>712</u>

**21 Financial Instruments**

	<b>2021</b>	<b>2021</b>	2020	2020
	<b>Group</b>	<b>Charity</b>	Group	Charity
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Financial assets measured at fair value through the statement of financial activities	18,977	18,977	16,907	16,907
	<u>18,977</u>	<u>18,977</u>	<u>16,907</u>	<u>16,907</u>

Financial assets measured at fair value through the statement of financial activities are listed investments.

**Notes** (continued)

**22 Designated funds**

**2021**

	Balance 2020 £'000	Incoming resources 2021 £'000	Resources expended 2021 £'000	Transfers 2021 £'000	<b>Balance 2021 £'000</b>
Dunbartonshire ARRC	<b>1,000</b>	-	-	-	<b>1,000</b>
ARRC refurbishment costs	<b>300</b>	-	-	-	<b>300</b>
Animal Surgery Fund	<b>31</b>	-	-	-	<b>31</b>
Neutering Fund	<b>75</b>	-	-	-	<b>75</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total designated funds	<b>1,406</b>	-	-	-	<b>1,406</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**2020**

	Balance 2019 £'000	Incoming resources 2020 £'000	Resources expended 2020 £'000	Transfers 2020 £'000	<b>Balance 2020 £'000</b>
Dunbartonshire ARRC	<b>1,000</b>	-	-	-	<b>1,000</b>
ARRC refurbishment costs	<b>300</b>	-	-	-	<b>300</b>
Animal Surgery Fund	<b>31</b>	-	-	-	<b>31</b>
Neutering Fund	<b>75</b>	-	-	-	<b>75</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total designated funds	<b>1,406</b>	-	-	-	<b>1,406</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Amounts relating to ARRCs have been designated for capital development projects at these centres. The timing of these capital developments are subject to site identification, subsequent purchase and the obtaining of relevant planning permission before works commence. The current timeline for these projects are as follows:

- Dunbartonshire ARRC - Redevelopment of kennel block and small animal facilities, building works to commence 2022/23 with a late 2023 opening target date subject to the financial impact of the Coronavirus Pandemic.
- ARRC refurbishment cost - General Capital Expenditure plan within the ARRC network completed by the end of 2022.
- Animal Surgery Fund – Fund designated specifically for one off high value animal surgeries.
- Neutering Fund – Fund designated specifically for Neutering of animals. This should commence in 2022.

**Notes** (continued)

**23 Restricted funds**

The income funds of the Society include restricted funds comprising the following balances of donations and legacies, which have been donated or bequeathed for specific purposes:

**2021 - Group**

	Balance 2020 £'000	Incoming resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	Balance 2021 £'000
Inspectorate	2	33	(82)	59	-	12
Aberdeen ARRC	52	103	(49)	-	-	106
Inverness ARRC	8	42	(34)	-	-	16
Fishcross ARRC	5	56	(54)	-	-	7
Caithness ARRC	1	-	(1)	-	-	-
Lanarkshire ARRC	5	86	(9)	1	-	83
Glasgow Dog and Cat Home	41	264	(159)	-	-	146
Education	-	20	(25)	12	-	7
Operation Delphin	60	-	(60)	-	-	-
Dundee ARRC	44	40	(82)	4	-	6
Dunbartonshire ARRC Dog Fund	500	-	-	-	-	500
Edinburgh & Lothians ARRC	9	13	(5)	(3)	-	14
Scottish Government puppy campaign	-	97	(88)	(9)	-	-
Dunbartonshire ARRC	2	28	(4)	-	-	26
Volunteer / Fundraising	-	-	(14)	14	-	-
Temporary Refuge facilities	3	-	-	-	-	3
All ARRCs	22	-	(22)	-	-	-
Support services	-	-	(2)	2	-	-
In house veterinary service	-	7	(20)	13	-	-
Ayr ARRC	-	10	(7)	5	-	8
	<u>754</u>	<u>799</u>	<u>(717)</u>	<u>98</u>	<u>-</u>	<u>934</u>

