

Chantrey Vellacott DFK LLP

Company number: 558085

Charity number: 209015



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

Financial Statements
31 December 2005

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Financial statements for the year ended 31 December 2005

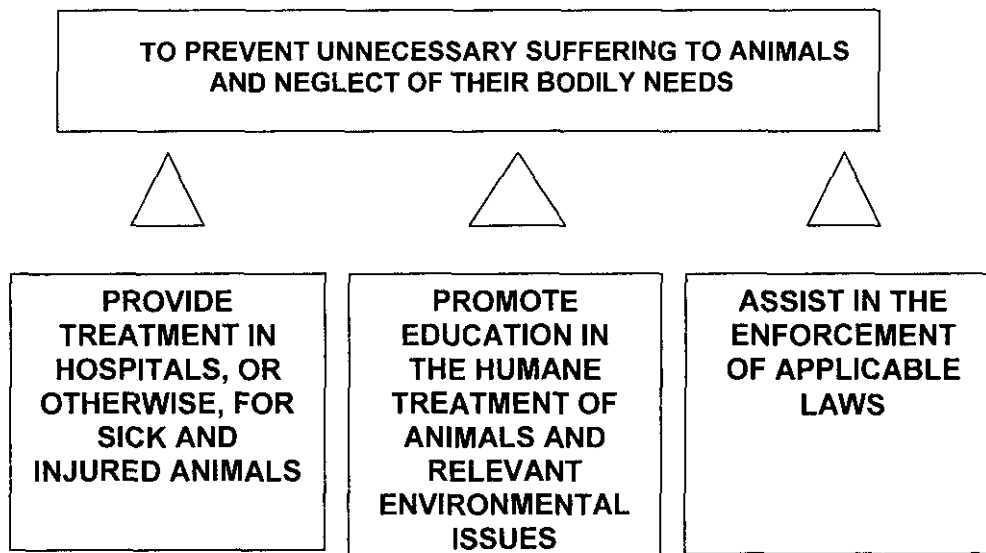
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THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

**Report of the Council (incorporating the Report of the
Directors and the Annual Report of the Trustees)
for the year ended 31st December 2005.**

The Council, who also comprise the Trustees of the Charity and the Directors for the purpose of the Companies Act, has pleasure in presenting its Report for the year ended 31 December 2005.

OBJECTIVES and ACTIVITIES



Spana, The Society for the Protection of Animals Abroad, is dedicated to elevating the standards and quality of life for animals – principally working animals – and their owners/keepers, in the countries in which it operates. This we achieve:

- among the animal owners/ keepers and adult population generally, by setting standards for their treatment and by demonstrating best practice, thereby raising awareness within the local society as a whole, with regard to the importance of animal welfare and improving animal husbandry,
- by assisting the veterinary profession of the countries in which we operate to enhance standards of practice,
- among the children, with most SPANA refuges having their own classroom and a small garden, pond and exhibition room, by exposure to the importance of the environment and by first hand experiences with animals: this we implement with interactive teaching, enhanced by modern materials – films, books, posters, 'hands-on' exhibits, and other educational materials not usually available in the school environment which the children normally attend,
- by working, with national and regional government agencies, not only to see the existing laws enforced more effectively, but to spread awareness as to how laws might be improved.

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

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The above activities may best be explained further by an example from a typical refuge. It has a clinic for receiving patients, an examination room, pharmacy, holding and exercising areas and a dozen loose boxes for animals which require more than out-patient treatment. At any one time, there will be at least one fully qualified vet on duty, each vet supported by two or three veterinary technicians.

The refuge will have a classroom, exhibition, garden and facilities for some 50 children, and their teachers, to attend half-day sessions where they will experience classroom presentations, conduct practical exercises and be exposed to a world of flora and fauna otherwise denied to them.

The refuge will also form the base for the mobile clinics. These four wheel drive vehicles are fully equipped to take the veterinary staff to the souks and the outlying locations to administer to the tens of thousands of animals which are unable to attend the refuge.

SPANAs has a permanent presence in Morocco, Tunisia, Ethiopia, Mali, Mauritania, Jordan, Syria and, to a limited extent, in Algeria and has, or has initiated, outreach projects in some 25 further countries.

Finally, we tend to view the two objectives "Promoting Education" and "Assisting in the Enforcement of Applicable Laws" as substantially interlinked, with no clear or material delineation, in financial terms, between the two activities. They are, therefore, reported under the one heading of "Education" or "Educational Activities" in the attached accounts.

