

Scottish Society for the  
Prevention of Cruelty to Animals

Annual Report and Consolidated  
Financial Statements

Company number SC201401  
Scottish Charity Ref: SC006467  
for the year ended 31 December 2023

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

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## Reference and administrative details

**Company number:** SC201401

**Charity number:** SC006467

**Principal and registered office:** Kingseat Road, Halbeath, Dunfermline KY11 8RY

### Board of Trustees

Mrs F A MacLeod (chair)

Mr W Beresford-Jones

Mr A Biggar (resigned 20/06/23)

Ms S Johnstone (resigned 20/06/23)

Ms C McLeod

Mr N Connell

Mrs H Page

Mr S Naismith

Mr W Finlayson

Mr E Alford (appointed 01/03/2023)

Mrs C Stoddart (appointed 01/03/2023)

Ms M Donald

**Chief executive officer:** Mrs 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.

Shepherd & Wedderburn, 1 Exchange Crescent, Edinburgh, EH3 8UL.

**Investment advisers:** Brewin Dolphin, 144 Morrison Street, Edinburgh, EH3 8BR

**Company secretary:** Mrs S Dunsmuir (appointed 14.02.24)

Mrs R Bainbridge (resigned 14.02.24)

## **Group directors' annual report for 2023**

The directors are pleased to present their report together with the audited financial statements of the charity for the year ended 31 December 2023.

### **Our mission and vision**

We're the Scottish SPCA. Scotland's only all animal rescue service.

Our vision is for Scotland to be the best place in the world for an animal to call home.

In every community, every single day, we rescue hundreds of Scotland's animals. It's our duty to come to the rescue when any animal in Scotland needs our help. From rehabilitation to rehoming, or releasing back to the wild, we're here for animals 365 days of the year.

We're leading the way for better animal welfare standards, strengthening laws, preserving the animal-human bond and improving protection.

### **Our values**

#### **Expert**

Our knowledge and expertise covers every aspect of our work. We strive to share our innovation and expertise and improve animal welfare across all parts of Scotland – and throughout the world.

#### **Compassionate**

Whatever the animal, whatever the circumstance, we care deeply about welfare and our role in promoting it. We educate and raise awareness with empathy, helping others share our dedication to care.

#### **Professional**

With the welfare of all Scotland's animals in our hands, we show leadership and authority. We pride ourselves on the way we engage with our team, our partners and the people of Scotland. In difficult situations, we're firm but fair.

#### **Committed**

Rescuing animals in need is the very heart of what we do. We're committed to achieving the very best outcome for every animal we rescue. We support people to give their animals the very best care and bring those guilty of animal cruelty to justice.

#### **Collaborative**

Whether it's with our colleagues or partners, we embrace the benefits of teamwork. We work with the farming community, wildlife enthusiasts, pet owners and many others to help people improve how they work with and care for animals.

#### **Adaptable**

The work we do, and the world we live in, is dynamic and ever-changing. We are flexible and quick-thinking in finding solutions to situations where we're under pressure.

## **Supporting UN Sustainable Development Goals in Scotland**

The Scottish SPCA has a vital role to play in society. Since 2020, we have aligned our objectives and strategic priorities with the UN Sustainable Development Goals.

We do our part when it comes to delivery of the UN's Sustainable Development Goals through:

- Encouraging **good health and wellbeing** of all animals and in turn their owners;
- Encouraging **responsible consumption and production** through working closely with our farming partners;
- Providing our much-needed Pet Aid service and in turn supporting those who are faced with **poverty**;
- Playing our part in society through delivery of **quality education** via our community education and engagement activities;
- Supporting some of the most vulnerable children via our Animal Guardians programme;
- Advocating for animal welfare legislation when needed;
- Doing more in communities to encourage **peace, justice and strong institutions**;
- Doing our part in tackling climate action and supporting **life on land** and **life below water** through continuing to rescue and rehabilitate wildlife and releasing them into suitable sites, in turn helping to create a rich, biodiverse environment for all to thrive in.

## 2023 Strategic Review

2023 was the first year of delivering our ten-year *For All Animals* strategy, which focuses on six key ambitions:

- 1 - Reduce instances of intentional animal abuse and unintentional neglect of animals in Scotland by 50%.
- 2 - Through delivery of community education and support to reach more than 25% of our population and create over 250,000 Youth Ambassadors.
- 3 - Eliminate the low-welfare puppy and kitten trade in Scotland.
- 4 - Ensure all farmed animals in Scotland are reared to our own high farmed animal welfare standards.
- 5 - Work with partners in nature restoration and conservation to protect and restore habitats which are vital to wild animal welfare.
- 6 - Be a sustainable charity, growing our net income by 20% and transitioning our organisation to achieve Net Zero.

For many charities and organisations, 2023 brought many challenges and for the Scottish SPCA this was no different.

It's the responsibility of any charity to operate as efficiently as possible. And never more so than during the perfect storm of rising demand for services and rising costs coupled with a challenging environment to raise funds. It cost the Scottish SPCA £23m to run our services in 2023 and, with no government funding, we were almost entirely reliant on legacy income and donations from the generous public which brings volatility and less predictability as well as dedicated subscribers.

There is an animal welfare crisis in Scotland as evidenced by a 10% rise in calls to our Animal Helpline and a 25% increase in animal arrivals to our centres in 2023. Due to intended cruelty and neglect, such as the puppy trade and other forms of organised crime that trades in animals, and growing levels of unintended cruelty and neglect brought on by the cost of living crisis.

In 2023 we therefore prioritised two key ambitions set out in our ten-year strategy, reducing intentional abuse and unintentional neglect and the sustainability of our charity. We must be here for all animals, always, and we have never been needed more.

In August, we set out plans to reshape and expand our services across Scotland. This involved the closure of two of our smaller centres in Ayr and Caithness with all resources realigned to allow us to expand our services within the communities we serve to ensure we were efficiently delivering the services animals and people need today, and in the future. This resulted in an increase in our resources across community engagement, rehoming, fostering and volunteering. This expansion will allow us to rescue more animals than ever, tackle our capacity issues and support a greater number of pets and owners. All with a focus on delivering our vision of making Scotland the best place in the world for an animal to call home.

In reviewing our services we recorded many benefits. Benefits that include more animals in foster care and spending less time in our centres, more animals thriving in the wild without human intervention due to better advice on our website and social channels and more people experiencing our services through new partnerships such as with Citizens Advice Scotland.

We also focused on our sustainability. Across the Society we ran a *Your Society Needs You* campaign focused on identifying key areas of improvement across our systems and processes to enhance our ways of working and delivering our services and enable us to be more efficient. This included some excellent ideas such as introducing pop-up shops at our animal rescue and rehoming centres each month and developing a process for callers to our animal helpline to upload photos and videos to make it easier for us to assist in the rescue of animals.

In 2023, we worked hard to ensure that we had the right people in the right roles to help us maximise our fundraising efforts, develop new sources of income and bring our 10-year plan to fruition.

We invested in our team and focused on wellbeing, health and safety and learning and development. We recorded more internal promotions than ever with 50 colleagues advancing into new roles, and have welcomed many skilled and experienced people to our teams.

All of these changes, big and small, have meant that we're on track in managing to our planned deficit for 2023 and have the right people in place to continue driving forward income growth and further efficiencies in 2024 and beyond. All while delivering our vital services to the animals and people of Scotland. And all thanks to our generous supporters.

Animals arriving into our care are experiencing increasingly complex challenges resulting in a greater need for veterinary and behavioural support.

## Delivering our services

For almost two centuries, the Scottish SPCA has existed for one simple reason – to make Scotland a better place for animals. We're here for all animals, and we always will be.

When an animal needs to be rescued, we answer the call for help. In a home. On a farm. In the woodland. On the beach. In a busy city, or a quiet village. We **rescue** all animals from all places and situations. We're on the frontline of the fight to make sure people who harm animals face justice. We confront organised criminals exploiting animals, and use enforcement powers to bring them to justice.

The rescue doesn't stop there. We deliver specialist rehabilitation and care, giving animals a second chance at life.

Along the way, we often rescue people too. Removing pets from homes is a last resort. We work with partners to **protect** the special bond between a person and their pet, keeping animals and people together. We also work closely with partners such as RSABI to support farmers to take the best care of their livestock.

We will always rescue animals. And the hard work starts long before animal rescue becomes a need.

We intervene to prevent animal welfare issues emerging by giving people support when they're struggling to care for animals, and empowering communities to take ownership of animal welfare through community education and engagement. We make animal abuse taboo, by highlighting the ways that animals enrich our lives.

We **lead** the charge in fighting for the highest animal welfare standards. By advocating for change, using evidence from what we see on the ground to demand stronger laws, we campaign for improved protections to help animals today, tomorrow, and always.

People are the backbone of the Scottish SPCA. Not only our passionate colleagues and volunteers, but the many thousands of people across Scotland who support and champion the work we do to make this country a safe home for all animals to live.

Since 1839, we have been making life better and better for Scotland's pets, wildlife and farmed animals. And we can do more. We believe it can be the best. That is why our vision is for Scotland to be the best place in the world for an animal to call home.

## Rescue

### *Support and enforce*

From our spring 2023 colleague engagement survey, it was clear that we needed to find more efficient ways of working across our frontline services. During 2023 we embarked on a workload management project within our inspectorate teams which has been integral to finding new ways of working and realising efficiencies within our processes.

Our animal helpline received 277,911 calls, a 10% increase compared to 2022. However, thanks to our reviewed IVR (interactive voice response) signposting information on stray animals, and updated seasonal messaging directing callers to website advice, calls coming through to the helpline team totalled 175,425. This was a welcome reduction of 3% from the previous year. We saw a total of 19,489 calls regarding stray animals managed through advice at IVR level which prevented transfer to our helpline team. This also drove a reduction in stray incident jobs allocated of 39%.

More people are calling us to give up their animals with an 8% increase in overall relinquishment calls from 2022 to 2023. Within these calls there was a 43% increase in people citing finances as a concern when discussing giving up an animal with our helpline team.

The calls to our helpline led to our animal rescue officers and inspectors responding to 76,332 reports of animals in need, an average of over 209 per day. This included 22,763 reports of pets and 50,893 reports of wildlife. Our frontline teams also assisted over 2,106 farmed animals.

Our inspectors have legal powers to report people who abuse animals for prosecution, and launched 17,298 investigations into animal abuse in 2023.

Prosecuting individuals is a last resort for us, though we will do so when left with no other option. We must give a voice to animals who are of course not able to voice themselves. In 2023 we prosecuted 70 individuals and secured 64 convictions from concluding cases. Over half of our prosecutions (52) were for dog neglect.

Animal welfare legislation and penalties available to courts in Scotland is arguably the best in the United Kingdom. As part of our preventative strategy we are ambitious to see consistency shown by Scottish courts in sentencing related to animal welfare offences. Also, our inspectors use the tools available to them, such as bans and longer sentences, to deter future cruelty. We look forward to progressing discussions with the Scottish Sentencing Council as they prepare new guidelines in relation to sentencing for wildlife and environmental crimes.

Our inspectors continued to carry out farm assurance checks in 2023, and visited 156 beef, lamb and pork farms to ensure high welfare standards were in place. We continued to offer support to farmers, as they faced a whole host of pressures, and worked with RSABI and QMS to support their work. Working with key stakeholders and partners supported our efforts to get ahead of any potential welfare issues, with farmers proactively seeking us out for help. This is how we aspire to work.

Our special investigations unit, which tackles the most heinous animal welfare crimes such as puppy dealing and badger baiting, launched 310 investigations in 2023. This included:

- 113 probes into the activities of low-welfare puppy dealers,
- 42 investigations into the illegal cropping of dog ears,
- 50 reports of animal fighting.

The team was bolstered by the recruitment of a data forensics expert. This role will help us use intelligence more effectively and identify trends to further disrupt the organised criminals involved in many of these offences.

All of these activities to protect animal welfare have led to a reduction in instances of:

- incidents where the animal was not found (reduction of 44%);
- incidents where the animal was unable to be caught (reduction of 24%);
- investigations where the outcome was recorded as unfounded (reduction of 18%).

## ***Rehabilitate and rehome or release***

Arrivals at our animal rescue and rehoming centres increased by 25% in 2023, with 6,944 animals taken in. A driving factor in the increase in admissions was people struggling to afford veterinary care. 4,404 animals in our care underwent veterinary treatments in 2023.

We also invested further in our animal behavioural function, with the recruitment of a new Head of Animal Behaviour and additional training to existing members of our animal care teams. This important work will help us to better enrich the lives of pets whilst they are in their care and support their rehabilitation, helping them find forever homes more quickly.

Supporting our other innovative services, we launched a post-adoption treatment scheme, where we would rehome animals still receiving veterinary care and treat them as outpatients. This helped to get animals into loving homes, and alleviate pressure on our busy centres. Furthermore, our vet clinic in Glasgow continued to offer our low-cost neutering scheme to members of the public.

We made use of decision notices in 2023. With new legislation which came into effect in late 2021, we can now issue a decision notice to advise a person who has not signed an animal over into our care that we intend to rehome that animal after a minimum of three weeks. The individual has the right to appeal and, if they do not, we can proceed. We campaigned for such provision for a number of years for the betterment of animal welfare. In 2023, we issued 30 decision notices and this led to 471 animals being rehomed more quickly. The average days to rehome all animals for 2023 was 132 which was a decrease from 143 in 2022, however we were still impacted by the complexities of behavioural and medical needs. This reduction in time spent at a centre makes a massive difference to animal welfare, as they can deteriorate in a centre environment.

We piloted a fostering scheme in 2022 following a successful trial during the pandemic. Now a key part of our operation, this scheme allows us to find homes for animals who really need them. A foster environment is much preferable for an animal than a rescue centre.

We fostered 459 animals throughout 2023 and we rehomed 3,881 pets.

Our National Wildlife Rescue Centre continued to be at the forefront of wildlife rehabilitation in the UK. The team treated 5,163 wild animals in 2023, which was up from 4,889 in 2022. This increase was, in part, due to the strict quarantine protocols put in place to combat the worst outbreak of avian flu influenza we have ever seen in 2022.

52% of the wild animals treated at the centre were successfully released. This is significantly higher than the average of 42% over the last three years, and is in part due to higher success rates in rehabilitating mammals.

We continued to enhance our external advice, internal policies and colleague training to reduce the number of animals coming into our care unnecessarily. Keeping a wild animal in their natural habitat, unless they need help, is the ultimate aim.

We're proud to commit to our policy of never putting a healthy animal to sleep.

## **Protect**

As well as leading the rescue effort for wildlife, pets and farmed animals across the country, we also worked hard to get ahead of issues.

Following its launch in 2022, our Pet Aid service expanded with 56 of foodbanks and pantries being provided with pet food and essentials by the end of 2023. This allowed us to support pet owners in our community to keep their pets with them in loving homes. Throughout 2023, Pet Aid supported over 400 pets and their owners were supported by this service each month.

What's more, our planned community outreach initiatives grew through collaborative partnerships with a range of charities and other agencies across the country, including organisations such as Citizens Advice Scotland, Scottish Action for Mental Health (SAMH) and Simon Community Scotland.

Preventing cruelty is our core purpose, and inspiring people to treat animals with kindness and respect is the most effective way to achieve this. Community education and awareness raising helps us to get ahead of



problems and prevent animals from coming to harm. In 2023, we were able to educate over 61,341 young people in schools.

Our ground-breaking Animal Guardians programme, which works with young people who have been harmed, or shown behaviours which suggest they could harm, animals, grew even further. There were 136 enquiries/referrals about Animal Guardians, and 71 children and young people completed the programme in 2023. Animal Guardians is a pillar of our work to prevent cruelty, and a key part of efforts to ‘break the link’ between animal abuse and human violence. We also co-published *Understanding Animal Abuse and How to Intervene with Children and Young People: A Practical Guide for Professionals Working with People and Animals*. And we continued to push for animal welfare to be added to the education curriculum in Scotland.

We worked with our sister charity in England and Wales, the RSPCA, to launch the Kindness Index in 2022, a UK-wide campaign which measures our relationship with animals. The index gathers data from thousands of people and different sources to understand how people across the nation view animals, and we helped to tell Scotland’s story. In 2023, the Kindness Index uncovered key findings, including:

- In the UK, more than half of Gen Z pet owners say they have taken action to cut down on costs when it comes to looking after their animals. Of those young people who have made changes to try and save money, 45% believe their animal suffered as a result (Animal Kindness Index 2023).
- Whether cutting down on food, changing food brands, avoiding vet visits or cancelling pet insurance, 53% of 18 to 24-year-old pet owners have taken action to reduce costs. This is compared with just 28% of pet owners aged 55 or older (Animal Kindness Index 2023).
- Nearly a third of Gen Z respondents in the UK are worried about being able to feed their pet, while 36% are concerned about their ability to care for the pet (Animal Kindness Index 2023).
- Although 67% of Scots described themselves as animal lovers, only 54% of UK participants aged 18-24 described themselves as animal lovers, and only 21% said animal welfare was an important issue – the lowest percentage of any age group (Animal Kindness Index 2023).
- Regionally, Scotland appears to have been impacted the most, with 88% of Scottish pet owners stating that it has become more expensive to care for their animal compared with 75% of those living in London (Animal Kindness Index 2023).

We continued to promote Pets and Tenants Together, a campaign we launched in 2021 to highlight the lack of infrastructure and support available for tenants with pets. In 2023, we actively contributed to the discussion around publication of responses from the *A New Deal for Tenants* consultation that has since been introduced at the start of 2024.

We also had 1,538 visits to our website for advice on containment and 2,398 views of our web page on strays. Visits to our wildlife advice pages increased from 45,032 in 2022 to 108,402 in 2023 since June, when advice was updated as part of the wildlife welfare project.

## Lead

We are leading the charge to protect animal welfare in Scotland. As part of our summer and winter rescue campaigns, our hard-hitting advert aired at prime times on STV. Dramatically aligning us with other emergency services, the advert highlighted that we are Scotland’s only all animal rescue team.

Furthermore, we’re making Scotland a better place for animals to be by lobbying those with the power to legislate and influencing the detail that sits behind any legal acts affecting animals and those who look after them. Being part of groups such as the Dog Control Coalition (DCC) amplified our voice to create positive change for animal welfare. We continued to work in partnership with stakeholders and made the most of our connections from cross-party groups, recently having joined the Climate and Nature group. We continue working with others to increase recognition of the link between animal abuse and human violence, and, as mentioned previously, we co-authored a book on this topic in March 2023.

In 2023, further legislative changes came into effect around the use of fireworks which will benefit animal welfare. The Hunting with Dogs (Scotland) Act 2023 also came into force after we successfully called on the Scottish Government to close loopholes in the existing legislation. And along with our partners at the RSPCA and other welfare organisations, our call for the requirement of social media platforms to remove footage of animal torture on their sites was finally heard and subsequently included in the Online Safety Bill which passed as an Act in October 2023. We will continue to feed into Ofcom consultations as the details of this Act come to fruition.

Throughout 2023, we continued to push for powers to help us tackle wildlife crime. We also got behind key issues such as a ban on greyhound racing, an extension to licensing of activities involving animals, and the export of live animals in the food industry. And real progress has been made towards achieving a ban on snares, a ban on the use of glue traps, and strengthening legislation around the import of pregnant bitches and dogs with cropped ears.

As a direct result of the proactive integration work since the launch of our rebrand and associated membership campaign in May 2023, inbound media enquiries went from 11 per month at the start of the year (January 2023), to averaging 71 per month in the final quarter of 2023. In terms of brand building, sentiment of coverage in 2023 was 90% very positive/positive – circa 90%. Using this information, accompanied by increasing digital engagement figures and responses to our communications, we can deduce that the public are as passionate as we are to make Scotland the best place for animals to call home.

## **Supporting our people**

The health, safety and wellbeing of our people is of the utmost importance and in 2023 we continued to offer professional support to colleagues through our independent occupational health partners and our colleague assistance programme.

We developed and launched our own wellbeing framework, beWell, in the final quarter of 2022. And throughout 2023 engaged our colleagues in our 360-degree wellbeing tools, including support around aspects of physical and mental health and social, career, and financial wellbeing.

Our people development team offered more access to personal development opportunities than ever before. As well as developing our leadership, management, team and specialist capability, there was again a record number of internal moves and promotions, allowing colleagues to build their career with the Society. Attracting and retaining talented people who want to work for an organisation with purpose is at the heart of our people strategy.

Our health, safety and environmental team continue to ensure ongoing legal compliance and good practice in these critical areas. During 2023 our accident reporting numbers remained inline with the 2022 numbers. However, we saw an 180% increase in near miss reporting numbers which reflects our work around reinforcing our safety culture. Safety is everyone's job and we're supported internally by our expert team who give tools and guidance to ensure everyone can meet their obligations every day. Colleagues are also supported externally through established professional health partnerships.

Our teams could not do what they do without the invaluable contribution of our volunteers. This wonderful group of individuals enrich our services and the experiences we give to people and animals. At the end of 2023, we had the support of more than 628 volunteers. Not only do they support us in animal care roles and frontline services, we've also expanded our volunteering programme to other areas of the organisation such as digital fundraising and committee support. Our incredible volunteers have contributed more than 22,000 hours of their time, which is the equivalent of an in-kind financial contribution of £253,092.

As an effective and efficient Society, we are committed to ensuring our resources are prioritised where they are needed most. This includes welcoming volunteers in increasing numbers and engaging those delivering our vital services in continuous improvement activities.

## **Reward Strategy**

The remuneration policy is approved by the Board and is aligned to a number of criteria, including charity sector pay surveys and external market forces to ensure fairness and equity, as well as sustainability.

In 2023, we fully implemented a new job evaluation framework. Over 95% of roles were positively impacted thanks to the scheme. And new and existing colleagues will continue to benefit from the framework, which is reviewed regularly. The Society's commitment to offer our colleagues fair reward is a cornerstone of our overall reward strategy and in 2023 we maintained our commitment to being a Real Living Wage (RLW) employer.

## **Diversity, equality and inclusion policy**

The Scottish SPCA is an equal opportunities employer, committed to encouraging diversity, equity and inclusion in all of our working practices. We seek to establish a strong connection and sense of belonging for all of our colleagues and volunteers. We aim to provide equality of opportunity and a positive, supportive and enabling environment for all colleagues and volunteers. We want everyone to feel valued and able to achieve their potential on the basis of their unique contribution, individual merit, ability and passion.

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

## **Our commitment to the environment**

The Scottish SPCA's environmental vision is a Scotland where every animal has a safe and sustainable place to live. We want a world where humans and animals can coexist in an environment that is rich in biodiversity. The Society invests considerable resources each year to rescuing and rehabilitating wildlife.

We need to make sure that we have the habitats and ecosystems available for these animals to be released to and for them to thrive in. We have a vital role to play in educating others about the nature that is on our doorstep, inspiring others to work in partnership so together we can make a real difference and play our part in tackling the global climate change crisis.

Our environmental vision centres around four themes:

### **Respect**

We will respect what we use by reducing our waste, reusing where possible, and responsibly recycling our materials.

### **Influence**

We will seek partnerships that will influence our internal environmental processes and ensure we are procuring products and supplies responsibly. We will also strive for partnerships that will provide us with the tools to monitor our key indicators so we can evaluate the impact we are having.

### **Inspire**

We will raise awareness of climate issues and how they affect the world around us and the animals we care for, so that others feel inspired to make a difference.

### **Protect**

We will take steps to protect the environment that surrounds us and help combat the reduction in species and biodiversity.

## **Financial review**

Excluding the impact of realised and unrealised movements in investment values and property impairment, the parent charity reported an operating deficit of £1,606k (2022: £2,299k deficit). This is an improvement on the deficit budget approved by the Board for 2023 which was £4,417k. The deficit position reflects the investment that has taken place in the Scottish SPCA over the last few years to support fair pay structures, become a Real Living Wage employer and in skilled resources such as Health & Safety, Risk, Learning & Development, Data Management, Volunteering and management structures that support a safe, fair and sustainable organisation. This is coupled with the general impact of the current financial environment increasing our cost base and growing demand for our services which has also led to investment in a more appropriate ratio of Operations colleagues to animals, although we remain lean when benchmarked against other animal welfare charities.

The improved deficit for 2023, both against budget and prior year, has been driven by our ongoing efficiency programmes that have been running for a number of years to ensure we operate as effectively as possible while

we invest in our teams and support teams in growing our income. Additionally in 2023 we returned a strong performance in Legacy and Trust income which offset an extremely challenging fundraising environment which resulted in a shortfall in fundraising income targeted. Additionally our Legacy income was increased further at year end with the notification of a number of legacies we were due to receive post year end.

Following the impact of the unrealised gain on our investment portfolio of £867k (2022: £2,138k loss) caused by the movement in capital markets in 2023 and a property impairment of £1,702k (2022: £434k), the end of the year saw an overall deficit of £2,280k (2022: £4,957k deficit).

The property impairment was due to a review of our fixed asset depreciation policy, where we realigned all assets of a similar category and reviewed the useful economic life's thereof, which resulted in a reduction in the carrying value of some of our properties. We hold all properties at cost less depreciation. This accounting adjustment did not impact the cash reserves of the Society.

Total income increased by 26% in 2023 largely due to an increase in legacy income during 2023, including the notification towards the end of the year of a number of legacies due to be received post year end, and the sale of some assets. Total costs increased by 19% in 2023 reflecting the increase in demand for our services as well as the impact of price increases across our supply chain and investment in our estate. 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 2023 brought to the sector as well as the continuing cost-of-living crisis.

The Society's wholly owned trading subsidiary, Braehead Enterprises Limited, generated a profit of £75k (2022: £55k) which will be gifted to the Society in 2024.

The principal funding sources were voluntary income of £7,543k (2022: £7,188k) and legacies of £11,518k (2022: £8,332k). The principal costs were for the Inspectorate of £8,319k (2022: £7,713k) and the animal rescue and re-homing centres and National Wildlife Centre of £10,523k (2022: £8,796k). Expenditure on raising funds amounted to £1,945k (2022: £1,331k). Details of consolidated income and expenditure can be found on page 24 and in the notes to the accounts.

## **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.

## **Investment portfolio**

Under the Memorandum and Articles of Association (Articles), the directors have wide investment powers.

The portfolio seeks to achieve a return that matches or exceeds the return on UK CPI. We benchmark our performance against a number of other benchmarks, including a charity sector benchmark. We carefully monitor our cash flow requirements and hold a portion of our funds in an interest bearing deposit account, to provide easy access when we require it.

The Articles note investments may be made in companies or institutions which align with the aims of the Scottish SPCA. As such, we will take all reasonable steps to ensure our investments maximise investment return to fund our charitable purpose, whilst remaining consistent with our ethical principles and values.

These requirements are set out in our Investment Policy, which is reviewed annually and used by our investment manager to set our investment guidelines. We regularly benchmark our ethical restrictions against other animal charities to ensure we align to best practice. The directors set the policy, having regard to the liquidity, income and reserves requirements of the Society.

We exclude the following categories from our investments:

1. Production and distribution of cosmetic products tested on animals.
2. Production and distribution of non-cosmetic products tested on animals (except where testing is for medical, regulatory reasons and testing facilities are accredited by a recognised body).
3. Provision of animal testing services.
4. Production and sale of fur products.

5. Intensive farming operations.
6. Production and distribution of tobacco products.
7. Testing using wild caught animals (where we can see this happens through company disclosures).

Where a category is excluded due to 'distribution', we include companies that have revenue of less than 5% from these excluded activities. This allows us to maximise our investment return for our charitable purposes, by including high growth or income companies, whose activities are almost entirely free from these activities and who have no involvement in the production of these categories.

We believe investing in these companies also allows us to influence them through our vote and we expect our investment manager to utilise our vote in this manner. We completely exclude companies that produce any of the excluded categories.

The Society's investment portfolio is managed on a discretionary basis by Brewin Dolphin. The investment objective is to generate a return from a combination of income and capital growth over the long term. The portfolio is invested in a way which is sensitive to the Society's values.

Over the year to 31 December 2023, the Society's investments were split into two separate portfolios with differing mandates. A new portfolio known as the 'Money Market Fund' was established in July 2023 and funded with a transfer of funds from the existing investments. This portfolio is invested in lower risk money market instruments with no exposure to more volatile equity markets. This portfolio has been created given the increased probability of drawing down upon the capital within the investments. Whilst the Society would still like to generate a return upon these investments, it is not appropriate to expose them to capital volatility given the shortened investment time horizons. In consultation with the investment managers, the money market exposure was identified as a suitable option which will generate a competitive level of interest. The existing investment portfolio is now known as the 'Main Fund'.

Alongside the creation of the Money Market Fund, the Directors also changed the way that cashflows are taken from the investments within the Main Fund. This has seen a move away from an income orientated approach to a 'total return' strategy, where regular standing orders are taken from a combination of income and capital. This will broaden the investment universe for the portfolio, allowing the inclusion of more investments with lower incomes, and will also smooth the cashflow from the portfolio. The total return performance of the Main Fund portfolio during the year to 31<sup>st</sup> December 2023 was +10.0%, compared to the benchmark rise of +11.1%. In the early part of the year, prior to the change in investment strategy, markets were led higher by low income paying stocks in the technology sector. The income bias of the investments counted against relative performance in this period. However, later in the year, and following the change in investment policy, the relative returns of the investments have improved.

This portfolio is managed with a long term investment horizon with reference to Brewin Dolphin's Risk Level 6, which has exposure to longer term assets including global equities. The total income generated for the year by the portfolios was £504,343, equivalent to a yield of 2.8%.

Persistently high inflation during the period catalysed historically steep interest rate increases, which contributed to volatile markets throughout the year. Bond markets, traditionally a safe haven in times of volatility, were particularly badly hit as yields rose sharply across the asset class. Higher interest rates also caused stress in the financial sector as evidenced by a number of bank failures, although central banks acted quickly to contain any contagion risk. As markets started to see signs of inflation moderating and the monetary tightening cycle ending, a narrow band of growth stocks began to lead the market higher. The 'big 7' US technology stocks in particular performed strongly, with Artificial Intelligence stories boosting market sentiment from depressed levels. Elsewhere, higher 'risk-free' rates saw inflows to bond markets as investors sought to de-risk portfolios. Several sources of inflation have reversed, supply chain issues are largely resolved and energy prices have normalised following the shock of the Ukraine invasion in 2022. Equity markets reacted with strong positive moves in November and December to an indication that the US Federal Reserve is set to start bringing interest rates back down – with speculation now focussed on the 'when' of interest rate cuts, along with what that means for the still-present risk of recession.

## Reserves policy

The charity holds reserves to support the organisation in countering short-term financial risks, while recognising the interaction between reserves and long term strategic objectives. The policy is to maintain sufficient unrestricted liquid reserves to counter the most significant short-term financial risks to the organisation, which

are on achievement of income targets and the realignment of the cost base in line with the Strategy and underpinning financial forecasts.

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 policy aims to ensure the Society's ongoing and future activities are reasonably protected from unexpected variances in its income and expenditure targeted.

The society's investment portfolio value is captured within our reserves cover. The investment portfolio value is subject to market volatility and therefore trustees monitor the performance of the portfolio quarterly and an agreed level of our investment portfolio is held within a Money Market Fund to support access to liquid reserves should these be required.

As part of the business and financial planning process, it is the intention to hold sufficient reserves to enable the society's fundraising strategy implementation and expenditure to be reduced in a managed fashion, avoiding the need to halt services abruptly and allow the 10-year strategy implementation to be realised. While ensuring appropriate reserves cover is held to:

- to meet working capital requirements
- to protect the SSPCA against income fluctuations
- to support strategic initiatives over the current planning period to 2028
- to protect the SSPCA's operations against unplanned adverse events.
- to allow for maintenance and upgrade of our infrastructure

The policy sets out for the requirement to set aside reserves, to meet future expenditure and protect against the impact of economic or other risks we may face.

The proposed minimum reserves cover has been set based on the monthly operating expenditure amount as calculated from our the financial forecast to 2028 (circa £1.8m per month) which incorporates ensuring cover for working capital requirements throughout the period (level set within planning at £2.5m), and the impact of strategic change initiatives to 2028 and maintenance budgets across our estate.

A minimum of five months operating costs has been assessed as appropriate across the planning period to 2028 setting a minimum level of free reserves at £9m. This level has been set given the risks faced by the Society, the sustainability of our different income streams and the costs that would likely be incurred if, in the very worst-case scenario, the Society folded. A minimum of five months has been determined as being a sufficient period to manage material cost reductions or fund emergency appeals while minimising the impact on our service delivery and core organisational capabilities.

Given the uncertain economic environment seen over the last few years and the nature of our income streams, a maximum of 14 months cover has been assessed as an appropriate upper limit. There may be occasion where cover in excess of this amount is required, such as where funds are being held for future capital expenditure, however this will be monitored and reasons for excess funds explained within the statutory accounts.

This reserves holding position will be monitored quarterly by Trustees and the policy will be reviewed every 12 months.

At 31 December 2023, other unrestricted income funds totalled £36,524k (2022: £38,458k). As the majority of our funds are fixed assets in the form of bricks and mortar, a much more relevant view would be to look at our unrestricted income funds excluding designated funds and fixed assets. At 31 December 2023 this amounted to £23,426k (2022: £21,968k). This is currently sitting at the 12 months operating. As outlined in the policy we would aim to hold no less than 5 months and no more than 14 months operating costs cover. We are managing to a planned deficit of £4,360k for 2024 as agreed with our board. Over the next five years we have set out an action plan where our income from fundraising will catch up with the real costs to operate the Society. The Society reserves and action plan will be regularly monitored going forward to support long term resilience.

At 31 December 2023 restricted income funds totalled £1,599k (2022: £1,946k).

## Our focus in 2024

By the end of 2024, the Scottish SPCA will be 185 years old. As we celebrate this anniversary, the animals and people of Scotland will never have needed us more. Pet owners are struggling to care for their much-loved companions and wildlife is critically threatened. Many farm animals and the people who own and work with them are in dire need of assistance too. The economic and environmental contexts in which we're trying to make Scotland the best place in the world for an animal to call home are tough. That's why our 2024 Business Plan is so important.

### Rescue

We will continue to identify and drive opportunities to streamline the way we work, making sure that we are there to answer the call for animals who need us, but in the most efficient way. Through our **rescue** efforts, we will enhance our adoption and fostering services with an expanded team in place to scale up both. This means getting animals into the right homes faster, and improving the experience foster carers, adopters and animals have. We will continue our focus on organised crime too, working closely with other agencies to deter criminals and make sure those who abuse animals face justice. We will also improve our own behavioural work to enhance the rehabilitation process for animals, and invest in our facilities where we can.

### Protect

We will continue to do all we can to get ahead of the problems facing animals and people in Scotland. We will continue to innovate in how we deliver our services, and tailor them to the needs of local communities.

By supporting people to ensure they provide the best possible care to their animals, we will continue to **protect** animals and tackle unintentional neglect. We will also continue to expand our community outreach activities such as our Pet Aid veterinary service as well as building partnerships with other charities and organisations who can help us support the communities we serve.

### Lead

As the animal welfare experts in Scotland, we will **lead** the way in making Scotland a better place for animals to be. With our frontline teams as our eyes and ears, we will gain regular feedback from the people we aim to support. This will continue to shape the services we offer and the campaigns we deliver to address the most pressing issues facing pets, wildlife and farmed animals.

### Be the best version of ourselves

We will be the **best version of ourselves**, meaning that the Scottish SPCA is a great place to work and volunteer, with processes and systems in place to help us deliver our services as best we can. We will expand our volunteering network and launch a new digital strategy, as we embed technology to improve how we do things.

### Raise funds and build brand

The rescues never stop. And as Scotland's only all animal rescue service, we will not stop either. Our ambitions build on the foundations of our work in 2023 and our dedication to make Scotland the best place for an animal to call home continues.

None of this is possible if we don't **generate income and grow our supporter base**. We will build on progress made in recent years in diversifying our income, developing our digital fundraising and philanthropy networks, engaging local communities, growing support from trusts and corporate partners.

Alongside opening up new commercial and retail income streams, we recognise that retaining supporters is as important as recruiting new ones. With this in mind, we'll be continuing to improve our supporter experience and ensure supporters feel valued and stay with us. All while attracting new people to join us.

## Structure, governance and management

### Directors' responsibilities

The Directors are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year. These 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 directors 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 directors 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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 an amount as may be required (not exceeding £1) in the event of the charity ceasing operations. The Scottish SPCA is registered as a charity with the Office of the Scottish Charity Regulator (OSCR). The Society currently has 46,636 members compared to 46,539 in 2022.

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 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. 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.
- Team members across the Society are fundamental to the execution of our vision. The communication of all Society strategy, operations and performance, which is relevant to them, is regularly updated through team meetings, email and Workplace communications and internal engagement sessions. The integration of new team members, 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 2022 and continues to be into 2023.



- As a Board, our continued commitment to the environment is at the forefront. The Society is now promoting environmental awareness and the economic impact of our operations, alongside our organisational responsibility for recycling.
- As directors, we strive to operate and behave with professionalism, to lead by example, and ensure our management teams act with integrity. This is fundamental to the delivery of a high-quality service to stakeholders and contributes to the long-term success of the Society.

The Scottish SPCA promotes a workplace that emphasises colleague wellbeing, and fair and transparent pay that helps team members care for themselves and their families.

## **Risk management**

The directors are responsible for ensuring that an adequate risk management framework is in place. Directors are supported by the Health and Safety, Audit, Risk and Environmental Committee who review the overall risk profile, Board Sub-Committees who each monitor their risk profile, and the senior leadership team. The Scottish SPCA risk strategy includes:

- Setting the policy which is read by all and outlines roles and responsibilities and how the framework operates;
- Logging risks on the risk register. The Senior Leadership team assesses their risks and risks emerging every three months. This is supplemented with benchmarking, audits and risk event monitoring;
- Rating risks, so that we focus on the risks that impact us the most;
- Reporting risks quarterly to governance committees;
- Establishing systems, controls and actions to mitigate identified risks; and
- Performing lessons learnt exercises when a risk crystallises, designed to minimise potential impact on the charity.

We have identified the following as our biggest risks.

## **Financial sustainability and cash flow**

Given the lingering social and economic impact of the pandemic and cost-of-living-crisis, alongside increased geopolitical risk, increasing supplier costs and rising inflation, our long-term financial sustainability is always at the forefront of our minds. We are grateful to, and dependent on, our generous supporters and aim to significantly increase income from corporates, individuals, trusts and legacies. We know that supporting the Scottish SPCA helps meet the Environmental, Social and Governance (ESG) needs of companies and that our partners, supporters, charitable trusts, and families of those leaving legacies feel proud of the impact they are making to rescue Scotland's animals.

We are focused on being as efficient as possible, innovating, and embracing continuous improvement while building awareness and advocacy in our brand and diversifying income streams. We continually review our financial position and take action when required. We maintain a reserves policy, which is regularly reviewed by directors. The Society's reserves policy is detailed on page 12.

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

Our centres were often at capacity in 2023, with animal intake and helpline call volumes continuing to rise. The pressure on our rescue and prevention services was also high. We envisage that demand for our services will only continue to increase.

During 2023 we focused on a number of actions and projects which maintained our high levels of service and helped us to manage demand whilst enhancing animal welfare. We have seen the success of this through a reduction of animals in our centres and an increase in animals finding their forever and foster homes faster.

These projects and actions included:

- developing a Pet Aid service to help more pets in their own homes;
- expanding our fostering service to manage capacity;
- introducing a post-adoption treatment scheme;
- continuing to play a leading role in disrupting the puppy trade;

- expanding our community education and engagement programme and reaching more people;
- seeking operational efficiencies;
- ensuring we prosecute where appropriate to provide a deterrent;
- reviewing our policies and procedures.

We will also continue to campaign for improvements in animal welfare legislation and sentencing.

## **Leadership, people and culture**

Our people are fundamental to our operations. We are ambitious to attract, retain, develop, and look after their wellbeing, while complying with employment, legal and regulatory requirements. The challenging nature of some of our roles, combined with other external factors, make this area even more critical. This is an area of constant focus for us and we employ a range of tools to allow us to continue to be regarded as an employer of choice, including our ongoing commitment to fair and transparent pay.

## **Public relations and reputation**

Reputation management is a key risk for any charity and can be caused by a number of factors, such as an adverse reaction to our strategic direction, stance on animal welfare issues, activities and messages or the partners, suppliers and agencies we work with. We manage this risk in part by having a Board level ethics committee.

In response, we perform due diligence on all partners and suppliers to ensure their values align with our own. We have reviewed and strengthened our approach to this in 2023.

We monitor social media, which enables us to respond quickly to any contentious interactions, and operate a media on-call service to minimise the risk of a communications crisis or reputational damage occurring out of hours.

## **Safeguarding**

We are dedicated to educating, informing, inspiring and involving communities, including future generations, about animal welfare. We do this by inviting youth volunteers into our centres and engaging with communities where they are - in their homes - via foodbanks and community hubs. This involves working in partnership with organisations such as SAMH and Citizens Advice Scotland (CAS).

We take the safeguarding of our colleagues, volunteers and communities very seriously and frequently review our practices in this area. We ensure all appropriate colleagues and volunteers are qualified, trained and have undertaken the appropriate disclosure checks. Our safeguarding policy defines how we manage this risk. Due to the nature of our work, our people sometimes work alone and in higher risk situations. We frequently review our controls in this area to continually improve and ensure our colleagues are kept safe from harm.

## **Technology and cyber-security**

With digital transformation streamlining our ways of working and allowing us to have more efficient communication with donors/beneficiaries, we are increasingly focused on cyber-security, the resilience of our IT systems and infrastructure, and the protection of our data. As a result, we have relevant policies in place, ensure we train our colleagues appropriately, regularly back up our data, and have a high level of system security (firewalls, patching etc.) and monitoring.

## **Change management**

It is vital we continue to adapt and change so we can deliver the best outcome for animal welfare, meet the growing demand for our services, align to best practice in the animal welfare sector, and secure sustainability of our services and finances. Therefore, ensuring our change projects are delivered on time, to budget, and to the standards our supporters would expect, is critical to our long-term success.

## **Regulatory compliance**

The safety of our employees, volunteers, fundraisers and contractors is of paramount importance to us, as is compliance with health and safety legislation. We take all of our regulatory compliance obligations seriously and

have dedicated, specialist internal resource in key areas and access specialist external advisors when required. Policies and procedures are in place to guide our staff and staff are trained in key regulatory topics.

## Streamlined energy and carbon reporting

### 1. Introduction

A summary of the 2023 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 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.

### 2. 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. Please refer to section 04 regarding energy efficiency measures taken in period, and our future plans.

### 3. Environmental Performance & Reporting Methodology

Our reporting period covers **01st January 2023-31st December 2023**.

#### 3.1 Consumption

The energy consumption used to calculate our emissions was **5,035,474 kWh**, as shown below, which represents a 4% increase from the previous year but a 2% reduction from our base year of 2021.

	Unit	2023	2022*	2021*
Company Facilities- Stationary combustion	kWh	1,222,856	1,175,161	1,622,274
Company Facilities- Fugitive emissions	kWh	-	-	-
Scope 1 Company Vehicles- Fuel	kWh	2,484,030	2,354,224	2,215,057
Scope 2 Company Facilities- Purchased electricity	kWh	1,203,317	1,227,735	1,269,249
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	125,272	79,898	32,740
<b>Total Consumption Reported*</b>	<b>kWh</b>	<b>5,035,474</b>	<b>4,837,018</b>	<b>5,139,320</b>

\* Emissions rebaselined to 2021 to account for historic review of grey fleet mileage

**Table 3-1 Assessed energy consumption**

As shown above, our stationary combustion energy consumption (from oil, kerosene & gas) has reduced notably from our baseline, through the replacement of boilers and continued consolidation of our sites.

Conversely, our grey fleet energy consumption has grown YOY post COVID to support our service delivery. This mirrors the increase in emergency calls that our animal rescue officers have made.

### 3.2 SECR data & emissions

We have rebase lined our emissions to account for an internal review of grey fleet mileage. Our revised base year is 2021.

Our footprint for 2023 is shown below and compared with the last two reporting periods.

- The reported emissions (market-based) for 2023 are **824.37 tonnes CO<sub>2</sub>e**.
- This represents a 3.9% increase year on year.
- A comparison is provided between market-based & location-based emissions.

For 2023, our primary intensity ratio metric is full-time equivalent (FTE) with a reference value of 453 FTE in period, compared to 420 in 2022.

The resultant primary intensity ratio has reduced from 2.83 t CO<sub>2</sub>e/FTE in 2021 to 1.82 t CO<sub>2</sub>e/FTE in 2023.

Scope	Type	Requirement	Indicator name	Unit	2023	2022*	2021*
			Company Facilities- Stationary combustion	t CO <sub>2</sub> eq.	225.71	220.82	304.43
			Company Facilities- Fugitive emissions	t CO <sub>2</sub> eq.	5.11	5.11	5.42
			Company Vehicles- Fuel	t CO <sub>2</sub> eq.	593.55	567.38	524.03
Scope 1	Direct Emissions	SECR mandatory	Scope 1 Sub-Total	t CO <sub>2</sub> eq.	824.37	793.32	833.88
			Company Facilities- Purchased electricity (location-based)	t CO <sub>2</sub> eq.	249.18	237.42	269.50
Scope 2	Indirect Emissions	SECR mandatory	Company Facilities- Purchased electricity (market-based)	t CO <sub>2</sub> eq.	0.00	0.00	0.00
			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)*	t CO <sub>2</sub> eq.	28.50	18.50	7.63
Scope 3*	Indirect Emissions	SECR mandatory	Location-based	t CO <sub>2</sub> eq.	1,102.05	1,049.24	1,111.01
			<b>Total GHG emissions reported</b>	<b>t CO<sub>2</sub> eq.</b>	<b>824.37</b>	<b>793.32</b>	<b>833.88</b>
			Consumption equivalent	SECR mandatory			
			<b>GHG intensity ratios</b>	<b>Market-based</b>	<b>SECR mandatory</b>	<b>GHG emissions per FTE*</b>	
				t CO <sub>2</sub> eq./FTE.	1.82	1.89	2.83

\* Emissions rebaselined to 2021 to account for a historic review of grey fleet mileage

**Table 3-1 SECR data- GHG emissions, consumption & intensity ratios**

## 4. Energy Efficiency Actions

We have further consolidated our property portfolio in period, with the closure of Caithness, Ayr, Livingston.

We have continued decommissioning and replacing life-expired fossil fuel boilers and installed a new Air Source Heat Pump (ASHP) at our Fishcross site.

Our Estates team have continued to replace light fittings, at end of life, with new LED fittings.

We have continued to procure our electricity on a fully green tariff, backed by Renewable Energy Guarantees of Origin certification. This is reflected within our market-based emissions

## 5. Methodology

The methodology used is the Greenhouse Gas Protocol, using UK Government conversion factors produced by the Departments for 'Business, Energy & Industrial Strategy' & 'Energy Security and Net Zero' for the relevant year.

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).

We have rebase lined to 2021 following an internal review of our grey fleet mileage.

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.

Assumptions made in our reporting were as follows:

- Air conditioning operational emissions assumed based upon refrigerant charge, maintenance records, engineering judgement and IPCC/BEIS/DEFRA recommendations.

- 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.
- For unspecified grey fleet vehicles, the vehicle population was assumed based upon DFT vehicle registration by fuel type statistics.

## 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. The Board has taken all steps that they ought to have taken as directors 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

Everything we've achieved in 2023 and before that is only possible thanks to the generosity of everyone who supports us. We are grateful every single day to benefit from that support, and we are only able to exist and help people, animals and the environment thanks to it.

Over the past three years, that support has never been more important. Transitioning from the COVID-19 pandemic into the worst cost-of-living crisis in generations has thrust us, our supporters, and our service users, into the most challenging environment both financially and emotionally. It's been an absolute privilege to be able to rely on the steadfast support of so many. It's something we never have, and never will take for granted. We trust our supporters will see the huge impact their generosity has made through the deliveries outlined in this report.

We are managing to a planned deficit as agreed with our Board. In 2024 the organisation set a very stretching plan to reduce 2023's planned deficit by 23% in 2024. In 2023, the first year of our 10 year strategy, thanks to the very hard work of our team and volunteers and the generosity of our supporters, we have managed within our planned deficit delivering an improved position, which is a great start. This gives us a foundation for future growth and the confidence that our incredible team, volunteers and generous supporters are going to make the Scottish SPCA sustainable for decades to come. Over the next five years, we are targeting for our fundraising income to catch up with the real costs to operate in this new world order. This will be managed in a very calm and professional manner, being as efficient as possible and growing the money we can invest in rescuing animals in the broadest sense.

The Directors' 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.



**Fiona MacLeod**  
Chair

**Date 29 May 2024**

## **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 2023 which comprise the Consolidated and Parent Charitable Company Statements of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated 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 2023 and of the group's and the parent charitable company's incoming resources and application of resources, including their 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 Regulations 6 and 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 Directors' 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 Directors 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 Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

### **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.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

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

As part of the planning process:

- We enquired of management regarding the systems and controls the group and parent charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent charitable company. We determined that the following were most relevant: 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.
- We considered the incentives and opportunities that exist in the group and parent charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the group and parent charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities, including fraud, during the course of the audit included:

- Enquiring with management about any known or suspected instances of non-compliance with laws and regulations 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

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.

*Henderson Loggie LLP*

**Keith Macpherson (Senior Statutory Auditor)**  
**For and on behalf of Henderson Loggie LLP, Statutory Auditor**  
**Chartered Accountants**

29 May 2024

11-15 Thistle Street  
Edinburgh, EH2 1DF

Henderson Loggie LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



**Parent Charity statement of financial activities (incorporating income and expenditure account)  
for the year ended 31 December 2023**

	Notes	Unrestricted Funds		Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
		Charitable funds £'000	Designated funds £'000			
<b>Income</b>						
Donations and legacies	2	17,057	-	2,004	19,061	15,520
Income from charitable activities	3	667	-	-	667	427
Income from other trading activities	4	78	-	-	78	86
Income from investments	18	589	-	-	589	553
Other income	5	541	-	-	541	-
<b>Total income</b>		<b>18,932</b>	<b>-</b>	<b>2,004</b>	<b>20,936</b>	<b>16,586</b>
<b>Expenditure</b>						
Expenditure on raising funds	6	(1,942)	-	(3)	(1,945)	(1,331)
Expenditure on charitable activities						
<i>Inspectorate</i>	7	(8,234)	-	(85)	(8,319)	(7,713)
<i>Animal rescue and re-homing centres</i>	8	(8,329)	-	(2,194)	(10,523)	(8,796)
<i>Education and junior division</i>	9	(352)	-	(69)	(421)	(388)
<i>Press and publications</i>	10	(650)	-	-	(650)	(563)
<i>Campaigns</i>		(684)	-	-	(684)	(94)
<b>Total expenditure</b>		<b>(20,191)</b>	<b>-</b>	<b>(2,351)</b>	<b>(22,542)</b>	<b>(18,885)</b>
Net (expenditure) / income before investments		(1,259)	-	(347)	(1,606)	(2,299)
(Loss) / gain on disposal of investments		161	-	-	161	(36)
Unrealised investment (losses) / gains	18	867	-	-	867	(2,138)
Impairment losses	16	(1,702)	-	-	(1,702)	(484)
<b>Net (expenditure) / income</b>		<b>(1,933)</b>	<b>-</b>	<b>(347)</b>	<b>(2,280)</b>	<b>(4,957)</b>
Transfers between funds	22/23	-	-	-	-	-
<b>Net movement in funds</b>		<b>(1,933)</b>	<b>-</b>	<b>(347)</b>	<b>(2,280)</b>	<b>(4,957)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		38,457	-	1,946	40,404	45,361
<b>Total funds carried forward</b>	24	<b>36,524</b>	<b>-</b>	<b>1,599</b>	<b>38,123</b>	<b>40,404</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 2023**

	Notes	Unrestricted Funds		Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
		Charitable funds £'000	Designated funds £'000			
<b>Income</b>						
Donations and legacies	2	17,057	-	2,004	19,061	15,520
Income from charitable activities	3	667	-	-	667	427
Income from other trading activities	4	158	-	-	158	163
Income from investments	18	533	-	-	533	502
Other income	5	541	-	-	541	-
<b>Total income</b>		<b>18,956</b>	<b>-</b>	<b>2,004</b>	<b>20,960</b>	<b>16,612</b>
<b>Expenditure</b>						
Expenditure on raising funds	6	(1,946)	-	(3)	(1,949)	(1,342)
Expenditure on charitable activities						
Inspectorate	7	(8,234)	-	(85)	(8,319)	(7,721)
Animal rescue and re-homing centres	8	(8,329)	-	(2,194)	(10,523)	(8,799)
Education and junior division	9	(352)	-	(69)	(421)	(388)
Press and publications	10	(650)	-	-	(650)	(563)
Campaigns		(684)	-	-	(684)	(94)
<b>Total expenditure</b>		<b>(20,195)</b>	<b>-</b>	<b>(2,351)</b>	<b>(22,546)</b>	<b>(18,907)</b>
Net (expenditure) / income before investments		(1,239)	-	(347)	(1,586)	(2,295)
(Loss) / gain on disposal of investments		161	-	-	161	(36)
Unrealised investment (losses) / gains	18	867	-	-	867	(2,138)
Impairment losses	16	(1,702)	-	-	(1,702)	(484)
<b>Net (expenditure) / income</b>		<b>(1,913)</b>	<b>-</b>	<b>(347)</b>	<b>(2,260)</b>	<b>(4,953)</b>
Transfers between funds	22/23	-	-	-	-	-
<b>Net movement in funds</b>		<b>(1,913)</b>	<b>-</b>	<b>(347)</b>	<b>(2,260)</b>	<b>(4,953)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		38,514	-	1,946	40,460	45,413
<b>Total funds carried forward</b>	24	<b>36,601</b>	<b>-</b>	<b>1,599</b>	<b>38,200</b>	<b>40,460</b>

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 2023*

	<i>Notes</i>	<b>2023 Group £'000</b>	<b>2023 Charity £'000</b>	2022 Group £'000	2022 Charity £'000
<b>Fixed assets</b>					
Tangible assets	16	<b>13,086</b>	<b>13,086</b>	16,478	16,478
Intangible assets	17	<b>12</b>	<b>12</b>	12	12
Investments	18	<b>17,697</b>	<b>17,697</b>	16,785	16,785
Total Fixed Assets		<b>30,795</b>	<b>30,795</b>	33,275	33,275
<b>Current assets</b>					
Stocks		<b>14</b>	-	145	130
Debtors	19	<b>4,423</b>	<b>4,480</b>	2,444	2,469
Cash at bank and in hand		<b>4,187</b>	<b>4,064</b>	6,137	6,031
Total Current Assets		<b>8,624</b>	<b>8,544</b>	8,726	8,630
<b>Current liabilities</b>					
Creditors: falling due within one year	20	<b>(1,219)</b>	<b>(1,216)</b>	(1,541)	(1,501)
<b>Net current assets</b>		<b>7,405</b>	<b>7,328</b>	7,185	7,129
<b>Total assets less current liabilities</b>		<b>38,200</b>	<b>38,123</b>	40,460	40,404
<hr/>					
<b>Net assets</b>	24	<b>38,200</b>	<b>38,123</b>	40,460	40,404
<hr/>					
<b>The funds of the charity:</b>					
Restricted income funds	23	<b>1,599</b>	<b>1,599</b>	1,946	1,946
Unrestricted income funds		<b>36,601</b>	<b>36,524</b>	38,514	38,458
Total charity funds	24	<b>38,200</b>	<b>38,123</b>	40,460	40,404

These financial statements were approved and authorised for issue by the Board of Directors on 29 May 2024 and were signed on its behalf by:



**F MacLeod**  
*Chair*

## Consolidated and Charity statement of cash flows for the year ended 31 December 2023

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
<b>Cash flows from operating activities:</b>				
Net cash provided by operating activities	(3,889)	(3,962)	971	855
<b>Cash flows from investing activities</b>				
Dividends and interest from investments	533	589	502	553
Proceeds from the sale of property, plant and equipment	1,329	1,329	-	-
Purchase of property, plant and equipment and intangible assets	(40)	(40)	(369)	(369)
Proceeds from sale of investments	7,922	7,922	2,880	2,880
Purchase of investments	(7,805)	(7,805)	(2,862)	(2,862)
<b>Net cash provided by investing activities</b>	<b>1,939</b>	<b>1,995</b>	<b>151</b>	<b>202</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(1,950)</b>	<b>(1,967)</b>	<b>1,122</b>	<b>1,057</b>
Cash and cash equivalents at the beginning of the year	6,137	6,031	5,015	4,974
Cash and cash equivalents at the end of the year	4,187	4,064	6,137	6,031

## Notes to the statement of cash flows

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

	2023 Group £'000	2023 Charity £'000	2022 Group £'000	2022 Charity £'000
Net (expenditure) / income for the year	(2,260)	(2,280)	(4,953)	(4,957)
<b>Adjustments for:</b>				
Depreciation and amortisation charges	940	940	847	847
Losses / (gains) on investments	(1,028)	(1,028)	2,174	2,174
Dividends and interest from investments	(533)	(589)	(502)	(553)
Impairment losses	1,702	1,702	484	484
Loss / (profit) on the sale of fixed assets	(541)	(541)	-	-
(Increase) / decrease in stocks	131	130	(7)	(17)
Decrease / (increase) in debtors	(1,979)	(2,011)	2,201	2,183
Increase / (decrease) in creditors	(321)	(285)	727	694
<b>Net cash provided by operating activities</b>	<b>(3,889)</b>	<b>(3,962)</b>	<b>971</b>	<b>855</b>

### b Analysis of cash and cash equivalents

	2023 £'000	Cash flow £'000	2022 £'000
Cash and cash equivalents - Group	4,187	(1,950)	6,137
Cash and cash equivalents - Charity	4,064	(1,967)	6,031

## 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", 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 2023. 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 19. The financial position of the Society is described on pages 9 to 10. 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 cost of living crisis. These risks are set out on pages 15 to 17 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 at least 12 months from the date of the approval of the financial statements. 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:

- During the year, a change in accounting estimate was made in respect of certain tangible fixed assets for which the remaining useful economic lives of certain assets were felt to align better with other assets. An additional impairment charge of £1.7m was charged to the statement of financial activities as a result.
- 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.

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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *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.

For legacies, evidence of entitlement and probability of receipt 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.

Recognition of a legacy, in whole or in part, is only when the amount can be measured reliably. Where legacies have been notified to the charity, or the charity is aware of the granting of confirmation or probate, but the amount of the legacy cannot be measured reliability, the criteria for income recognition have not been met in full and then the legacy is treated as a contingent asset and disclosed if material.

#### *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.

#### *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.

#### *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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *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 3.33% per annum. Property purchased before 2015 is depreciated on a reducing balance basis. Land is not depreciated.

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 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	25%
Equipment	20% - 33%
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.

## Notes (continued)

### 1 Accounting policies (continued)

#### 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.

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. The trading subsidiary company has no such exemptions.

### 2 Donations and Legacies

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Legacies	<b>10,459</b>	7,973	<b>1,059</b>	359
Ordinary subscriptions	<b>4,572</b>	4,800	-	-
Ordinary donations	<b>1,530</b>	1,246	<b>945</b>	689
Government grants	-	-	-	-
Junior division donations	<b>2</b>	1	-	-
Special efforts	<b>38</b>	110	-	-
Supporters groups	<b>12</b>	7	-	-
Appeals and events	<b>419</b>	310	-	-
Flag days	-	-	-	-
Collecting boxes	<b>25</b>	25	-	-
	<b>17,057</b>	14,472	<b>2,004</b>	1,048

Appeals and events includes donated food income of £17,860 (2022: £31,449). Basis of valuation is Market Value.



**Notes** (continued)

**3 Income from Charitable Activities**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Animals reclaimed and homed	549	326
Neutering scheme	16	13
Stray dog fees	53	55
Boarding fees	2	8
Inspectorate income	47	25
	<b>667</b>	427
	<b>667</b>	427

All income from charitable activities is unrestricted.

**4 Income from other trading activities**

	<b>Group</b>	Group	<b>Charity</b>	Charity
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Rental income	38	50	38	50
Income from subsidiary undertaking	120	113	40	36
	<b>158</b>	163	<b>78</b>	86
	<b>158</b>	163	<b>78</b>	86

All income from other trading activities is unrestricted

**5 Other Income**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Gain on disposal of fixed assets	541	-
	<b>541</b>	-
	<b>541</b>	-

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

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	691	400	-	-
Stationery and printing	7	1	-	-
Postage	32	9	-	-
Advertising	1	2	-	-
Other appeals and events	846	600	-	-
Door to door recruitment	3	3	-	-
Other costs	206	203	3	-
Irrecoverable VAT	98	49	-	-
Costs of activities for generating funds	18	23	-	-
Investment management costs	44	52	-	-
	<b>1,946</b>	1,342	<b>3</b>	-
	<b>1,946</b>	1,342	<b>3</b>	-

**Notes** (continued)

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

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	691	400	-	-
Stationery and printing	7	1	-	-
Postage	32	9	-	-
Advertising	1	2	-	-
Other appeals and events	846	600	-	-
Door to door recruitment	3	3	-	-
Other costs	206	203	3	-
Irrecoverable VAT	98	49	-	-
Costs of activities for generating funds	14	12	-	-
Investment management costs	44	52	-	-
	<u>1,942</u>	<u>1,331</u>	<u>3</u>	<u>-</u>

**7a Inspectorate expenditure - Group**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	5,079	4,959	-	-
Vehicle running costs	903	942	-	-
Telephone	60	57	-	-
Veterinary fees	173	123	-	-
Depreciation	41	36	-	-
Non-vehicle insurance	54	37	-	-
Council tax and water	23	24	-	-
Repairs and maintenance	8	21	-	-
Irrecoverable VAT	264	253	-	-
Support costs (note 11)	1,107	1,021	-	-
Other costs	522	248	85	-
	<u>8,234</u>	<u>7,721</u>	<u>85</u>	<u>-</u>

**7b Inspectorate expenditure - Charity**

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	5,079	4,959	-	-
Vehicle running costs	903	942	-	-
Telephone	60	57	-	-
Veterinary fees	173	123	-	-
Depreciation	41	36	-	-
Non-vehicle insurance	54	37	-	-
Council tax and water	23	24	-	-
Repairs and maintenance	8	21	-	-
Irrecoverable VAT	264	253	-	-
Support costs (note 11)	1,107	1,019	-	-
Other costs	522	242	85	-
	<u>8,234</u>	<u>7,713</u>	<u>85</u>	<u>-</u>

**Notes** (continued)

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

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	4,021	4,429	1,333	-
Vehicle running costs	72	96	42	-
Security costs	3	5	-	-
Heat and light	188	193	27	-
Veterinary fees	676	607	122	-
Animal foods	121	140	165	-
Depreciation	846	749	-	-
Non-vehicle insurance	59	36	-	-
Council tax and water	125	101	-	-
Repairs and maintenance	354	493	223	-
Irrecoverable VAT	61	75	-	-
Support costs (note 11)	1,401	1,160	-	-
Other costs	402	692	282	23
	<u>8,329</u>	<u>8,776</u>	<u>2,194</u>	<u>23</u>

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

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	4,021	4,429	1,333	-
Vehicle running costs	72	96	42	-
Security costs	3	5	-	-
Heat and light	188	193	27	-
Veterinary fees	676	607	122	-
Animal foods	121	140	165	-
Depreciation	846	749	-	-
Non-vehicle insurance	59	36	-	-
Council tax and water	125	101	-	-
Repairs and maintenance	354	493	223	-
Irrecoverable VAT	61	75	-	-
Support costs (note 11)	1,401	1,157	-	-
Other costs	402	692	282	23
	<u>8,329</u>	<u>8,773</u>	<u>2,194</u>	<u>23</u>

Animal foods includes donated food usage of £36,392 (2022: £17,688). Basis of valuation is Market Value.

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

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Emoluments and pensions (note 13)	237	259	55	-
Vehicle running costs	30	29	-	-
Advertising	2	2	-	-
Professional fees	-	4	-	-
Equipment	8	7	-	-
Heat and light	-	4	-	-
Depreciation	10	10	-	-
Irrecoverable VAT	4	1	-	-
Support costs (note 11)	56	52	-	-
Other costs	5	7	14	13
	<u>352</u>	<u>375</u>	<u>69</u>	<u>13</u>

**Notes** (continued)

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

	<b>Unrestricted</b> <b>2023</b> <b>£'000</b>	Unrestricted 2022 £'000	<b>Restricted</b> <b>2023</b> <b>£'000</b>	Restricted 2022 £'000
Emoluments and pensions (note 13)	237	259	55	-
Vehicle running costs	30	29	-	-
Advertising	2	2	-	-
Professional fees	-	4	-	-
Equipment	8	7	-	-
Heat and light	-	4	-	-
Depreciation	10	10	-	-
Irrecoverable VAT	4	1	-	-
Support costs (note 11)	56	52	-	-
Other costs	5	7	14	13
	<u>352</u>	<u>375</u>	<u>69</u>	<u>13</u>

**10 Press and publications**

	<b>Unrestricted</b> <b>2023</b> <b>£'000</b>	Unrestricted 2022 £'000	<b>Restricted</b> <b>2023</b> <b>£'000</b>	Restricted 2022 £'000
Emoluments and pensions (note 13)	360	304	-	-
Publications and printing	1	4	-	-
Advertising	19	40	-	-
Professional fees	84	21	-	-
Subscriptions and publications	59	36	-	-
Irrecoverable VAT	24	1	-	-
Support costs (note 11)	87	75	-	-
Other costs	16	82	-	-
	<u>650</u>	<u>563</u>	<u>-</u>	<u>-</u>

**11a Support costs - Group**

	<b>Unrestricted</b> <b>2023</b> <b>£'000</b>	Unrestricted 2022 £'000	<b>Restricted</b> <b>2023</b> <b>£'000</b>	Restricted 2022 £'000
Emoluments and pensions (note 13)	1,850	1,297	-	-
Travel costs	25	13	-	-
Non-vehicle insurance	7	5	-	-
Repairs and maintenance	28	9	-	-
Professional fees	25	342	-	-
Irrecoverable VAT	122	109	-	-
Equipment	182	202	-	-
Training and conferences	84	32	-	-
Rent	2	1	-	-
Telephone, fax and internet	41	53	-	-
Heat and light	10	6	-	-
Recruitment	76	68	-	-
Vehicle running costs	110	90	-	-
Governance costs (note 12)	24	19	-	-
Other costs	160	74	-	-
	<u>2,746</u>	<u>2,320</u>	<u>-</u>	<u>-</u>

**Notes** (continued)

**11a Support costs – Group (continued)**

<i>Support costs have been allocated as follows;</i>	<b>Unrestricted</b> <b>2023</b> <b>£'000</b>	Unrestricted 2022 £'000	<b>Restricted</b> <b>2023</b> <b>£'000</b>	Restricted 2022 £'000
Inspectorate expenditure (note 7)	<b>1,109</b>	1,021	-	-
Animal Rescue and Re-homing Centres (note 8)	<b>1,403</b>	1,160	-	-
Education and Junior division (note 9)	<b>56</b>	52	-	-
Press and publications (note 10)	<b>87</b>	75	-	-
Campaigns	<b>91</b>	12	-	-
	<u><b>2,746</b></u>	<u>2,320</u>	<u>-</u>	<u>-</u>

Included in Support Costs are £68k of termination payments (2022: £9k). All payments were made in full in the year.

**11b Support costs - Charity**

	<b>Unrestricted</b> <b>2023</b> <b>£'000</b>	Unrestricted 2022 £'000	<b>Restricted</b> <b>2023</b> <b>£'000</b>	Restricted 2022 £'000
Emoluments and pensions (note 13)	<b>1,850</b>	1,297	-	-
Travel costs	<b>25</b>	13	-	-
Non-vehicle insurance	<b>7</b>	5	-	-
Repairs and maintenance	<b>28</b>	9	-	-
Professional fees	<b>24</b>	340	-	-
Irrecoverable VAT	<b>122</b>	109	-	-
Equipment	<b>182</b>	202	-	-
Training and conferences	<b>84</b>	32	-	-
Rent	<b>1</b>	1	-	-
Telephone, fax and internet	<b>41</b>	53	-	-
Heat and light	<b>10</b>	6	-	-
Recruitment	<b>76</b>	68	-	-
Vehicle running costs	<b>110</b>	90	-	-
Governance costs (note 12)	<b>22</b>	16	-	-
Other costs	<b>160</b>	74	-	-
	<u><b>2,742</b></u>	<u>2,315</u>	<u>-</u>	<u>-</u>

  

<i>Support costs have been allocated as follows;</i>	<b>Unrestricted</b> <b>2023</b> <b>£'000</b>	Unrestricted 2022 £'000	<b>Restricted</b> <b>2023</b> <b>£'000</b>	Restricted 2022 £'000
Inspectorate expenditure (note 7)	<b>1,107</b>	1,019	-	-
Animal Rescue and Re-homing Centres (note 8)	<b>1,401</b>	1,157	-	-
Education and Junior division (note 9)	<b>56</b>	52	-	-
Press and publications (note 10)	<b>87</b>	75	-	-
Campaigns	<b>91</b>	12	-	-
	<u><b>2,742</b></u>	<u>2,315</u>	<u>-</u>	<u>-</u>

Included in Support Costs are £68k of termination payments (2022: £9k). All payments were made in full in the year.

**Notes** (continued)

**12 Governance costs**

	<b>Group</b> <b>2023</b> <b>£'000</b>	Group 2022 £'000	<b>Charity</b> <b>2023</b> <b>£'000</b>	Charity 2022 £'000
Audit Fees	<b>18</b>	16	<b>15</b>	13
Costs of AGM and Board meetings	<b>6</b>	3	<b>6</b>	3
	<u><b>24</b></u>	<u>19</u>	<u><b>21</b></u>	<u>16</u>
	<u><u><b>24</b></u></u>	<u><u>19</u></u>	<u><u><b>21</b></u></u>	<u><u>16</u></u>

**13 Employee costs**

*The average number of employees for the year was as follows;*

	<b>2023</b> <b>No.</b>	2022 <b>No.</b>
Fundraising	<b>16</b>	12
Charitable activities	<b>399</b>	381
Support	<b>38</b>	27
	<u><b>453</b></u>	<u>420</u>
	<u><u><b>453</b></u></u>	<u><u>420</u></u>

*The aggregate payroll costs of these persons were as follows:*

	<b>2023</b> <b>£'000</b>	2022 <b>£'000</b>
Wages and salaries	<b>12,184</b>	10,288
Apprenticeship levy	<b>46</b>	37
Social security costs	<b>1,115</b>	965
Pension costs	<b>506</b>	428
	<u><b>13,851</b></u>	<u>11,718</u>
	<u><u><b>13,851</b></u></u>	<u><u>11,718</u></u>

*And have been allocated as follows:*

Inspectorate expenditure (note 7)	<b>5,079</b>	4,959
Animal Rescue and Re-homing Centres (note 8)	<b>5,354</b>	4,429
Support costs (note 11)	<b>1,850</b>	1,297
Education and Junior division (note 9)	<b>292</b>	259
Press and publications (note 10)	<b>360</b>	304
Campaigns	<b>225</b>	70
	<u><b>13,159</b></u>	<u>11,318</u>
Charitable activities	<b>13,159</b>	11,318
Expenditure on raising funds (note 6)	<b>691</b>	400
	<u><b>13,851</b></u>	<u>11,718</u>
	<u><u><b>13,851</b></u></u>	<u><u>11,718</u></u>

The key management personnel of the Society comprise the Chief Executive, the Chief Superintendent, the Director of Finance and Corporate Services, the Director of People and Culture, the Director of Operations, the Director of Development, Brand and Engagement, and the Head of Innovation and Strategic Relations. In 2022 key management personnel comprised the Chief Executive, the Chief Superintendent, the Deputy Chief Superintendent, the Director of Finance and Corporate Services, the Director of People and Culture, the Head of Rehab, Rehoming and Release, the Head of Communications and Marketing, and the Head of Innovation and Strategic Relations. Total amount of employee benefits (including pension contributions) received by its key management personnel for their services to the charity was £827,910 (2022: £814,529). Included in this figure were employer's national insurance contributions of £84,377 (2022: £82,542). This is in line with the Society's remuneration policy as set out in the group directors' report on pages 8 to 9.

## Notes (continued)

### 13 Employee costs (continued)

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

	2023	2022
£60,000 - £69,999	4	2
£70,000 - £79,999	3	-
£90,000 - £99,999	1	1
£100,000 - £109,999	2	1
£110,000 - £119,999	-	1
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-

Pension contributions of £88,645 (2022: £59,270) were made by the Society on these employees' behalf.

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 2023 440 employees were members of the defined contribution scheme including those auto-enrolled in 2023. £40,825 (2022: £39,623) of outstanding employer contributions were included in creditors at the year end.

#### Directors

During 2023, one director was reimbursed for travel and food expenses of £455 (2022: £559). No directors received remuneration or pension contributions during 2023. Indemnity insurance was purchased for directors and staff at a cost of £5,097 (2022: £5,141).

### 14 Net income / (expenditure)

<i>Net income/(expenditure) is stated after charging;</i>		2023	2022
		£'000	£'000
Auditors' remuneration	- Charity	15	13
	- Group	18	16
To entities related to the Auditors (taxation compliance)	- Charity	1	2
	- Group	2	3
To entities related to the Auditors (accounts preparation)	- Charity	-	5
	- Group	-	6
Depreciation			
- Land and Buildings		750	661
- Motor Vehicles		5	9
- Equipment		162	152
- Fixtures and Fittings		22	23
(Loss) / Gain on disposal of investments		161	(36)
Gain / (Loss) on disposal of fixed assets		541	-

### 15 Parent charity results

	2023	2022
	£'000	£'000
Gross income of the parent charity	20,936	16,586
Results of the parent charity	(2,280)	(4,957)
	<u>          </u>	<u>          </u>

Included within the above results are £867k (2022: £2,138k losses) 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	Non- depreciated land and buildings	Assets under construction	Motor Vehicles	Equipment	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>							
At 1 January 2023	25,499	3,472	49	140	1,521	291	30,972
Reclassification	452	(1,924)	(36)	-	-	1,508	-
Additions	-	-	-	-	37	2	39
Disposals	(1,391)	(394)	(4)	(49)	(113)	-	(1,951)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	24,560	1,154	9	91	1,445	1,801	29,060
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>							
At 1 January 2023	12,991	-	-	132	1,183	188	14,494
Reclassification	(375)	-	-	-	-	375	-
Charge for year	750	-	-	5	162	22	939
Impairment	1,014	-	-	-	-	687	1,701
Eliminated on disposal	(1,000)	-	-	(47)	(113)	-	(1,160)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	13,380	-	-	90	1,232	1,272	15,974
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>							
<b>At 31 December 2023</b>	<b>11,180</b>	<b>1,154</b>	<b>9</b>	<b>1</b>	<b>213</b>	<b>529</b>	<b>13,086</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	12,508	3,472	49	8	338	103	16,478
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 2023	18
Additions	1
Disposal	(1)
	<hr/>
At 31 December 2023	18
	<hr/>
<i>Amortisation</i>	
At 1 January 2023	6
Charge for year	1
Eliminated on disposal	(1)
	<hr/>
At 31 December 2023	6
	<hr/>
<i>Net book value</i>	
<b>At 31 December 2023</b>	<b>12</b>
	<hr/>
At 31 December 2022	12
	<hr/>



## Notes (continued)

### 18 Investments – group and company

	£'000	2023 £'000	2022 £'000
<i>Quoted investments</i>			
At beginning of year		16,785	18,977
Additions		7,806	2,862
Disposals at opening or subsequent acquisition value		(7,761)	(2,916)
Unrealised investment (losses) / gains		867	(2,138)
		<hr/>	<hr/>
Total investments		17,697	16,785
		<hr/> <hr/>	<hr/> <hr/>
	£'000	2023 £'000	2022 £'000
<i>Historic cost of investments</i>			
		16,651	15,128
		<hr/> <hr/>	<hr/> <hr/>

Movements in our investment portfolio in the year were caused by a 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)

### 18 Investments – group and company (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>2023</b>	2022
	<b>£'000</b>	£'000
Net assets/(deficiency of assets)	75	55
Turnover	120	114
Result for the year	75	55

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 £55,321 (2022: £50,910) in respect of gift aid from Braehead Enterprises Ltd.

#### Investment Income - Group

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Dividends	496	499	-	-
Bank Interest	37	3	-	-
Gift Aid	-	-	-	-
	<u>533</u>	<u>502</u>	<u>-</u>	<u>-</u>

#### Investment Income – Charity

	<b>Unrestricted</b>	Unrestricted	<b>Restricted</b>	Restricted
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Dividends	496	499	-	-
Bank Interest	38	3	-	-
Gift Aid	55	51	-	-
	<u>589</u>	<u>553</u>	<u>-</u>	<u>-</u>

## Notes (continued)

### 19 Debtors

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Group</b>	<b>Charity</b>	Group	Charity
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Trade debtors	31	31	21	21
Amounts owed by subsidiary undertaking	-	69	-	30
Other debtors	141	139	135	132
Prepayments and accrued income	4,251	4,241	2,288	2,286
	<u>4,423</u>	<u>4,480</u>	<u>2,444</u>	<u>2,469</u>

### 20 Creditors

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Group</b>	<b>Charity</b>	Group	Charity
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Trade creditors	469	469	1,014	1,013
Taxation and social security	286	286	249	249
Accruals	381	378	185	146
Other creditors	83	83	93	93
	<u>1,219</u>	<u>1,216</u>	<u>1,541</u>	<u>1,501</u>

### 21 Financial Instruments

	<b>2023</b>	<b>2023</b>	2022	2022
	<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	17,697	17,697	16,785	16,785

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

### 22 Designated funds

#### 2023

There are no designated funds in 2023.

#### 2022

	Balance	Incoming	Resources	Transfers	Balance
	2021	resources	expended	2022	2022
	£'000	£'000	£'000	£'000	£'000
Dunbartonshire ARRC	1,000	-	-	(1,000)	-
ARRC refurbishment costs	300	-	-	(300)	-
Animal Surgery Fund	31	-	-	(31)	-
Neutering Fund	75	-	-	(75)	-
	<u>1,406</u>	<u>-</u>	<u>-</u>	<u>(1,406)</u>	<u>-</u>
Total designated funds	<u>1,406</u>	<u>-</u>	<u>-</u>	<u>(1,406)</u>	<u>-</u>

In line with the launch of our new 10 year strategy and the review of our operating model, which included a full review of our estates, it was deemed appropriate during 2022 to move previously designated funds to unrestricted general funds.

**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, which are described by the name and geography of the fund name:

**2023 - Group**

	Balance 2022 £'000	Incoming resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	<b>Balance 2023 £'000</b>
Inspectorate	12	101	(85)	-	-	28
Aberdeen ARRC	115	11	(60)	-	-	66
Inverness ARRC	16	-	-	-	-	16
Fishcross ARRC	9	654	(257)	-	-	406
Caithness ARRC	3	-	(3)	-	-	-
Lanarkshire ARRC	208	27	(232)	-	-	3
Glasgow Dog and Cat Home	290	1,021	(1,311)	-	-	-
Education	12	-	(12)	-	-	-
Education – Animal Guardians	15	2	(17)	-	-	-
Education – Animal Behaviour	89	50	(40)	-	-	99
Dundee ARRC	91	-	(81)	-	-	10
Dunbartonshire ARRC Dog Fund	518	-	(18)	-	-	500
Edinburgh & Lothians ARRC	26	-	(17)	-	-	9
Dunbartonshire ARRC	26	-	(26)	-	-	-
Volunteer / Fundraising	2	-	(2)	-	-	-
Temporary Refuge facilities	3	-	(3)	-	-	-
All ARRCs	175	25	(175)	-	-	25
In house veterinary service	1	20	-	-	-	21
Ayr ARRC	10	-	(10)	-	-	-
Pet Aid	-	91	-	-	-	91
Fostering	-	2	(2)	-	-	-
Argyll	325	-	-	-	-	325
	<u>1,946</u>	<u>2,004</u>	<u>(2,351)</u>	<u>-</u>	<u>-</u>	<u>1,599</u>

**Notes** (continued)

**23 Restricted funds** (continued)

**2023 - Charity**

	Balance 2022 £'000	Incoming resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	Balance 2023 £'000
Inspectorate	12	101	(85)	-	-	28
Aberdeen ARRC	115	11	(60)	-	-	66
Inverness ARRC	16	-	-	-	-	16
Fishcross ARRC	9	654	(257)	-	-	406
Caithness ARRC	3	-	(3)	-	-	-
Lanarkshire ARRC	208	27	(232)	-	-	3
Glasgow Dog and Cat Home	290	1,021	(1,311)	-	-	-
Education	12	-	(12)	-	-	-
Education – Animal Guardians	15	2	(17)	-	-	-
Education – Animal Behaviour	89	50	(40)	-	-	99
Dundee ARRC	91	-	(81)	-	-	10
Dunbartonshire ARRC Dog Fund	518	-	(18)	-	-	500
Edinburgh & Lothians ARRC	26	-	(17)	-	-	8
Dunbartonshire ARRC	26	-	(26)	-	-	-
Volunteer / Fundraising	2	-	(2)	-	-	-
Temporary Refuge facilities	3	-	(3)	-	-	-
All ARRCs	175	25	(175)	-	-	25
In house veterinary service	1	20	-	-	-	21
Ayr ARRC	10	-	(10)	-	-	-
Pet Aid	-	91	-	-	-	91
Fostering	-	2	(2)	-	-	-
Argyll	325	-	-	-	-	325
	<u>1,946</u>	<u>2,004</u>	<u>(2,351)</u>	<u>-</u>	<u>-</u>	<u>1,599</u>

**2022 - Group**

	Balance 2021 £'000	Incoming resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	Balance 2022 £'000
Inspectorate	12	-	-	-	-	12
Aberdeen ARRC	106	21	(12)	-	-	115
Inverness ARRC	16	-	-	-	-	16
Fishcross ARRC	7	7	(5)	-	-	9
Caithness ARRC	-	3	-	-	-	3
Lanarkshire ARRC	83	131	(6)	-	-	208
Glasgow Dog and Cat Home	146	144	-	-	-	290
Education	7	7	(2)	-	-	12
Education – Animal Guardians	-	15	-	-	-	15
Education – Animal Behaviour	-	100	(11)	-	-	89
Dundee ARRC	6	85	-	-	-	91
Dunbartonshire ARRC Dog Fund	500	18	-	-	-	518
Edinburgh & Lothians ARRC	14	12	-	-	-	26
Dunbartonshire ARRC	26	-	-	-	-	26
Volunteer / Fundraising	-	2	-	-	-	2
Temporary Refuge facilities	3	-	-	-	-	3
All ARRCs	-	175	-	-	-	175
In house veterinary service	-	1	-	-	-	1
Ayr ARRC	8	2	-	-	-	10
Argyll	-	325	-	-	-	325
	<u>934</u>	<u>1,048</u>	<u>(36)</u>	<u>-</u>	<u>-</u>	<u>1,946</u>

## Notes (continued)

### 2022 - Charity

	Balance 2021 £'000	Incoming resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (losses) £'000	Balance 2022 £'000
Inspectorate	12	-	-	-	-	12
Aberdeen ARRC	106	21	(12)	-	-	115
Inverness ARRC	16	-	-	-	-	16
Fishcross ARRC	7	7	(5)	-	-	9
Caithness ARRC	-	3	-	-	-	3
Lanarkshire ARRC	83	131	(6)	-	-	208
Glasgow Dog and Cat Home	146	144	-	-	-	290
Education	7	7	(2)	-	-	12
Education – Animal Guardians	-	15	-	-	-	15
Education – Animal Behaviour	-	100	(11)	-	-	89
Dundee ARRC	6	85	-	-	-	91
Dunbartonshire ARRC Dog Fund	500	18	-	-	-	518
Edinburgh & Lothians ARRC	14	12	-	-	-	26
Dunbartonshire ARRC	26	-	-	-	-	26
Volunteer / Fundraising	-	2	-	-	-	2
Temporary Refuge facilities	3	-	-	-	-	3
All ARRCs	-	175	-	-	-	175
In house veterinary service	-	1	-	-	-	1
Ayr ARRC	8	2	-	-	-	10
Argyll	-	325	-	-	-	325
	<b>934</b>	<b>1,048</b>	<b>(36)</b>	<b>-</b>	<b>-</b>	<b>1,946</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.

### 24 Analysis of net assets between funds

#### 2023 Group

	Fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Restricted funds	-	-	1,599	1,599
Unrestricted funds	13,098	17,697	5,806	36,601
	<b>13,098</b>	<b>17,697</b>	<b>7,405</b>	<b>38,200</b>
<b>Charity</b>				
	Fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Restricted funds	-	-	1,599	1,599
Unrestricted funds	13,098	17,697	5,729	36,524
	<b>13,098</b>	<b>17,697</b>	<b>7,328</b>	<b>38,123</b>

## Notes (continued)

### 24 Analysis of net assets between funds (continued)

#### 2022 Group

	Fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Restricted funds	-	-	1,946	<b>1,946</b>
Unrestricted funds	16,490	16,785	5,239	<b>38,514</b>
	<u>16,490</u>	<u>16,785</u>	<u>7,185</u>	<u><b>40,460</b></u>

#### Charity

	Fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Restricted funds	-	-	1,946	<b>1,946</b>
Unrestricted funds	16,490	16,785	5,183	<b>38,458</b>
	<u>16,490</u>	<u>16,785</u>	<u>7,129</u>	<u><b>40,404</b></u>

### 25 Operating leases

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

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £'000	2022 £'000
Land and buildings:		
Not later than one year	14	40
Later than one year and not later than five years	42	-
	<u>56</u>	<u>40</u>
Other assets:		
Not later than one year	340	421
Later than one year and not later than five years	432	94
	<u>772</u>	<u>515</u>
Lease payments recognised as an expense in the year	<u>822</u>	<u>747</u>

**Notes** *(continued)*

**25 Operating leases (continued)**

*Operating lease agreements where the Group is lessor*

*Total future minimum lease payments receivable under non-cancellable operating leases are as follows:*

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Land and buildings:		
Not later than one year	5	5
Later than one year and not later than five years	-	-
	5	5
	5	5

**26 Contingent assets**

The Society is aware of 149 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 £39,770 (2022: £35,829) was made by the Society to Braehead Enterprises Limited, a trading subsidiary owned by the Society. This relates to services provided for the subsidiary by the Society. At the end of the year £68,912 was due from Braehead Enterprises Limited (2022: £29,279). Included within investment income of the Charity is £55,321 (2022: £50,910) in respect of gift aid from Braehead Enterprises Ltd.

In addition, the Society paid £340 (2022: £340) for registration fees to the Royal College of Veterinary Surgeons, an entity of which M Donald is a Council member.

In addition, the Society paid £nil (2022: £22,000) recruitment fees to FWB Park Brown Limited, an entity of which W Finlayson is a director.

**28 Ultimate Controlling Party**

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