**2021 - Charity**

	Balance 2020 £'000	Incoming resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	Balance 2021 £'000
Inspectorate	2	33	(82)	59	-	12
Aberdeen ARRC	52	103	(49)	-	-	106
Inverness ARRC	8	42	(34)	-	-	16
Fishcross ARRC	5	56	(54)	-	-	7
Caithness ARRC	1	-	(1)	-	-	-
Lanarkshire ARRC	5	86	(9)	1	-	83
Glasgow Dog and Cat Home	41	264	(159)	-	-	146
Education	-	25	(30)	12	-	7
Operation Delphin	60	-	(60)	-	-	-
Dundee ARRC	44	40	(82)	4	-	6
Dunbartonshire ARRC Dog Fund	500	-	-	-	-	500
Edinburgh & Lothians ARRC	9	13	(5)	(3)	-	14
Scottish Government puppy campaign	-	97	(88)	(9)	-	-
Dunbartonshire ARRC	2	28	(4)	-	-	26
Volunteer / Fundraising	-	-	(14)	14	-	-
Temporary Refuge facilities	3	-	-	-	-	3
All ARRCs	22	-	(22)	-	-	-
Support services	-	-	(2)	2	-	-
In house veterinary service	-	7	(20)	13	-	-
Ayr ARRC	-	10	(7)	5	-	8
	<u>754</u>	<u>804</u>	<u>(722)</u>	<u>98</u>	<u>-</u>	<u>934</u>

**Notes** (continued)

**23 – Restricted funds** (continued)

**2020 - Group**

	Balance 2019 £'000	Incoming resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	Balance 2020 £'000
Inspectorate	13	75	(205)	119	-	2
Aberdeen ARRC	56	15	(19)	-	-	52
Inverness ARRC	-	35	(34)	7	-	8
Fishcross ARRC	-	6	(13)	12	-	5
Caithness ARRC	-	2	(1)	-	-	1
Lanarkshire ARRC	-	8	(26)	23	-	5
Glasgow Dog and Cat Home	-	204	(172)	9	-	41
Education	39	7	(91)	45	-	-
Operation Delphin	103	-	(43)	-	-	60
Dundee ARRC	1	120	(86)	9	-	44
Dunbartonshire ARRC Dog Fund	500	-	-	-	-	500
Edinburgh & Lothians ARRC	15	44	(47)	(3)	-	9
Scottish Government puppy campaign	-	105	(105)	-	-	-
Dunbartonshire ARRC	2	164	(171)	7	-	2
Volunteer / Fundraising	-	-	(31)	31	-	-
Temporary Refuge facilities	3	-	(12)	12	-	3
All ARRCs	282	141	(401)	-	-	22
Support services	-	-	(13)	13	-	-
In house veterinary service	-	-	(8)	8	-	-
Ayr ARRC	1	2	(7)	4	-	-
	<b>1,015</b>	<b>928</b>	<b>(1,485)</b>	<b>296</b>	<b>-</b>	<b>754</b>

**2020 - Charity**

	Balance 2019 £'000	Incoming resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	Balance 2020 £'000
Inspectorate	13	75	(205)	119	-	2
Aberdeen ARRC	56	15	(19)	-	-	52
Inverness ARRC	-	35	(34)	7	-	8
Fishcross ARRC	-	6	(13)	12	-	5
Caithness ARRC	-	2	(1)	-	-	1
Lanarkshire ARRC	-	8	(26)	23	-	5
Glasgow Dog and Cat Home	-	204	(172)	9	-	41
Education	39	35	(119)	45	-	-
Operation Delphin	103	-	(43)	-	-	60
Dundee ARRC	1	120	(86)	9	-	44
Dunbartonshire ARRC Dog Fund	500	-	-	-	-	500
Edinburgh & Lothians ARRC	15	44	(47)	(3)	-	9
Scottish Government puppy campaign	-	105	(105)	-	-	-
Dunbartonshire ARRC	2	164	(171)	7	-	2
Volunteer / Fundraising	-	-	(31)	31	-	-
Temporary Refuge facilities	3	-	(12)	12	-	3
All ARRCs	282	141	(401)	-	-	22
Support services	-	-	(13)	13	-	-
In house veterinary service	-	-	(8)	8	-	-
Ayr ARRC	1	2	(7)	4	-	-
	<b>1,015</b>	<b>956</b>	<b>(1,513)</b>	<b>296</b>	<b>-</b>	<b>754</b>

Funds relate to legacies, trust income and donations received during the year restricted to those centres. Where restricted funds have been expended as part of the purchase of capital equipment detailed at note 16 these funds have been transferred to unrestricted reserves.