ACHIEVEMENTS and PERFORMANCE

SPANAs's main objectives for the year were threefold, in addition to the normal activities of the charity:

1. On the veterinary front, a consolidation of recent expansion initiatives, in a number of clinical areas and in a number of countries, and a reassessment that our current practices continue to ensure that we achieve value for money for funds expended. In particular, the current effectiveness of the *dentistry and farriery training programmes* were assessed, as were the approach to the use of certain drugs and certain practices, such as worming, all of which topics have been overseen with the close attention of the Veterinary Committee.

Supporting this, we instigated a drive to improve the quality of the *measurement* of our results in the field, with emphasis on:

- more rigorous recording, reporting and collating of daily activities,
- rigorous setting and application of definitions as to what constitutes a treatment, thereby
- establishing consistency of statistical reporting, across all refuges, across all countries, and over all the time periods. For example, where an animal presents with one major, one lesser and two minor afflictions for treatment, whether this is one case, statistically, two cases or four cases.

During the year, the quality of statistical reporting in terms of punctuality and the consistency of application of the set criteria has continued to improve very satisfactorily: monthly reports are received from all activities and the integrity of the data can be validated and seen to be reliable.

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The matter is given special attention by members of head office staff and trustees, when they visit the SPANA countries of operation and when making field trips.

Overall, some 370,000 animals were treated during the course of the year

2. On the Education front, the launch of a baseline study to measure the impact of SPANA's activities to change the attitudes towards the treatment of animals, enhance empathy for animals, awareness of the needs of animals, and animal welfare generally. A pilot study to measure this has begun in Ethiopia and will be extended to other countries, once the results of the Ethiopia study are evaluated.

In total, there were 35,000 pupils attending Spana educational centres during 2005, of which 14,000 attendances were at the environmental centre at Sidi Bou Ghaba in Morocco.

3. On the Fundraising front, the continued effort to expand significantly the supporter base, to improve both the current level of donations and future legacies. The five year Fundraising and Communications strategy, developed in 2003, has to date resulted in a three fold increase in the number of active donors⁽¹⁾, rising from 12,500 to 40,000. This growth has been achieved through investment in donor recruitment initiatives and through concerted efforts to convert these new donors to committed giving.

In terms of income growth, income from voluntary donations, from 2004 to 2005, increased by some 40% to £1.2m. This has been achieved through a growing donor base and also through the development of a calendar of carefully targeted appeals, to build loyalty and commitment from supporters.

Note:

⁽¹⁾ Active donors: have given at least one gift in the last 24 months (as at November 2005)

STRUCTURE, GOVERNANCE and MANAGEMENT

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

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SPANAs Council of Trustees currently comprises 10 members, but may have up to 12 members and no less than 5 members. The Council, who have to be members of the Company, meet in formal sessions four times per annum and at that time consider and decide upon:

- The activities and recommendation of SPANA's five main committees, each of whom also meet four times annually, namely those addressing:
 - Finance and General Purposes
 - Veterinary
 - Education
 - Investment, and
 - Fundraising and Communications matters.
- Progress and developments of issues maintained under review within the:
 - Strategic Framework, and the
 - Risk Register (see below)
- Contractual and other operational issues which fall outside the routine management scope are dealt with on a day-to-day basis by the Executive. The Executive comprises the Chief Executive and the Heads of the four functions: Veterinary Affairs, Education, Finance, and Fundraising. The members of the Executive are not directors, under company law.

The Trustees seek advice, where necessary, from firms of solicitors and other professional advisors, according to the appropriate specialist need.

In addition, the Council meets once a year in plenary session with the managers of SPANA's investment portfolio.

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

1. The Strategic Framework document. This forms the basis of a quarterly review of how the strategic direction of the charity is being maintained. It takes into account the issues addressed in the Risk Register and also ensures a continual awareness of the opportunities and strengths of the charity, as well as potential weaknesses and threats.
2. A Risk Register, first established some years ago, which is reviewed to assess areas of risk in all parts of SPANA's activities and identify SPANA's responses, in order to manage risk to an acceptable level. This provides a high level risk overview from which the Executive can proceed to implement responses at a more detailed level.

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

Appointment of Members to the Council is through election by the Membership (currently standing at 116 ordinary and life members.)

