



Annual Report & Accounts 2015





Trustee's report

Founded in 1927, Cats Protection is the UK's leading feline welfare charity.

In 2015 we helped almost 200,000 cats and kittens (2014: 205,000) through our national network of over 250 volunteer-run branches and 32 centres.

That's the equivalent of helping over 500 cats a day.

Our vision is a world where every cat is treated with kindness and an understanding of its needs.

Our values

- Cats and their welfare are at the centre of everything we do
- We never put a healthy cat to sleep
- We value and respect our volunteers, supporters and staff
- We are committed to providing a high-quality service
- We are open and honest

We have four strategic aims to help us help more cats

- 1** We will significantly increase awareness of Cats Protection and our work.
- 2** As the leading authority on cats we will help people better understand their needs in order to improve the welfare of all cats.
- 3** We will help to reduce overpopulation of cats:
 - through targeted neutering campaigns and education
 - by directing more resources to the promotion of early neutering
 - by doing more research and gathering better data on the impact of our neutering work
- 4** We will home more cats until our work on information, education and neutering reduces the long-term need for homing.

In the longer term our work will ensure that there will be fewer cats needing our help.

Helping us to get there

- We will significantly grow income and manage our funds to enable us to help more cats, now and in the future
- We will speak up for cats and represent their interests
- We will increase the extent and effectiveness of our collaboration with animal welfare charities and other organisations, for the benefit of cats

This report covers the period 1 January 2015 to 31 December 2015 and was approved by the Trustee on 7 April 2016.

Chairman's report

*An introduction from Heather McCann,
Chairman*

In 2014 we undertook a major review of the charity's strategy and in 2015 we agreed plans for implementing that strategy. We remain true to our vision and values, and our main activities continue to be education and information, neutering and homing. However, one important addition included in our strategic aims is increasing awareness of Cats Protection and our work and by drawing attention to our work it will help us to help more cats. We believe these activities will improve the welfare of cats by helping people understand their needs.

I'm pleased at the results we're already seeing from the first year of implementing the strategy. We're starting to reach new audiences with our welfare messages which aim to ensure a better future for cats and we're increasing our neutering presence in communities. We're also continuing to find homes for cats in need and part of this is the development of new centres and the vital ongoing support and development of our volunteer-led branches, who currently carry out two thirds of our cat work. Without their continued support our charity simply would not function so successfully and I would like to thank each and every volunteer who so generously gives us their time and commitment.

Thank you also to everyone who supports the charity, whether that's donating or raising funds for our work, adopting a cat, or sharing a Facebook post. Together, you make a huge difference and allow us to help more cats in need.



Heather McCann, 7 April 2016

Chief Executive's report

*An introduction from Peter Hepburn,
Chief Executive*

Cats Protection is in a strong position. We have a solid financial base, we have growing numbers of supporters - both donors and volunteers - and most importantly we have the ambition to do more, to do better for the cats we care so much about. Our amazing charity helps the equivalent of over 500 cats every single day and we are delighted that our new Mitcham Homing Centre helps to expand our cat work. It homed 226 cats in the first few months after it opened.

Every day we are telling people more about our work. We are building awareness for the charity in communities across the UK by creating new branches and developing our existing ones, planning centres and advertising the great work we do so that Cats Protection becomes the first choice for people looking for a cat.

The combined effort of every donor, supporter, member, volunteer and staff member is vital to our success on behalf of all cats in the UK. I'm excited about moving ahead and working towards a better world for cats.



Peter Hepburn, 7 April 2016



Performance against our strategic aims

Increasing awareness

Our strategy acknowledges that education and information for adults and children about cat welfare are essential to achieving our vision, so we have increased our emphasis on this part of our work.

Our national media campaigns helped to raise awareness of Cats Protection and the work we do. Our older cats campaign, for example, encouraged the adoption of older cats and highlighted that they take five times longer to home than kittens. We received some great national and regional coverage for the campaign including *The Sun*, *The Telegraph*, the *Sunday Express* and *Sunday People*, reaching over 12 million people. A video produced for the campaign reached 1.8 million people. The campaign also helped find a new home for one of our oldest cats, Pops, who was featured in the national story.

Meanwhile, our Feline Friend or Foe campaign helped cat owners to understand whether or not their cats get on. Our fun animation was watched over 300,000 times and articles appeared in the *Sunday Express* and the *Scottish Sunday Express*.

Across the country, week after week, we take part in shows, exhibitions and events, ranging from national shows to local fêtes and fairs.

We have five Community Education Officers who support our branches, adoption centres and our team of education volunteers to give talks to children and adults in school and community groups. We also work with other charities and local authorities to deliver our messages to a wide audience. We ran workshops for children in deprived urban areas at community project days in Methyr Tydfil, South Wales and at community events run by Leeds City Council over the summer. In addition, we developed a programme of workshops to be run over two six-week periods for local children from deprived areas of North West England, in partnership with Bolton Council and our Atherton & Wigan Metro Areas Branch.

In 2015, our 141 volunteer speakers (2014: 110) gave 1,142 talks (2014: 561) to 35,019 adults and children (2014: 15,761). Children and young people will be the cat owners of the future and by building their knowledge of cat welfare we can make the world a better place for cats.

We targeted specific audiences to raise awareness of cat welfare issues. Our Teignbridge & Totnes Branch, for example, ran a proactive campaign targeting local farmers to encourage them to neuter feral cats before their numbers got out of control. They distributed posters at local livestock markets, animal feed suppliers and agricultural machinery businesses.

We continued to “Speak up for cats” and campaign for change through our advocacy initiatives, working with and influencing politicians and decision makers across the UK and in the EU to create a better world for cats.

We continued to invest in digital activity to reach more people with homing and welfare messages. Our online rehoming service, Find-a-cat, allows members of the public to view cats in our care currently available for homing. Our Find-a-cat advertising campaign on TV and online saw search volumes rise from 2,270 in 2014 to 9,150 in 2015. Similarly, Find-a-cat enquiries rose from 7,086 by the end of 2014 to 29,159 during 2015. The advertising also featured targeted messages to help with homing older cats.

We launched a new homing tool, Find-a-home, which allows our branches to email a list of the cats in their care to local people who have expressed an interest in adopting a cat.

Our online following continued to grow: ‘likes’ on our national Facebook page increased to over 350,000 (2014: 200,000) and our national Twitter account had over 70,000 (2014: 53,000) followers by the end of the year. We have a regional social media following too, with over 200 of our branches,

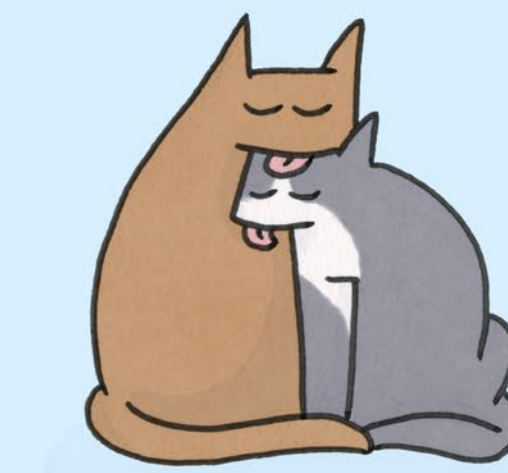
shops and adoption centres having a Facebook presence. Our branch, adoption centre and national websites combined had over 77 million page views (2014: 37 million) by over 3 million users (2014: around 2.7 million) and our *Meow!* blog had over 193,000 page views throughout the year (2014: 77,000).

We developed a strategy for using online video sharing website YouTube to deliver increased awareness of the Cats Protection brand and to help us establish ourselves as one of the key providers of high-quality cat videos.

National Black Cat Day, our annual celebration of monochrome moggies on social media was bigger than ever in 2015, with our video titled ‘Five misconceptions about black cats’ reaching 3.8 million people and our hashtag #BlackCatDay trending as one of the most popular topics on Twitter. Sadly, black cats are often overlooked when in our care so we’ll continue to champion them and find them homes.

We have continued to invest in the ongoing development of Cat Match, our app for mobile devices, in response to feedback from users of the game. Cat Match is a game designed for mobile devices in which players run a virtual adoption centre. The app is essentially a form of advertising which helps to raise awareness of our work with new audiences.

To continue to build the Cats Protection brand, we further developed our online system which enables branches and adoption centres to use a range of branded templates to develop their own for adverts and promotional materials to raise their profiles, ensuring that we present a consistent high-quality visual identity throughout the UK.





Helping people understand cats' needs

We began developing an overarching welfare strategy which will influence how we talk to people about cats and their needs, and how we treat our cats in care, because as a species they are very misunderstood. The strategy will be launched in 2016.

Working closely with the veterinary profession is vital to our charitable aims. We continued to develop our relationships with veterinary schools through giving lectures and arranging visits for students from the Universities of Nottingham, Bristol, Glasgow and Surrey to our adoption centres so they understand the challenges faced by charities. We took placements from students at the National Cat Centre's vet clinic who submitted reports for our Veterinary Student Awards.

We continue to work with the public to dispel the myth that cats should have one litter; there is no evidence to suggest that having one litter of kittens is beneficial. We also continue our work educating vets that the age at which we should routinely neuter cats should be around four months of age – before they reach puberty.

We spoke to vets working with rehoming charities to raise the profile of shelter medicine, which focuses on the health and welfare of animals in shelters or adoption centres. We were also involved in writing the first British textbook on shelter medicine which will be published in 2016.

We are developing targeted advertising with the aim of educating hard-to-reach audiences, such as those who might be more likely to buy a cat rather than adopt one, to raise awareness of important cat welfare messages.

We continue to educate the public on cats' needs through our national Helpline, where we introduced improved technology that enabled us to develop a network of home-based volunteers to handle calls. All skilled in customer service, the team uses online guidance software so they have instant access to accurate information. This innovative approach to running the Helpline has significantly helped to reduce the number of missed calls. Our Helpline handled over 38,000 calls and emails (2014: 32,000) and the team donated around 4,000 hours (2014: 1,400 hours).

Cat welfare is at the heart of what we do. A number of cat cafés have opened in recent years and we believe this type of environment is not suitable for domestic cats. Domestic cats have evolved as solitary animals and it is likely that some or all of the cats involved will become stressed as a result of being in a confined space with a continually changing group of visitors. We have expressed our concerns about cat cafés in the media.

Reducing overpopulation of cats

We will reduce the overpopulation of cats:

- through targeted neutering campaigns and education
- by directing more resources to the promotion of early neutering
- by doing more research and gathering better data on the impact of our neutering work

We run the largest single-species neutering programme in the world and in 2015 we neutered 159,000 cats and kittens including 19,000 feral cats (2014: 163,000 cats including 22,000 ferals). A feral cat is one that has not had adequate positive contact with humans as a young kitten and as a result will always remain fearful of people. They are not tame but live and act like wild animals. We run programmes of trap, neuter and return, or relocate if there is no possibility of returning to their original site, to control feral colonies.

As kittens can reach sexual maturity and become pregnant from four months, we recommend that owned kittens are routinely neutered at four months of age. The key to preventing more unplanned litters of kittens being born is to make neutering at this age the 'norm' for pet cats. The procedure can be performed earlier and kittens in our care may be neutered soon after their first

vaccination at eight weeks of age. We know we cannot achieve this without the help of vets, so we work closely with the veterinary profession. In 2015 we successfully recruited 100 Kitten Neutering Champions, who are vets that have volunteered as mentors for other vets to champion the kitten neutering message. We also wrote a feature for professional journal the *Veterinary Record*. We also updated *The Veterinary Guide*, a guide we issue to vets explaining our policies and ways of working, to include further information for vets on kitten neutering.

One cat that unfortunately wasn't neutered in time was Pickle (formerly Grace), who was still a kitten herself when she became pregnant at around five months old. She was seven months old when she came into the care of our Northampton Branch heavily pregnant. Following the birth of her litter, she became very ill with mastitis. Thankfully, after dedicated veterinary care she recovered and has found a new home. Diana Johnson, a volunteer at the branch says: "Pickle's story shows just how important it is to neuter cats from four months of age. Neutering has many health benefits and helps to reduce the number of unwanted cats in the UK."

We have been working with other charities under the umbrella of the Cat Population Control Group to maximise the effectiveness of cat neutering through collaboration on research, joint projects and coordination of activities. The group has been working to provide a 'one stop shop' for vets who are already neutering from four months or are keen to introduce four-month neutering. As part of this activity, we launched the Kitten Neutering Database (KiND) microsite and 'rebranded' our Early Neutering Register. KiND is a resource for vets where they can find scientific evidence supporting four-month neutering and videos which demonstrate and talk them through the surgery. In 2015, 146 vet practices joined KiND, meaning at the end of 2015 there were 1,322 practices on our database, which is one quarter of all registered veterinary practices.