**Notes** (continued)

**24 Analysis of net assets between funds**  
**2021**  
**Group**

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	<b>Total £'000</b>
Restricted funds	-	-	934	<b>934</b>
Unrestricted funds	17,438	18,977	8,064	<b>44,479</b>
	<u>17,438</u>	<u>18,977</u>	<u>8,998</u>	<u><b>45,413</b></u>
<b>Charity</b>				
	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	<b>Total £'000</b>
Restricted funds	-	-	934	<b>934</b>
Unrestricted funds	17,438	18,977	8,012	<b>44,427</b>
	<u>17,438</u>	<u>18,977</u>	<u>8,946</u>	<u><b>45,361</b></u>

**2020**  
**Group**

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	<b>Total £'000</b>
Restricted funds	-	-	754	<b>754</b>
Unrestricted funds	18,185	16,907	5,325	<b>40,417</b>
	<u>18,185</u>	<u>16,907</u>	<u>6,079</u>	<u><b>41,171</b></u>
<b>Charity</b>				
	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	<b>Total £'000</b>
Restricted funds	-	-	754	<b>754</b>
Unrestricted funds	18,185	16,907	5,236	<b>40,328</b>
	<u>18,185</u>	<u>16,907</u>	<u>5,990</u>	<u><b>41,082</b></u>

## Notes (continued)

### 25 Operating leases

#### *Operating lease commitments (Group and Charity)*

<i>Total future minimum lease payments under non-cancellable operating leases are as follows:</i>	<b>2021</b>	2020
	<b>£'000</b>	£'000
Land and buildings:		
Not later than one year	<b>47</b>	47
Later that one year and not later than five years	<b>26</b>	59
	<u><b>73</b></u>	<u>106</u>
Other assets:		
Not later than one year	<b>441</b>	503
Later that one year and not later than five years	<b>382</b>	589
	<u><b>823</b></u>	<u>1,092</u>
Lease payments recognised as an expense in the year	<u><b>687</b></u>	<u>626</u>

#### *Operating lease agreements where the Group is lessor*

<i>Total future minimum lease payments receivable under non-cancellable operating leases are as follows:</i>	<b>2021</b>	2020
	<b>£'000</b>	£'000
Land and buildings:		
Not later than one year	<b>33</b>	42
Later that one year and not later than five years	<b>24</b>	39
	<u><b>57</b></u>	<u>81</u>

### 26 Contingent assets

The Society is aware of 166 estates where the Society has been named as a beneficiary but it has not been possible to measure reliably the amount due to be paid. The criteria for income recognition have not been met in these cases and these legacies have therefore not been accrued into these financial statements.

### 27 Related party transactions

During the year a management charge of £33,623 (2020: £31,619) was made by the Society to Braehead Enterprises Limited, a trading subsidiary owned by the Society. This relates to services provided for the

**Notes** *(continued)*

**27 – Related party transactions** *(continued)*

subsidiary by the Society. At the end of the year £24,460 was due from Braehead Enterprises Limited (2020: £24,913). Included within investment income of the Charity is £90,125 (2020: £138,024) in respect of gift aid from Braehead Enterprises Ltd.

In addition, the Society paid £136 (2020: £136) for registration fees to the Royal College of Veterinary Surgeons, an entity of which M Donald is a Council member.

**28 Ultimate Controlling Party**

The Charity is constituted by its Memorandum and Articles of Association and is governed by its elected Trustees.



## Certificate Summary

ENVELOPE SUBJECT: Accounts and letter of representation for signing  
DOCUMENT: SSPCA 2021 Financial Statements.pdf  
DOCUMENT ORIGINATOR: Cristina Pirolli (cristina.pirolli@hlca.co.uk)

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## Timeline

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