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More generally, Spana manages its overseas operations through a combination of:

- A three-year planning process, which is updated annually and which forms the basis for the annual budget,
- A detailed annual budget which is agreed, prior to the commencement of each financial year, at meetings conducted with the senior staff of individual countries by a team comprising, as a minimum, one Trustee, the Chief Executive and the Finance Director,
- Monthly financial and statistical returns made by each country to head office,
- The limiting of funding to monthly remittances, made in accordance with budgets, but also taking into account the monthly returns received,
- Auditing and other certification, of financial statements made by the local Spana organisation, by such independent bodies as are available locally,
- Periodic visits to countries, by senior staff and Trustees, which include spot checks and testing of business practices and controls.

Statement of Responsibilities of the Council

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the Society's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Council is required to:

- Select suitable accounting policies and then apply them consistently,
- 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 Society will continue in operation.

The Council is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Society and which enables it to ensure that the financial statements comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCIAL REVIEW

While the underlying core income streams remain robust, and the trends in the levels of donation income are already responding positively to the investment in additional fundraising activity, there were no windfall bequests during the year and costs are currently running at a somewhat higher level than can be sustained in the longer term. The overall trend in the legacy position is less positive than before, with the 2005 legacy income of £1.3 million down on the previous year (2004: £2.2 million) and the currently notified legacies standing at only £1.2 million in total.

The operating deficit of £0.6 million for 2005 was off-set by gains in the value of Spana's investment portfolio during the year. However, these gains are unrealised gains and the budget for 2006 shows another year of operating deficit: we cannot rely upon the investment portfolio to absorb another year of operating deficit.

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Country managements, and the Head Office management team, have accordingly been set tough targets of cost rationalisation and justification – “a zero base approach.” Capital investment was frozen during 2005 (existing commitments, only, being allowed to proceed) and this will continue into 2006. Emphasis is being placed on maximising the utilisation of the existing asset base.

The result has been a trimming of the budget for 2006 with the aim of ensuring a breakeven cash flow situation by the end of the year.

Details of the Society's fixed assets are shown in notes 8 and 9 to the attached accounts.

Reserves policy

The Trustees' vision for the future is that of SPANA maintaining its long-term commitment to providing sustainable support for animal welfare, and the consequential benefits to the wider community. Simultaneously, however, the Trustees recognise the difficulty of forecasting income streams with any accuracy and hence the difficulties of matching annual budget undertakings with current revenues.

The Trustees believe, therefore, that SPANA's level of reserves must remain strong to meet its specific and general charitable objectives and commitments, in the face of fluctuating income streams. The principal policy, which is reviewed annually, continues to be to maintain reserves at a level which ensures that SPANA can support its operations both in the immediate and longer terms, in spite of any temporary fall in its annual income. The Trustees are satisfied that the level of unrestricted reserves now standing at £6.9 million (excluding freehold property), which represents just under two years' expenditure, is appropriate.

Investment powers, policy and performance

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

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

The financial year 2005 saw the first full year of the investment portfolio's being managed by Kleinwort Benson Private Bank. The performance of the investment portfolio for the financial year was satisfactory and met the financial targets set for the managers by the Council.

PLANS FOR THE FUTURE

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

The current emphasis on improving quality management and securing value for money will continue.

Despite continual pressure for SPANA to extend its operations both within the countries of its current activities and also into further countries in the surrounding areas, there are no plans for expansion for the next three years: this will remain the position until levels of income can reliably be seen to justify modifying current plans.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Report of the Council (incorporating the Report of the Directors and the Annual Report of the Trustees) for the year ended 31st December 2005.

REFERENCE and ADMINISTRATIVE DETAILS of the CHARITY, ITS TRUSTEES and ADVISORS

Office Holders of the Society:

The Rt. Hon., The Lord Newall, DL (President)

The Rt. Hon., The Lord Soulsby of Swaffham Prior MA, PhD, DSc., DVM, FRCVS (Vice President)

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

Mr. I.W. Frazer FCA (Chairman) (1) (2) (4) (5)

Mr. C. Boyde MRCVS (2)

Mr. S. Field MBE, MA (Vice-Chairman) (1) (5)

Mr. W.H. Fullerton CMG (4)

Mr. H.A. Kennard MBE FCA (Treasurer) (1) (4) (5)

Professor D. Knottenbelt OBE, BVM&S, DVM, MRCVS (2)

Mrs. R. Marshall (1) (3)

Miss B. B. Miller N.F.F. (3)

Colonel T.S. Ogilvie-Graham MBE, DVM&S, MSc., FIBiol, MRCVS (2)

The Lady Slyn of Hadley SRN (1) (3) (5)

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

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

Chief Executive:

Mr. J.F. Hulme

Company Secretary:

Mr G.G.S. Kay CA, MCT

Auditors:

Chantrey Vellacott DFK LLP
Chartered Accountants
Russell Square House
10-12 Russell Square
London WC1B 5LF

Registered Office:

14 John Street
London WC1N 2EB

Bankers:

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

Company Number:

558085

Natwest Bank plc
P O Box 39952
2 ½ Devonshire Square
London EC2M 4XJ

Charity Number:

209015

Investment Managers:

Kleinwort Benson Private Bank
10 Fenchurch Street
London EC3M 3LB

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

**Report of the Council (incorporating the Report of the
Directors and the Annual Report of the Trustees)
for the year ended 31st December 2005.**

AUDITORS

Chantrey Vellacott DFK LLP have indicated their willingness to continue in office, subject to reappointment at the Annual General Meeting.

Approved by the Council on 16 March 2006 and signed on its behalf by:



IAN FRAZER

Chairman

Chantrey Vellacott DFK LLP

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Independent Auditors' Report to the members of The Society for the Protection of Animals Abroad

We have audited the financial statements of The Society for the Protection of Animals Abroad for the year ended 31 December 2005 which comprise the Statement of Financial Activities, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council Members and auditors

The Council Members', who are also directors for the purposes of company law, responsibilities for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Responsibilities of the Council.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards in Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Council is not consistent with the financial statements, if the Society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Report of the Council and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

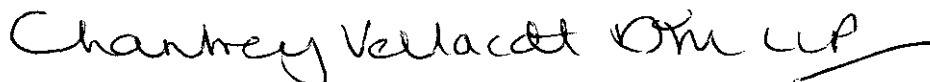
THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Independent Auditors' Report to the members of The Society for the Protection of Animals Abroad

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Society's affairs as at 31 December 2005 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT DFK LLP

Chartered Accountants
Registered Auditors

LONDON

16 March 2006

Chantrey Vellacott DFK LLP

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Statement of financial activities

(Incorporating an income and expenditure account)

For the year ended 31 December 2005

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations		1,144,748	118,350	1,263,098	899,823
Legacies	5	1,305,160	-	1,305,160	2,197,574
Trusts		62,258	25,094	87,352	47,801
		2,512,166	143,444	2,655,610	3,145,198
Activities for generating funds	4	35,116	-	35,116	22,326
Investment income	9(d)	258,283	-	258,283	285,549
Total incoming resources		2,805,565	143,444	2,949,009	3,453,073
Resources expended					
Cost of generating funds					
Cost of generating voluntary income 6(a)		578,683	-	578,683	480,874
Fundraising trading: cost of goods sold		16,971	-	16,971	9,764
Investment management costs		36,293	-	36,293	20,307
		631,947	-	631,947	510,945
Charitable activities					
Treatment of sick/injured animals 6(b),(c)		1,580,899	291,604	1,872,503	1,904,259
Educational activities 6(b),(c)		1,018,786	-	1,018,786	1,000,406
		2,599,685	291,604	2,891,289	2,904,665
Governance costs	6(d)	45,660	-	45,660	43,182
Total resources expended		3,277,292	291,604	3,568,896	3,458,792
Net incoming/(outgoing) resources before transfers		(471,727)	(148,160)	(619,887)	(5,719)
Realised gains/(losses) on disposal of investments		63,083	-	63,083	(435)
Net income/(expenditure) for the year		(408,644)	(148,160)	(556,804)	(6,154)
Unrealised gains on investments	9(a)	753,181	-	753,181	303,838
Net movement in funds		344,537	(148,160)	196,377	297,684
Funds brought forward at 1 January 2005		8,159,946	482,547	8,642,493	8,344,809
Funds carried forward at 31 December 2005		8,504,483	334,387	8,838,870	8,642,493

All the above amounts relate to continuing activities.

All gains and losses in the year are shown above.

The notes on pages 13 to 20 form part of these financial statements.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Balance sheet as at 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	8	1,600,729	1,630,902
Investments	9(a)	6,915,522	6,388,641
		<u>8,516,251</u>	<u>8,019,543</u>
Current assets			
Stock		5,119	4,762
Debtors	10	56,381	99,235
Short-term deposits		641,485	777,409
Cash at bank and in hand		31,322	10,274
		<u>734,307</u>	<u>891,680</u>
Creditors: amounts falling due within one year	11	<u>(411,688)</u>	<u>(268,730)</u>
Net current assets		<u>322,619</u>	<u>622,950</u>
Net assets	13	<u>8,838,870</u>	<u>8,642,493</u>
Represented by:			
Unrestricted Funds			
General Fund		8,504,483	8,159,946
Restricted Funds	12	<u>334,387</u>	<u>482,547</u>
Total funds		<u>8,838,870</u>	<u>8,642,493</u>

Approved by the Council on 16 March 2006 and
signed on its behalf by


IAN FRAZER, Chairman


ALAN KENNARD, Honorary Treasurer

The notes on pages 13 to 20 form part of these financial statements.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2005

1. Limited liability

The Society is a registered charity and as such is a non-profit making organisation, limited by guarantee and therefore with no share capital. The number of members at 31 December 2005 is 116 (2004 : 122) and their liability on a liquidation is limited to £1 each.

2. Accounting policies

(a) Basis of accounting

These financial statements are prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with applicable accounting standards, the Companies Act 1985 and the Statement of Recommended Practice 'Accounting and Reporting by Charities', issued in March 2005.

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

(b) Incoming resources

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

Legacies are included as part of incoming resources when monies are received, or when entitlement arises, provided it is reasonably certain they will be received and amounts can be measured with sufficient reliability. Additional information regarding legacies is given in Note 5.

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

(c) Foreign currency

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

(d) Depreciation

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

Freehold building	- over 50 years
Furniture, fittings and equipment	- over 5 years
Computers	- over 3 years

(e) Investments

Investments are valued at the mid-market price ruling at the balance sheet date which gives rise to unrealised gains/losses which are included in the Statement of Financial Activities. Realised gains/losses arising on the disposal of investments during the year are separately disclosed in the Statement of Financial Activities.

(f) Stocks

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

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2005

2. Accounting policies (continued)

(g) Resources expended

All expenditure is recognised on an accruals basis.

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

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

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

Governance costs comprise audit and accountancy, trustee expenses and an apportionment of head office overheads.

(h) Funds

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

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

3. Income and expenditure account

A separate income and expenditure account has not been prepared as the figures comprising net (expenditure)/income for the year shown in the Statement of Financial Activities give the information required under the Companies Act 1985, together with details of other recognised gains and losses.

4. Activities for generating funds	2005 £	2004 £
Sale of Merchandise	<u>35,116</u>	<u>22,326</u>

5. Legacies

The estimated value of legacies, notified to Spana prior to 31 December 2005 and expected to be received in future years, is £1.2 million (2004 : £0.9 million). This figure excludes life interest legacies, which are considered too uncertain to be included. In accordance with the accounting policy shown in Note 2(b) these legacies have not been included as part of incoming resources for the year.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2005

6. Analysis of resources expended

a) Analysis of cost of generating voluntary income

	2005 £	2004 £
Staff costs	215,730	186,422
Other direct costs	312,898	248,910
Allocated overheads	40,572	46,840
Depreciation	9,483	8,702
	<u>578,683</u>	<u>480,874</u>

b) Charitable activities by country

	Treatment of sick animals £	Education £	2005 Total £	2004 Total £
Algeria	8,935	-	8,936	6,536
Jordan	184,469	141,000	325,469	302,228
Mali	116,784	74,479	191,263	189,739
Mauritania	104,692	76,558	181,250	178,329
Morocco	971,224	435,369	1,406,592	1,242,982
Syria	73,815	128,067	201,882	275,184
Tunisia	133,655	161,618	295,273	389,890
Ethiopia	118,247	1,695	119,942	84,597
Outreach	160,682	-	160,682	235,180
	<u>1,872,503</u>	<u>1,018,786</u>	<u>2,891,289</u>	<u>2,904,665</u>

c) Charitable activities by type of expenditure

	Treatment of sick animals £	Education £	2005 Total £	2004 Total £
Direct funding for overseas projects	1,303,669	546,577	1,850,246	1,891,587
Grants payable for outreach funding	160,682	-	160,682	235,180
Support costs	408,152	472,209	880,361	777,898
	<u>1,872,503</u>	<u>1,018,786</u>	<u>2,891,289</u>	<u>2,904,665</u>

d) Analysis of governance costs

Audit fees	12,175	11,475
Auditors' fees for non audit services	3,618	4,000
Trustee expenses	12,121	11,363
Allocated overheads	17,746	16,344
	<u>45,660</u>	<u>43,182</u>

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2005

7. Resources expended include:

(a) Staff costs and employees (United Kingdom)	2005 £	2004 £
Wages and salaries	539,138	480,015
Social security costs	60,238	51,614
Pension costs (Note 14)	30,875	25,791
Other staff costs	43,905	25,150
	<u>674,156</u>	<u>582,570</u>
Less: Allocated to overseas expenditure	(444,943)	(384,496)
	<u>229,213</u>	<u>198,074</u>

The average monthly number of staff during the year was:

	No.	No.
Charitable activities	12	10
Cost of generating funds and Governance	3	3
	<u>15</u>	<u>13</u>
	2005	2004
Employees earning more than £60,000 p.a. £70,001 - £80,000	<u>1</u>	<u>1</u>

Pension contributions of £6,532 (2004: £6,319) were made for this employee.

(b) Trustees' expenses and remuneration

Reimbursements to trustees, and amounts paid on their behalf, were made to 7 (2004 : 11) trustees during the year for travel and other necessary costs incurred in the UK and overseas in connection with the work of the charity. Amounts paid on behalf of trustees, including expenses reimbursed, during the year totalled £12,121 (2004 : £11,513).

The trustees received no remuneration for their services during the year (2004: £Nil).

Trustees indemnity insurance was purchased during the year at a cost of £1,596 (2004: £1,781).

(c) Auditors' remuneration	2005 £	2004 £
Auditors' fees - audit	12,175	11,475
- accountancy and related services	3,618	4,000
	<u>15,793</u>	<u>15,475</u>

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2005

8.	Tangible fixed assets	Freehold land and building £	Computers £	Furniture, fittings and equipment £	Total £
	Cost:				
	1 January 2005	1,623,096	81,059	117,968	1,822,123
	Additions	-	3,833	1,465	5,298
	31 December 2005	<u>1,623,096</u>	<u>84,892</u>	<u>119,433</u>	<u>1,827,421</u>
	Depreciation:				
	1 January 2005	35,000	63,213	93,008	191,221
	Charge for the year	17,500	9,522	8,449	35,471
	31 December 2005	<u>52,500</u>	<u>72,735</u>	<u>101,457</u>	<u>226,692</u>
	Net book value:				
	31 December 2005	<u>1,570,596</u>	<u>12,157</u>	<u>17,976</u>	<u>1,600,729</u>
	31 December 2004	<u>1,588,096</u>	<u>17,846</u>	<u>24,960</u>	<u>1,630,902</u>
9.	Investments			2005 £	2004 £
(a)	Valuation at 1 January 2005			4,727,689	4,422,869
	Add: acquisitions at cost			2,458,895	3,275,335
	Less: disposals at opening market value			(1,668,379)	(3,274,353)
	Net unrealised investment gains for the year			753,181	303,838
	Valuation at 31 December 2005 (see (b) below)			<u>6,271,386</u>	<u>4,727,689</u>
	Cash held by investment managers			644,136	1,660,952
	Total market value at 31 December 2005			<u>6,915,522</u>	<u>6,388,641</u>
(b)	The valuation is made up of:				
	Investments dealt on a recognised stock exchange:				
	- UK equities			4,806,453	3,370,606
	- UK fixed interest securities			1,464,933	1,357,083
				<u>6,271,386</u>	<u>4,727,689</u>

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2005

9. Investments (contd.)

(c) The following investment accounts for over 5% of the portfolio by value (2004 NIL):

	2005 £
33,000 Chariguard Overseas Equity Fund	567,435

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

	2005 £	2004 £
Historical cost of investments	5,199,090	4,291,382
Total accumulated unrealised gains on investments	1,072,296	436,307
Historical realised gains on investment disposals	184,276	166,285

(d) Income from investments

- UK equities	192,812	101,963
- UK fixed interest	40,209	83,794
- Cash – interest received	25,262	99,792
	258,283	285,549

10. Debtors

	2005 £	2004 £
Gift aid and recoverable taxes	22,239	62,754
Other debtors	6,110	9,532
Prepayments and accrued income	28,032	26,949
	56,381	99,235

11. Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	166,696	73,951
Other taxes and Social Security	21,433	14,892
Other creditors and accruals	223,559	179,887
	411,688	268,730

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2005

12. Restricted Funds

	Balance 1 January 2005 £	Legacies, donations and interest £	Charitable expenditure £	Balance 31 December 2005 £
Syrian Brown Bears Donations	1,613	69	-	1,682
Kosovo Appeal	1,421	-	1,421	-
Farriery Legacy	8,661	-	8,661	-
Bits Appeal	174,512	7,231	16,623	165,120
Ethiopia Appeal	61,713	-	61,713	-
Mrs. Sweetman legacy	10,000	-	10,000	-
Iraq Appeal	59,440	2,353	4,080	57,713
Casablanca Appeal	137,987	2,217	85,818	54,386
Helen Worsley: Syrian Camel Clinic	6,255	266	-	6,521
Educational bus	20,945	890	-	21,835
Tsunami relief	-	1,365	1,365	-
Sudan (previous appeal)	-	1,400	1,400	-
Malian centrifuge	-	690	690	-
Caroline Bradbury – Moroccan X-ray unit	-	1,829	-	1,829
Mrs. Bridgen – Tunisia	-	100	100	-
Lemon – Mali & Mauritania	-	400	400	-
Gilley – Jordan EVT	-	355	355	-
Lady Bailie – 'Philippa'	-	670	670	-
Ernest Kleinwort – Conservation	-	10,000	10,000	-
GD Charitable Trust – Worming project	-	11,295	-	11,295
BEVA – sponsorship for WEVA	-	1,163	745	418
Sutherland	-	3,000	3,000	-
Ethiopian appeal	-	20,175	15,892	4,283
CPD appeal – dentistry	-	57,523	48,218	9,305
N.L. Anderson – Casablanca equipment	-	2,636	2,636	-
Bateman – for Had Ouled Frej	-	100	100	-
Various (incl. plaque for Mrs. Orgill)	-	165	165	-
Sudan Emergency appeal	-	17,552	17,552	-
Totals	482,547	143,444	291,604	334,387

The above restricted funds are subject to specific conditions imposed by the donor, the contract or the appeal made by SPANA for specific projects being undertaken.

THE SOCIETY FOR THE PROTECTION OF ANIMALS ABROAD

Notes to the financial statements For the year ended 31 December 2005

12. Restricted funds

The funds with a balance carried forward as at 31 December 2005 are to be used for the following purposes:

- | | | |
|---|---|---|
| Syrian Brown Bears | - | to provide for a brown bear sanctuary in Syria |
| Bits Appeal | - | funds for the provision of improved bits to relieve suffering among working donkeys and horses in all countries where Spana operates |
| Iraq Appeal | - | funds to be spent in Iraq |
| Casablanca Appeal | - | funds for construction and initial operation of a new refuge in Casablanca. The refuge was inaugurated in 2005 and the Balance of the fund will be used for the running of the operation in 2006. |
| Helen Worsley | - | funds for a Syrian camel clinic |
| Educational bus | - | for a mobile educational unit, initially for use in Tunisia |
| Caroline Bradbury | - | for an X-ray unit in Morocco |
| GD Charitable Trust | - | for the evaluation of wormers in working animals in developing countries |
| British Equine Veterinary Association - | - | sponsorship for the 2006 World Equine Veterinary Association conference |
| Ethiopian appeal | - | for the continued operation of the new mobile clinic |
| CPD appeal | - | to continue the development of our veterinary professionals |

13. Analysis of net assets

	Unrestricted £	Restricted £	Total £	2004 £
Fixed assets	8,516,251	-	8,516,251	8,019,543
Current assets	399,920	334,387	734,307	891,680
Current liabilities	(411,688)	-	(411,688)	(268,730)
Total	<u>8,504,483</u>	<u>334,387</u>	<u>8,838,870</u>	<u>8,642,493</u>

14. Pension costs

The Society does not operate a company pension scheme. The pension costs (Note 7(a)) represent contributions paid by the Society to employees' personal pension plans during the year. This complies with Stakeholder pension requirements.