We have five Community Neutering Officers who focus on community engagement, aiming to set up new neutering campaigns, make inroads into targeting harder-to-reach audiences, recruit volunteers as champions of neutering messages within communities and for Trap, Neuter & Return (TNR) work. Projects and campaigns will be mostly targeted in urban areas where deprivation is high and reports of feral and 'community cat' colonies are increasing, which often involve working with other agencies.

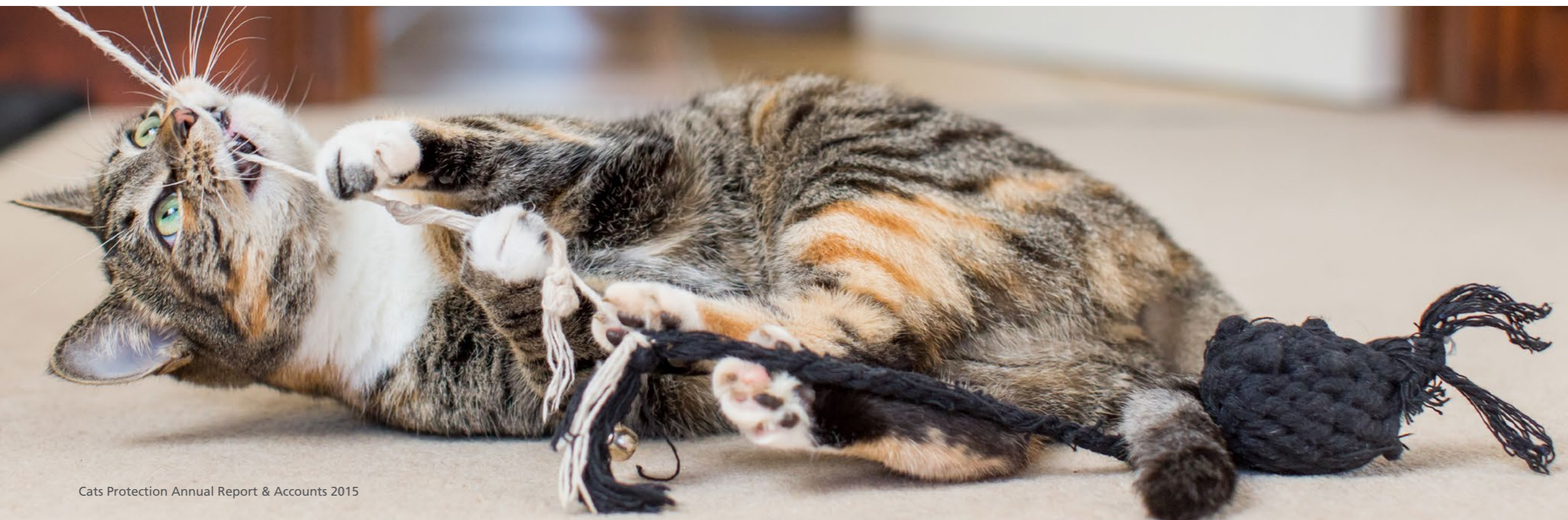
We're funding two Masters degree students at the University of Bristol, who are undertaking projects looking at barriers to neutering voucher redemption and assessing the effectiveness of our East Midlands neutering campaign.

Throughout 2015 we contributed to a number of collaborative initiatives with the RSPCA, including a scheme with their Kent North West Branch which provides subsidised neutering to people living in certain postcodes. A campaign offering subsidised neutering in North Wales was run collaboratively with RSPCA branches from February to April. We continued a Swansea campaign with the RSPCA Llys Nini branch which allowed eligible owners to get their cat neutered, microchipped and flea/worm treated for just £5.

We continued collaborating with the PDSA on a joint neutering scheme and continued to run our Protect Your Pet events in Wales, where owners can bring their cats for health checks, de-fleaing and de-worming, microchipping and neutering vouchers.

In London, we are members of the C4 Consortium, which together with other animal welfare charities and veterinary practices provides free neutering to eligible cat owners and delivers messages to the community to dispel myths about neutering.

Pickle has now been neutered and is enjoying life in her new home



Rehoming cats

In 2015 we rehomed 44,000 cats (2014: 45,000). The decrease is partly due to temporary closures at some of our adoption centres due to major refurbishments which limited our ability to rehome as many cats. In addition, we experienced a decrease of around 13 per cent in kittens being admitted to, or born in, our centres. In general, kittens find their new home quicker than older cats. We are confident that our developments and plans for new homing centres will allow us to home even more cats, with even better welfare and lower costs in the future.

Pops was just one of those lucky cats we found a home for in 2015. She was found abandoned by the side of a road in Radstock, near Bath. Worried she had been struck by a car, a passer-by rushed Pops to vets who found she was nearly blind. Overlooked time and time again because of her 'scary' eyes, 19-year-old Pops was adopted from our Midsomer Norton & Radstock Branch following national media coverage and over 200 offers of a home. Her new owner said: "When I saw the story about Pops in the paper I couldn't believe someone hadn't snapped her up already. I wasn't put off by her eyes and health problems. We think she is adorable, she is warm and cuddly and settling in well."

To help us find homes for even more cats in need, we're opening new adoption centres and working on ways to reduce the opening and running costs so we can develop at a much greater rate than in the past. Alongside these plans, we will be creating new volunteer-run branches based on the identified need in locations across UK.

We've invested in branch development roles to plan, recruit and induct volunteers and get each new branch off the ground.

In July 2015, we opened a homing centre in Mitcham, south London. The centre is the first to be built in a leasehold property under a unique flexible-building model which allows the internal structure to be moved to another leased building if necessary. As well as rehoming cats, the Mitcham Homing Centre will become a regional focal point for Cats Protection and other animal welfare organisations in the area to work together to tackle cat welfare issues in south west London. The centre will not only provide a host of volunteering opportunities to help local people develop their skills and experience but also provide cat welfare education programmes which will be open to schools and other youth and community groups, reinforcing the benefits of responsible pet ownership.

We've invested in rebuilding or refurbishing adoption centres in Haslemere, Evesham, York, Newbury and Bredhurst. The projects involved replacing the old pens with the latest walk-in style pens, upgrading ancillary facilities and improving welfare facilities for cats, volunteers and staff. We're also working on plans to open an adoption centre in Tyneside.

In addition, we're becoming more visible and have plans to locate new adoption centres and satellite centres in easily accessible locations. Satellite centres have a small number of pens for ready to home cats. Satellites will be linked to a nearby adoption centre and will be in locations identified as



After being missing for 18 months, Phoenix was reunited with his family

having high footfall, such as garden centres or shopping villages, to reach even more people.

In 2015, we laid the foundations of a new partnership with the Donkey Sanctuary which will see a new satellite homing facility for Cats Protection at their site in Sidmouth, Devon. Likewise, we will be looking after donkeys at our National Cat Centre in Sussex, attracting new visitors to the site who might then consider adopting one of the cats in our care.

As well as our online and TV rehoming adverts, we're researching virtual opportunities to promote cats and Cats Protection to the public in order to increase the number of cats rehomed. We're developing online videos and investigating the live streaming of cats in our care online and through TV screens in our shops and in vet practices, which is another way of reaching wider audiences and encouraging them to think about adopting from us.

During the year, we undertook research to better understand the motivations and attitudes towards adopting a rescue cat. The findings will help us in planning future projects and advertising.

As well as rehoming cats, we also help to reunite lost ones with their families. In 2015, we reunited 3,000 cats (2014: 3,000). Ten-year-old Phoenix, who had been missing for 18 months, was found by his owner when she visited our Derby Adoption Centre in search of a new pet. Although Phoenix was still registered to his owner with a microchip, the family had since moved home and since his details had not been updated, the adoption centre was unable to get in touch. The owner's five-year-old son Ronnie noticed Phoenix straight away, cheering with excitement at the sight of his 'best friend'. "He was purring as soon as we went over to him and it was amazing to be able to hold him," said the cat's owner, Michelle. This lucky reunion reinforces the importance of microchipping – and ensuring contact details are kept up-to-date.

Helping us to get there

Growing income and managing funds

We would like to take this opportunity to express our sincere thanks to all the caring and generous cat lovers who currently support us with their donations, which have a significant impact on improving the lives of cats that desperately need our help.

Our recent investment in fundraising is proving very successful, enabling us to invest new money into our work, so Cats Protection is now at a stage where we can grow to help more cats than ever before. The investment has helped our fundraising income grow by 26 per cent in 2015 (2014: 11.4 per cent).

We work with fundraising agencies to recruit cat lovers to become sponsors or take part in our weekly lottery, which enables us to work to a scale we would not be able to achieve in-house. This means that more money can go directly towards caring for cats in need of our help. We have a number of controls in place to try to ensure that the trust and confidence of the public and potential donors are maintained. The agencies we use are contractually obliged to follow our policy on vulnerable people and all donors are given every opportunity to opt out if they no longer wish to take part.

As members of the Fundraising Standards Board we follow the Institute of Fundraising's Code of Fundraising Practice and abide by all data protection legislation. Campaigns are a big part of fundraising and our team spends a lot of time planning, testing and analysing the best way to approach and engage with our supporters.

Our supporters have been very generous this year and we've seen rapid growth in the number of people giving to Cats Protection regularly – we now have over 100,000 people regularly donating via Direct Debit. Face-to-face fundraising is one of the most successful ways of finding new donors to support our cause and in 2015 we raised over £4m in this way to help the cats in our care.

Our cat sponsorship scheme has over 40,000 sponsors (2014: 30,000), and over 25,000 people are now playing our weekly lottery (2014: 13,000).

In 2015, 1,790 people pledged to leave a gift to Cats Protection in their will (2014: 1,870), which can help change the lives of thousands of cats and kittens for years to come, and our free Cat Guardians scheme saw 1,330 people register in 2015 (2014: 800). This service offers reassurance to cat owners that in the event of their death, we will give their cats all the love and care they need until we can find them a new home.

We expanded our network of shops from 75 to 89, as a step towards our plan to open 200 by the end of 2020. We have reviewed our approach to how and where we set up our shops, giving us a better presence on the high street in order to generate income and increase awareness of Cats Protection and our work. Our shops will also allow branches and centres to profile the cats in their care to a wider audience; this will often take the form of virtual homing screens in our shops, advertising local cats available for rehoming.

Our new shops boast a consistent, contemporary design and are located in more high-profile positions within towns. We've seen shop opening sales increase by 118 per cent in the first week compared to previous shop openings. Our new 'Catitude' shop in Bewdley, Worcestershire opened in December as a boutique selling premium and designer labels and made over £1,500 in its first weekend.

Gabby Hartigan-Jeremiah is a volunteer at our new flagship shop in Eastbourne. "I started volunteering for Cats Protection because I love working with people," she said. "My cats passed away and I wanted to do something in their memory. There are lots of positive comments from customers and there's never a dull moment!"



As well as opening new shops, we're maximising the potential of our existing shops by offering support, training and development opportunities for our volunteers. We fully refurbished two shops in 2015.

We have launched a new portfolio of international fundraising challenges, including a Great Wall of China walk and a Zambezi River canoe volunteering project in 2016. We took part in more challenge events, including an abseil of the Avon Gorge, a zip wire challenge in the North East and six people ran the London Marathon on behalf of Cats Protection. Brave cat-lover and volunteer 70-year-old George Russell scaled new heights to raise money for Cats Protection. He abseiled 160ft down the sea walls of the Avon Gorge and generated over £300 for our Swindon Branch. "Why did I do it? I'm mad!" said George. "I had never done an abseil before and it sounded like a challenge."

Thank you to our corporate partners, including Pets at Home and Support Adoption For Pets, for their ongoing support. Our third fundraising weekend with Support Adoption For Pets across all Pets At Home stores took place in February 2015. Over 125 Cats Protection branches and adoption centres worked with Pets At Home stores and raised more than £53,000. Together with the proceeds from the fundraising weekends in 2013 and 2014 we have now raised more than £120,000. We also continue to be supported through Pets at Home's Very Important Pets Club (VIP Club). During 2015, we received £49,500 in grants for projects from Support Adoption For Pets. Our branches and adoption centres also received over £54,000 in donations from bi-annual fundraising drives.

Thank you to *Simon's Cat* for their continued support in 2015 and for kindly granting us use of a *Simon's Cat* design for the pin badge at our Pets at Home fundraising weekend. Thank you to PURINA® for their continued support of our branches and adoption centres through the provision of subsidised food and for their support over the last 10 years through the World of Felix token scheme.

Thank you also to Ceva, who continue to support us through sales of their Feliway® diffuser and Magpie homeware brand who donate a portion of all their website orders to us. Thank you to the many others who support our work through corporate partnerships.

We work closely with pet insurance company Petplan, who provide owners with free insurance cover for the first four weeks after a new CP cat is homed with them. Adopters have the opportunity to continue their insurance cover and support Cats Protection at the same time through the commission we receive on new policies and renewals. Each year we receive about £500,000 this way.

We've been working with our partners to talk to their customers about our work. Thank you to MedicAnimal who promoted our Manifesto for Cats on their website and Facebook page and sent an e-newsletter of the manifesto priorities to their customer base of over 500,000 people. They also supported us by promoting some of our key fundraising messages such as our cat sponsorship scheme.

We released a strategy for our adoption centres and branches which outlines how social media can be used to reach and inform supporters by providing information on cat care and welfare, promoting neutering and encouraging rehoming. It also provides an opportunity to generate income for our branches and adoption centres. Fundraising is essential to help us achieve our charitable aims and social media is ideally placed to reach and attract younger donors in order to achieve longer-term sustainability.

Seventy-year-old George Russell bravely abseiled 160ft to help cats in our Swindon Branch



Speaking up for cats

A highlight of 2015 was our advocacy work around the General Election in May, putting cat welfare on the political agenda. We launched our Manifesto for Cats to an audience of MPs, other charities and professional organisations in the House of Commons. We unveiled the manifesto at a reception hosted by Neil Parish MP, Chair of the EFRA (Environment, Food and Rural Affairs) Committee and supported by Petplan. The event was attended by 40 MPs and Lords including the then Minister for Animal Welfare, Lord de Mauley,

and the then Shadow Minister, Angela Smith MP. The manifesto comprises 10 issues of longstanding concern to Cats Protection and the aim is to keep cat welfare issues high on the political agenda. The launch generated significant media coverage in *The Times* and *The Independent* and over 1,000 letters were written by the public to MPs in support of the manifesto. The print and online press coverage reached 25 million people while our manifesto video was viewed 45,000 times.



Photo: Philippa Gedge Photography

Currently, there is no legislation in the UK specific to the breeding of cats for sale and we're concerned about kittens sold under poor conditions, for example, if they are underage or unwell. We conducted a survey of 150 of our branches who collected evidence of breeding of kittens for sale. We worked with the Canine and Feline Sector Group (CFSG) to prepare a report looking into what is known – and what is not known – about the breeding and sale of cats, with an emphasis on kittens. We led a working group including Battersea Dogs & Cats Home, RSPCA, PDSA, Wood Green Animal Rescue, Blue Cross and the British Veterinary Association. The findings will form the basis of future discussions with government on the topic and we shall also be raising this issue in Scotland, Wales and Northern Ireland ahead of the devolved elections in May 2016.

Our parliamentary work included briefing MPs on areas of concern and raising parliamentary questions on topics including the importation of kittens, air gun attacks and the microchipping of cats in Scotland. We worked with Lord Black to introduce, for the second time, a Private Members' Bill proposing regulation of cat breeding in order to tackle the welfare problems often associated with unscrupulous breeders driven by profit motives.

We submitted responses to Government consultations on the 2021 census proposing a new question on pets in households, which would give us better data on the population of owned cats in England and Wales.

We helped to update the Code of Practice for the Welfare of Cats, which came out as guidance under the Animal Welfare Act 2006. The document explains the duty of care on pet owners to ensure they care for their animals properly.

We offered representation and shared information at the Scottish and Welsh animal welfare cross-party groups and gave input into a review of the Welfare of Animals Act (NI) 2011.

At European level we supported the Protect our Pets campaign launched by Eurogroup for Animals and backed their proposals to ensure all breeders and sellers of pets are registered from 2020. The Protect our Pets campaign tackles the illegal pet trade and online sales across the EU. It is also calling for the harmonisation of pet microchip databases, making it easier to trace where an animal has come from. Our press work on this campaign had a circulation of over 71,000 which helped to raise awareness of its importance. We frequently posted about the Protect our Pets campaign on our Facebook and Twitter pages. We were delighted to help generate almost 92,000 emails to MEPs from the UK, which is 21 per cent of the total 435,000 emails sent from EU member states over the five months of the campaign.

We're pleased to see the Transport Minister at Westminster requiring the Highways Agency to scan cats that are victims of road traffic accidents. The Government also encouraged but did not compel Local Authorities to scan which is important as their cleansing departments have responsibility for the more minor roads where sadly many of the road accidents involving cats occur. We're pressing for the administrations in Northern Ireland, Wales and Scotland to make the same requirements on Transport Authorities and to encourage Local Councils to scan cat victims of road traffic accidents.

Throughout the year, our advocacy campaigns were frequently in the media commenting on dog attacks, snaring, shootings and poisonings of cats. The media circulation figures relating to all advocacy campaigns throughout the year was 420 million (2014: 418 million).

Partnership working

Working with other authoritative and knowledgeable animal welfare charities and organisations will increase our influence and help us to further improve conditions for cats. In addition to our corporate partners mentioned earlier, during 2015 we worked effectively with the Pet Advertising Advisory Group (PAAG) on raising standards of online advertising of pets, alongside advertising websites such as Gumtree, Preloved and Friday Ad.

We worked with the CFSG which reports to Government on areas of animal welfare concern. The group has members from a number of animal charities, veterinary organisations and industry stakeholders and helps us to have a more effective partnership with Government. We are a member of The Cat Group, a collection of professional organisations dedicated to feline welfare; and the Association of Dogs and Cats Homes (ADCH) which promotes best practice in animal welfare for dogs and cats. We provide input to these groups which helps promote the overall message of cat welfare.

We attended the British Small Animal Veterinary Association (BSAVA) congress 2015 and participated in a new shelter medicine stream and contributed to surveys with the Pet Food Manufacturers' Association (PFMA), which will be detailed later in this report.

We are often asked to advise outside the UK. We make our expertise and resources freely available and, by attending and speaking at conferences, we share our knowledge for the benefit of cats and people internationally. We also host visits from those engaged in similar work in other countries and give a very limited amount of equipment overseas through a scheme administered by SNIP International, a UK charity that promotes neutering overseas. We also promoted cat welfare on an international level by representing the charity at the International Companion Animal Welfare Conference (ICAWC) 2015 and supporting Eurogroup for Animals, chairing their cats and dogs working group throughout 2015.

Infrastructure and support systems

The number of cats we've helped is thanks in no small part to the tireless passion and commitment from our 9,800 volunteers all over the UK (2014: 9,700), who gave up an estimated 4.9 million hours in 2015 (2014: 4.8 million hours). The work we do simply wouldn't be possible without their invaluable links to local communities, their experience, knowledge and skills and we would like to offer our sincere thanks and appreciation. We're likewise very thankful to our staff who are also vital in helping us to achieve all that we do to help cats.

Information technology

We developed a number of IT systems to help our volunteers and staff with their roles. A new customer relationship management system will improve communications across the charity. We also introduced Microsoft 365 cloud-based technology, which is free and gives our volunteers access to Cats Protection-branded email addresses and Microsoft Office software such as Word, Excel and Outlook. This will be made available to all branches in 2016.

We also began offering technology which will enable branches to print their own neutering vouchers, reducing administration for our volunteers. We launched a new internal system which offers us an easy way to share information across the charity, particularly to our volunteers all over the country.

Learning and development

We provide training and support to our volunteers and staff, to help them fulfil their roles to their full potential; and in 2015 we began offering a Volunteer Assistance Programme which supports volunteers through the challenges faced within work, at home and in their volunteering roles.

We developed an online programme for training volunteers and staff, covering topics as varied as cat care, project management and IT skills, which until recently were only available as face-to-face modules. The cat care course covers infectious diseases, disease control and health checking with interactive quizzes. With thousands of staff and volunteers to support, e-learning saves vital funds for the charity and is becoming an essential part of training in cat welfare issues.

Delivering the cat care module online, for instance, saves the charity around £2,000 for every 60 learners.

One of our interactive training modules reinforces the importance of where we put a cat's vital resources within a pen in the rescue environment, which can have an impact on behaviour, stress and risk of disease. We're very pleased that this activity won the Charity Learning Award 2015 for the 'Best eLearning module design'. The awards recognise charities who create innovative resources with limited budgets. Another internal e-learning course called Understanding Feline Origins was completed in full by 500 staff and volunteers, while the external version of the course was accessed by members of the public over 30,000 times.

The e-learning portal also offers social media training for branches and adoption centres, and we're developing an online version of our fosterers' induction which we aim to launch in 2016. One cat owner said of the course: "Having had cats for over 20 years this session gave me so much information that will mean that I make significant changes to the way I do things in the future."

Better information to help us do our work

We know the importance of undertaking research and gathering information to inform our future work, which will ultimately help us to rehome and neuter more cats and further raise awareness of feline welfare and our work.

The PFMA is the leading trade body for the UK pet food industry. We contributed questions to their annual survey reporting on the UK's pet population, which will give us useful information about household cats; and jointly conducted a survey with them which discovered that nearly half of the UK's owned cats are not microchipped.

The findings supported our campaign during National Microchipping Month in June and helped us to drive home the importance of microchipping pets.

We conducted some research to better understand the demographic profile and the motivations of our adopters, both existing and potential. Findings from this homing research project showed that over half the population would consider getting a rescue cat and those sampled had few concerns about getting a rescue cat. The information is helpful in giving us confidence that our plans are on the right track and that there is a lot of interest and goodwill towards adopting rescue cats among the UK population.

We provided support to our volunteers to introduce them to new technology – including an online banking tool and a system which allows us to track all the cats that come into CP care through to adoption. Both systems allow us to capture vital data and ensure the smooth running of our operations.

Into the future

Our strategy is a long-term one and in the years ahead we will continue working to realise each of our strategic aims and objectives, including:

- launching an overarching welfare strategy to help people better understand cats' needs
- recruiting volunteers for our new Bereavement Support Service, new shops, branches and centres and for many other roles across the charity
- recruiting regional press officers to help our branches and adoption centres gain extra media coverage for their appeals and success stories
- developing cat welfare advertising campaigns and promoting them on a large scale
- investigating the potential for creating a cat census to give us a better picture of the population of stray and feral cats in the UK
- opening new branches, satellite centres, adoption centres and undertaking refurbishments
- opening new shops and growing them in clusters so they can support each other and stock can be rotated
- launching cat manifestos to improve feline welfare in Scotland, Wales and Northern Ireland
- continuing the development of centralised IT services and customer service technology to further expand our capacity to handle calls and emails
- working with local authorities to improve cat welfare

Our impact

Cats Protection is the UK's leading feline welfare charity. The impact of our work addresses cat welfare issues across a range of timeframes. Our rehoming addresses the immediate issue of helping cats in need. Since 2010, we have rehomed and reunited more than one quarter of a million cats. In the medium term, our neutering work will help control the population of cats so there are fewer unwanted cats. Since 2010, we have helped to neuter over one million cats, preventing millions of unwanted litters. Our education and information work has the long-term impact of changing attitudes within society so that people take a more responsible view of cat ownership and welfare. Since 2010, we have delivered over two thousand educational talks.

Public benefit

The Directors of the Corporate Trustee have given careful consideration to the Charity Commission's guidance on public benefit. This is reflected in the review of the activities undertaken by the charity contained in this report.

We believe that our vision of a world in which every cat is treated with kindness and an understanding of its needs benefits society as a whole. Cats play a huge part in the lives of millions of people in the UK. According to recent research, a quarter of UK households has at least one pet cat (Source: PDSA, 2015). By supporting cats, we are providing a benefit to owners, carers and other people who come into contact with cats.

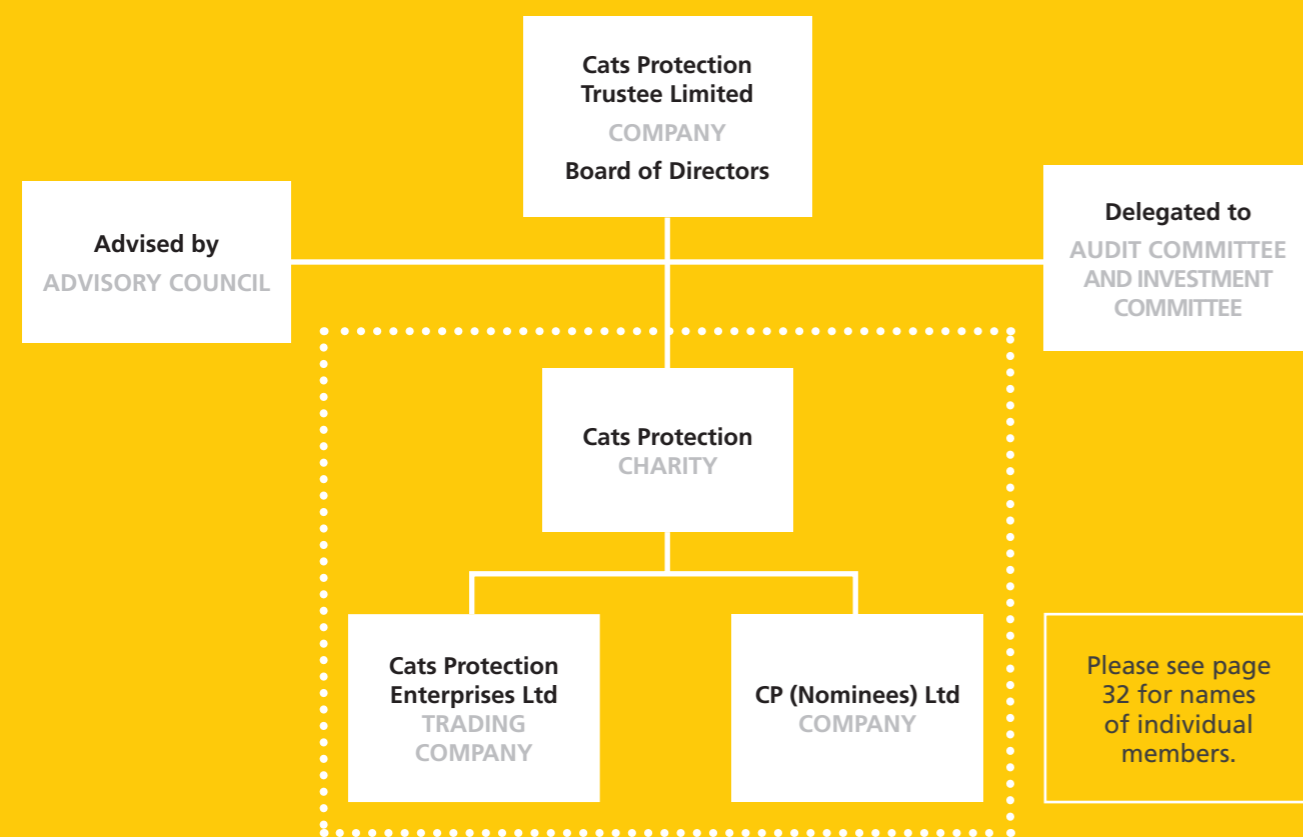
We provide public benefit by:

- reassuring cat owners that their cats will be cared for and rehomed if they become incapable of looking after them either through illness, death or for other reasons
- helping to control the incidence and spread of disease and suffering in cat populations through vaccination, neutering and education, benefitting both human and animal health
- assisting those on low incomes with the cost of neutering through our voucher scheme
- assisting local and housing authorities and local communities by taking in and rehoming stray, lost or abandoned cats and by controlling feral populations
- assisting local authorities by taking in cats from multi-cat households
- providing volunteering opportunities for those who wish to support our work, including through the Duke of Edinburgh programme
- providing advice to governments on animal welfare legislation, in partnership with other animal welfare organisations where appropriate
- providing educational talks and other activities to both children and adults to increase awareness of cat welfare
- commissioning, undertaking and disseminating research into matters affecting cats and the human population
- helping people experiencing domestic abuse by providing temporary care for their cats under the Freedom Project, in liaison with the Dogs Trust
- enhancing the quality of life for people in care homes both by homing cats into care homes and encouraging care homes to welcome residents' own cats
- educating vets, vet nurses, vet students and other animal professionals and giving them practical experience as part of and beyond their formal training



Structure, governance and management

Legal structure



Cats Protection is an unincorporated charitable association. It was founded on 16 May 1927. The charity's constitution is set out in its rules.

The charity is governed by a corporate trustee, Cats Protection Trustee Limited, a registered company (registration number 06772997). The constitution of Cats Protection Trustee Limited is set out in its memorandum and articles of association. It has a Board of Directors (the Board) who are unpaid. Until July 2015, Directors were appointed for a period of five years and were then eligible for re-election. Following a review, from July 2015, Directors are appointed for a period of three years and are then eligible for re-election for a further period of up to three years. Up to five Directors are elected by Advisory Council and up to four are appointed for their specific skills. Directors on the Board of the Corporate Trustee are referred to internally as "the trustees" to differentiate them from the Directors who manage the day-to-day operations of the charity and form the Executive Management Team.

The Board has two sub-committees, the Audit Committee and the Investment Committee.

The Advisory Council of between 10 and 22 members of the charity is elected at the Annual General Meeting. The roles of the Advisory Council are to elect up to five of its members to the Board, and to provide advice to the Board on a wide range of issues affecting the charity. All Directors of the Board are Advisory Council members. Advisory Council operates in accordance with the rules and standing orders of the charity.

Cats Protection Enterprises Limited (company registration number 02953832) is the trading arm of the charity and is a wholly owned subsidiary. CP (Nominees) Ltd (registration number 02470742) was the nominee company for the Charity's investment trades and is also a wholly owned subsidiary. However, investment trades are now undertaken directly by the Charity and we therefore intend to strike off CP (Nominees) Ltd in 2016. The company was dormant during the reporting period.

Governance

The Board of Directors met seven times in the year to administer the affairs of the charity, set strategies and policies and approve all major expenditure programmes. Advisory Council met four times in 2015. Members met at the Annual General Meeting.

Newly appointed Directors, Advisory Council and committee members are familiarised with the workings of the charity and its policies through induction training, visits to branches and adoption centres and meetings with the Chairman, other Board Directors and the Chief Executive. Ongoing training and support for all Directors is provided through formal and informal briefings from the Chief Executive, Executive Management Team, third-party specialists or external courses as appropriate.

The Investment Committee assists the Board in safeguarding the charity's financial assets and in determining the investment policy. It has up to four Directors and up to four independent advisors. During 2015, the Committee met three times with the investment managers, advisors and relevant staff. Items considered by the Committee in 2015 included the performance of our fund managers, how the investment strategy might be adapted to meet future expenditure commitments of the Charity and other strategies to help in the management of the investment portfolio.

The Audit Committee provides assurance to the Board that effective systems of internal control are in place to safeguard the charity's assets and monitors the performance of the charity's appointed internal and external auditors. It consists of three Directors and up to four independent advisors, at least one of whom must be a Cats Protection volunteer. During 2015, the Committee met three times for Committee business and once to receive tender presentations from external auditors. The Committee approves the plans of both internal and external audit and receives reports on their findings. It considers developments in laws and regulations governing charities and how Cats Protection ensures it meets these requirements. For example, in 2015 the Committee received regular updates on the implementation of the new financial reporting requirements (SORP 2015), data protection and the Energy Savings Opportunity Scheme.

The Committee also assists with the identification and internal promotion of best practice to address risks and in 2015 considered aspects of fire prevention and driver safety. External and internal auditors are invited to attend meetings and private sessions are also held with the auditors without the presence of staff. Management and other staff also attend the meetings where relevant, except during private sessions.

The Board reviews the work of the two Committees throughout the year. Appointments to both Committees are made by the Board.

Management

The implementation of the strategy and day-to-day operations are the responsibility of the Chief Executive, who is assisted by an Executive Management Team.

For operational effectiveness, the UK is split into regions. Regional staff are responsible for developing the activities of volunteer-run branches and centres and establishing new ones in areas of need. We have 18 regions in total. As part of our commitment to supporting local activities, some of our management is located away from the National Cat Centre and nearer to our branches and centres across the UK. This gives more focus and support for the branches and helps provide an integrated service across branches and adoption centres.

Our work in England, Scotland, Wales and Northern Ireland is managed as one charity under the same integrated governance and management structure.

FINANCIAL REVIEW

Financial performance in 2015

The charity has had another very successful year. We have seen our income grow to £55.9m, an increase of £10.1m (21 per cent) compared to 2014. There are three factors driving the growth in our income:

- legacy income has increased by £6.3m (26 per cent) and totalled £30.5m for the year. As well as receiving more gifts in wills, the average value has also increased and we have seen a rise in the number of high value legacies (those exceeding £100k)
- in recent years, we have invested heavily in fundraising and in 2015 our income from donations and fundraising events grew by 26 per cent to £16.6m. We expect to see this income stream continue to grow as the investment in fundraising in one year provides income for that and future years. For example, an investment of £0.6m in donor recruitment in 2012 is expected to generate more than £1.2m, of which over £0.2m was received in 2015, and a 2013 investment of £2m is on track to yield over £4.0m, of which £1m was received in 2015
- We continue to diversify our income streams and the opening of new shops and refurbishment of existing ones has helped achieve £0.3m of income growth from the sale of donated goods.

The growth in income experienced in this and recent years has enabled us to direct more funds to our charitable activities. Revenue expenditure on rehoming has increased by £1.5m. We have opened our new adoption centre in Mitcham, which is our first centre on leased premises with the cost of the lease recognised as revenue expenditure in the year it is incurred. We have spent £5.0m on our fixed assets (see Note 12), including a number of major refurbishments at our existing adoption centres. The cost of this capital expenditure is only reflected in the Statement of Financial Activities (SOFA) as the assets are depreciated. We also launched an advertising campaign to promote rehoming and this cost is recognised under Rehoming. While expenditure on Neutering per the SOFA has increased by £1.1m year on year, the 2014 balance included £1.2m of released provision. Actual Neutering expenditure in 2015 was in line with 2014.

Expenditure on Fundraising grew by £5.2m (65 per cent) to help generate sustainable income for the charity so that we can continue to help cats way into the future. The growth in our retail offering saw expenditure on our charity shops increase by £0.6m to £3.7m. This increase in expenditure, necessary as part of our ambitious expansion plan, has temporarily reduced the profitability of the chain and will continue to do so in 2016 and 2017, beyond which time the shop chain will generate more funds for our work with cats than ever before.

We could not achieve all that we do without the valued input and support from our volunteers. While the financial benefit of volunteers is not recorded in the financial statements, in 2015, it is estimated that they contributed 4.9 million hours of work to the Charity (2014: 4.8 million hours). Based on data from the National Statistics Office of average UK earnings, this is equivalent to a salary cost of £64.8m (2014: £62.9m). The value of our volunteers' work does, of course, extend way beyond the financial benefit.

The growth in our income has resulted in a net operating surplus for the year of £8.0m (2014: £7.0m). The surplus will be used to fund our capital programme and other work. During 2015, the stock market experienced some turbulent times and as at year end, our investments had dropped by £0.2m. Taking this movement into account, the outturn for the 2015 was £7.8m (2014: £7.7m) and the net assets recorded on our balance sheet are now £89.7m (2014: £81.9m).

Review of subsidiaries' activities

Cats Protection Enterprises Limited undertook the following trading activity in the year:

- sale of new goods to the public through shops, fundraising events, online and by telephone
- sale of pet insurance services through branches and adoption centres
- sales relating to licensing the use of the Cats Protection brand to other commercial entities
- café, retail and meeting rooms at the National Cat Centre

The results for the year and the financial position of the Company are as shown in the financial statements. The profit on ordinary activities for the year ended 31 December 2015 amounted to £769k (2014: £595k). Turnover in 2015, at £1,537k, represents an increase of 13 per cent compared to the previous year (2014: £1,359k). Cost of sales in 2015 was 35 per cent of turnover (2014: 39 per cent). Administrative expenditure was £227k for 2015, which is in line with the previous year (2014: £221k). The full profit of £769k will be distributed to the charity in 2016 as a Gift Aid payment.

In 2015, the shop and visitors' centre at the National Cat Centre suffered an internal flood, which resulted in its closure for two months. While the cost of repairs and loss of earnings is covered by insurance, the closure did impact on the number of visits to the centre. Profit has, however, increased due to the cumulative effect of cat adopters utilising Petplan pet insurance. The Company receives commission every time a new policy is purchased or an existing policy is renewed. The Company also benefitted from the Felix cat food tokens scheme and in 2015 it received £137k from this scheme (2014: £16K).

During the year, a proposal to strike off Cats Protection (Nominees) Limited (registration number 02470742) was approved by the Board. The company was dormant in 2015.

Investment management

We hold investments for two purposes. Short-term deposits are held for the charity to support its working capital requirements, ensuring day-to-day payments can be made without the need for an overdraft. We have appointed Royal London Asset Management (RLAM) to manage these deposits and have instructed them to provide a reasonable return in relation to market rates, investing across a range of funds to minimise our exposure to risk.

We also hold a portfolio of equities, bonds, unit trusts and other investments. These investments are long-term in nature and support the structural development of the charity, such as the future funding of major property works. Funds are invested in line with our ethical policy with the aim of securing long-term growth in values without exposing the charity to undue risk. We have appointed two professional fund managers to manage the portfolio, Rathbones and Sarasin & Partners. The portfolio is allocated almost equally between them. The charity does not hold any mixed motive investments. Mixed motive investments have the joint purpose of providing a financial return while delivering directly the aims of the charity.

Ethical policy

Cats Protection operates an Ethical Policy. The policy encompasses all areas of our work and states that we will not knowingly deal with companies or individuals who are involved directly in animal testing, both invasive and non-invasive, for cosmetic or other non-medical purposes and in any aspect of the fur trade. 'