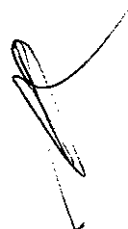


ST ANDREW ANIMAL FUND
(a company limited by guarantee)
Registered Number: 47073

Annual Report and Financial Statements
For the year ended 31 December 1998



ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 December 1998

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Directors

Mr J A M McGrath FBCO DCLP, Chairman
Professor T L S Sprigge MA PhD FRSE, Vice-Chairman
Mr James Ivory B Com CA
Mr C K Mylne BA FRPS
Mrs Eileen Aitken MA
Mr David Martin BA MEP
Dr Jane Goodall, CBE
Ms Rebecca Ford BSc
Ms Heather Petrie
Mrs Shona McManus
Mrs Virginia Hay
Mr D M Dunbar BSc (*resigned April 1998*)

Secretary

Mr Les Ward

Administrator

Mrs M Foster

Accountants and Auditors

Scott-Moncrieff
17 Melville Street
Edinburgh
EH3 7PH

Bankers

Clydesdale Bank plc
10 Queensferry Street
Edinburgh
EH2 4PG

Solicitors

Balfour & Manson
54-66 Frederick Street
Edinburgh
EH2 1LS

Investment Advisor

Stewart Ivory & Company Limited
45 Charlotte Square
Edinburgh
EH2 4HW

Registered office

10 Queensferry Street
Edinburgh
EH2 4PG

Registered Charity No. SC05337

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

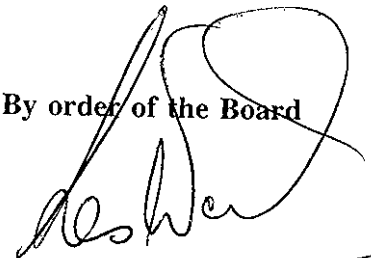
Notice of Annual General Meeting

Notice is Hereby Given that the Twenty-Ninth Annual General Meeting of the Company will be held at 10 Queensferry Street, Edinburgh on 29 April 1999 at 10.00am for the following purposes:

1. To receive and consider the Directors' Report and Financial Statements in respect of the year to 31 December 1998.
2. To elect Directors.
3. To re-appoint Messrs Scott-Moncrieff as Auditors.
4. To transact any other ordinary business of the Company.

A member entitled to attend and vote may appoint another person, whether a member or not, as his proxy to attend and, on a poll, vote on his behalf. Proxies must be lodged at the Company's Registered Office not less than 48 hours before the meeting.

By order of the Board



Les Ward
Secretary

30 March 1999

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Directors' Report

For the year ended 31 December 1998

The Directors have pleasure in presenting their report for the year ended 31 December 1998.

Constitution

The St Andrew Animal Fund was incorporated on 26 November 1969. The management of the Company is the responsibility of the Directors who are elected under the terms of the Memorandum and Articles of Association.

Objectives

The objectives of the Fund are:-

1. To take all appropriate measures for the protection of animals from cruelty and the prevention of the infliction of suffering on animals throughout Scotland and elsewhere.
2. To foster and encourage humane attitudes towards animal life.
3. To advance and encourage humane methods of study and research for the advancement of knowledge in the natural and medical sciences.
4. To organise, encourage or support educational activities designed to create proper understanding and appreciation of animals and wildlife.

To meet these objectives the Fund operates by supporting and encouraging projects in line with these objectives.

Principal Activities

The activities of the Fund over the past year included making grants and awards to further animal welfare projects in Scotland and elsewhere including overseas. A major project was a joint investigation with another animal welfare organisation into the impact of war on wildlife conservation. The Fund was also a founding member of the 'Focus on Alternatives' group, formed to promote the development, acceptance and use of humane alternatives to animals in research.

The Directors consider that the priorities for the charity in the next few years are support for development of non-animal research techniques, funding farm animal and companion animal and wildlife studies to improve welfare and supporting projects which will enhance the welfare of animals.

Financial Information

The Fund experienced an increase in income, notably from donations which included the gift of a house by Dr Enid Marshall. Her generosity is gratefully acknowledged. General expenditure has increased accordingly and a surplus has been recorded.

The accounts have been prepared in accordance with current statutory requirements and the charity's memorandum and articles of association.

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Directors' Report - continued

For the year ended 31 December 1998

Financial Information - continued

The Directors confirm on a fund to fund basis that the Company's assets are available and adequate to fulfil the obligations of the Company.

Taxation

The Fund is a charity and is recognised as such by the Inland Revenue for taxation purposes. As a result there is no liability to taxation on any of its income.

Rotation of Directors

Mrs Eileen Aitken, Mrs Shona McManus and Mr Christopher Mylne retire by rotation and are available for re-election.

Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing those financial statements, the Directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business;

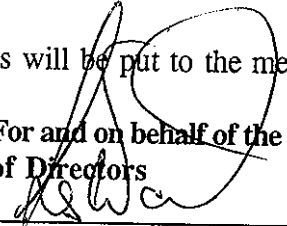
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Scott-Moncrieff Downie Wilson changed their name to Scott-Moncrieff on 1 March 1999 and have signed the auditors' report in their new name.

A resolution to re-appoint Scott-Moncrieff Chartered Accountants as auditors will be put to the members at the annual general meeting.

**For and on behalf of the Board
of Directors**



**Les Ward
Secretary**

30 March 1999

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Auditor's Report to the Members

For the year ended 31 December 1998

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of Directors and Auditors

As described on page 2 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1998 and of its net movement in funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Scott-Moncrieff

SCOTT-MONCRIEFF
Chartered Accountants
Registered Auditor
17 Melville Street
Edinburgh
EH3 7PH

30th March 1999

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

**Income and Expenditure Account and
Statement of Financial Activities**

For the year ended 31 December 1998

	Notes	1998			1998	1997
		Unrestricted Funds (revenue) £	Restricted Funds £	Endowment Funds £	Total £	Total £
Incoming resources						
Income from investments		31,233	-	-	31,233	32,833
Donations and legacies		79,115	-	-	79,115	38,677
Rental income		10,900	-	-	10,900	11,500
Trading activities		-	-	-	-	19
Interest received		2,982	133	-	3,115	2,216
Other income		-	-	-	-	555
LWC Exhibition 1997		-	-	-	-	12,559
Total income		<u>124,230</u>	<u>133</u>	<u>-</u>	<u>124,363</u>	<u>98,359</u>
Resources expended						
Direct charitable expenditure:						
Grants awarded	11	39,390	-	-	39,390	18,224
Other charitable expenditure		43,246	287	-	43,533	58,265
	11	<u>82,636</u>	<u>287</u>	<u>-</u>	<u>82,923</u>	<u>76,489</u>
Other expenditure						
Fundraising costs	11	7,661	-	-	7,661	7,782
Administration costs	11	6,354	-	-	6,354	2,449
Publicity cost	11	6,290	-	-	6,290	7,454
		<u>20,305</u>	<u>-</u>	<u>-</u>	<u>20,305</u>	<u>17,685</u>
Total resources expended		<u>102,941</u>	<u>287</u>	<u>-</u>	<u>103,228</u>	<u>94,174</u>
Net incoming/(outgoing) resources		21,289	(154)		21,135	4,185
Transfer between funds		(21,289)	196	21,093	-	-
Net incoming/(outgoing) resources after transfers		-	42	21,093	21,135	4,185
Realised gain/(loss) on investments		-	-	5,390	5,390	13,363
Surplus/(deficit) for year		-	42	26,483	26,525	17,548
Unrealised gain on investments		-	-	28,093	28,093	73,939
Net movement in funds		-	42	54,576	54,618	91,487
Fund balances at 1 January 1998		-	3,868	781,547	785,415	693,928
Fund balances carried forward at 31 December 1998		<u>-</u>	<u>3,910</u>	<u>836,123</u>	<u>840,003</u>	<u>785,415</u>

All activities of the Company relate to continuing operations.

The notes on pages 6 to 11 form part of these financial statements

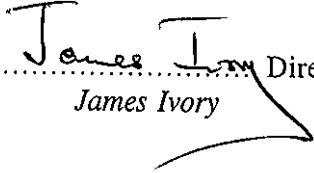
ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Balance Sheet

As at 31 December 1998

	Notes	£	1998 £	£	1997 £
Fixed assets	4		111,056		114,864
Investments	5		662,244		623,040
Current assets					
Stock	6	235		235	
Debtors	7	9,587		5,805	
Cash at bank and in hand		74,508		50,493	
			<u>84,330</u>	<u>56,533</u>	
Creditors : Amounts falling due within one year	8	(17,597)		(9,022)	
Net current assets			66,733		47,511
Total assets			<u>840,033</u>		<u>785,415</u>
Funds					
Unrestricted funds			-		-
Restricted funds	9 & 10	3,910		3,868	
Endowment funds	10	836,123		781,547	
			<u>840,033</u>		<u>785,415</u>

The financial statements were approved by
the Directors on 30 March 1999


James Ivory Director

The notes on pages 6 to 11 form part of these financial statements

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 December 1998

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards in the United Kingdom and Statement of Recommended Practice: Accounting by Charities.

Fixed assets

Fixed assets are included in the balance sheet at cost less accumulated depreciation.

Depreciation

Depreciation is provided in the year in which the fixed assets are purchased. Depreciation is calculated so as to write off the cost less residual value of each asset evenly over its expected useful life at the following rates:-

Vehicles	25%
Equipment	20%
Fixtures and fittings	20%

Stocks

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

Investment income

Investments have been included in the balance sheet at market value.

Income from investments is credited to the income and expenditure account in the year it is received.

Pensions

The Fund operates a defined contribution pension scheme the assets of which are held in a separately administered fund. Contributions are charged to the income and expenditure account in the year in which they are incurred.

Legacies

Legacies are credited in the year in which they are received.

VAT

The Fund is not registered for VAT and accordingly expenditure includes VAT where appropriate.

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Notes to the Financial Statements - continued

For the year ended 31 December 1998

1. Accounting policies - continued

Expenditure

Expenditure is charged against revenue in the year in which it is incurred. Where possible, expenses are attributed directly to the function to which they relate. Where this is not possible, they are apportioned among the functions to which they relate.

Share capital

The Company is limited by guarantee and therefore has no share capital.

Charitable contributions

Charitable contributions are charged against the income and expenditure account when paid.

Cash flow statement

The Company is exempt from preparing a cash flow statement in compliance with the Financial Reporting Standard No 1.

2. Staff numbers and costs

	1998	1997
	£	£
Wages and salaries	21,862	20,830
Pension costs	3,905	1,783
	<hr/> 25,767	<hr/> 22,613
	<hr/>	<hr/>
	Number	Number
The average weekly number of employees during the year was:-	<hr/> 2	<hr/> 2

No Directors received remuneration or expenses during the year.

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Notes to the Financial Statements - continued

For the year ended 31 December 1998

3. Charitable activities	1998 £	1997 £
Charitable grants and donations	39,390	18,224
Other charitable expenditure (see note 11)	43,246	58,265
	<hr/> 82,636	<hr/> 76,489

During the year the following grants and donations were authorised:-

	1998 £
ATLA Abstracts	500
Highland Wildlife Hospital Trust	200
Volunteers in Research and Testing	3,000
Lothian Cat Rescue, Bonnyrigg	1,000
Banff and Aberdeenshire Rescue and Rehoming Kennels	500
Muirhouse Animal Fund	500
Pet Care Network, Edinburgh	500
Captive Animals Protection Society, Blackpool	1,000
The Sanctuary, Morpeth	1,000
Only Foals and Horses Sanctuary	500
Greek Cat Welfare Society	1,000
Llyn Cat and Kitten Rescue, Gwynedd	500
Cat Register and Rescue, Falkirk	500
Hessilhead Wildlife Rescue Trust	1,500
Last Chance Animal Rescue, Edenbridge	500
Lifeline Dog Rescue	500
VIVA	1,000
Farm Animal Care Trust	1,000
Kay Farmer	2,500
Animal Responsibility, Cyprus	212
Tinto Kennels, Biggar	2,500
Douglas Houghton Memorial Fund	10,000
Mr Ian Redmond	10,000
Mrs Ruth Harrison	832
Others	146
	<hr/> 41,390
Grants withdrawn during year	(2,000)
	<hr/> 39,390

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Notes to the Financial Statements - continued

For the year ended 31 December 1998

4. Fixed assets

	Heritable Property £	Motor Vehicles £	Equipment £	Fixtures & Fittings £	Total £
Cost					
At 1 January 1998	100,000	15,786	22,945	235	138,966
Additions	-	-	2,033	-	2,033
Disposals	-	-	-	-	-
At 31 December 1998	100,000	15,786	24,978	235	140,999
Depreciation					
At 1 January 1998	-	3,947	19,920	235	24,102
Charge in year	-	3,947	1,894	-	5,841
On disposals	-	-	-	-	-
At 31 December 1998	-	7,894	21,814	235	29,943
Net book value					
At 31 December 1998	100,000	7,892	3,164	-	111,056
At 31 December 1997	100,000	11,839	3,025	-	114,864

No depreciation has been provided on the property as in the opinion of the Directors none is necessary. This is contrary to Statement of Standard Accounting Practice No. 12.

Property consists of offices at 10 Queensferry Street and a garage at 22 Learmonth Terrace Lane and was revalued on 31 December 1996 by the directors.

5. Investments

Listed investments on UK Stock Exchange

	1998 £	1997 £
Market value at 1 January 1998	623,040	557,827
Less: disposals at opening market value (Proceeds £96,645 gain £5,390)	(91,255)	(66,164)
Add: additions at cost	102,366	57,438
Net gains on revaluation at 31 December 1998	28,093	73,939
Market value at 31 December 1998	662,244	623,040
Historical cost	395,460	367,267

ST ANDREW ANIMAL FUND
(a company limited by guarantee)

Notes to the Financial Statements - continued

For the year ended 31 December 1998

6. Stock	1998 £	1997 £	
Goods for resale	235	235	
7. Debtors	1998 £	1997 £	
Sundry debtors	638	1,033	
Taxation recoverable	8,949	4,772	
	9,587	5,805	
8. Creditors : Amounts falling due within one year	1998 £	1997 £	
Grants payable	12,000	4,000	
Accruals	5,597	5,022	
	17,597	9,022	
9. Restricted Funds	1998 Status of Animals £	1997 Status of Animals £	
Opening balance 1 January	3,868	3,868	
Incoming	133	-	
Outgoing	(287)	-	
Transfers	196	-	
Balance at 31 December	3,910	3,868	
10. Analysis of Net Assets between Funds	Restricted Funds £	Endowment Funds £	Total £
Fixed assets	-	111,056	111,056
Investments	-	662,244	662,244
Net current assets	3,910	62,824	66,733
	3,910	836,124	840,033

ST ANDREW ANIMAL FUND

(a company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 December 1998

11. Income and Expenditure Account and Expenditure Allocation

	1 9 9 8				1 9 9 7			
	Fund raising costs		Admin costs		Fund raising costs		Admin costs	
	£	£	£	£	£	£	£	£
Investment income		31,233						
Interest on deposit		2,982						
Book sales and royalties		-						
Donations and legacies		79,115						
Rent		10,900						
LWC Exhibition 1998		-						
Miscellaneous income		-						
		<u>124,230</u>						
Charitable contributions	39,390				18,224			
Salaries (note 2)	21,862				20,830			
Pension contributions (note 2)	3,905				1,783			
Rates and insurance	2,014				2,073			
Heat, light and cleaning	3,252				2,895			
Repairs and renewals	2,585				3,119			
Telephone	972				737			
Printing, stationery and video library	1,777				1,537			
Advertising	2,512				2,429			
Investment and advisory services	5,365				4,729			
Administration charge	4,750				4,750			
Audit remuneration - audit fee	2,497				2,468			
- other services	1,824				1,586			
Legal fees	-				118			
Motor expenses	1,389				-			
Travelling expenses	1,426				2,152			
Sundry expenses	418				650			
Net bank interest/charges	371				-			
Exhibition expenses	496				482			
Depreciation	5,841				142			
Miscellaneous	27				-			
Education - Video	268				-			
LWC Exhibition 1997	-				-			
Gain/(loss) on sale of fixed asset	-				-			
		<u>102,941</u>						
		7,661	6,354	6,290	7,782	2,449	7,454	76,489
		<u>21,289</u>						
Operating surplus/(deficit) for year								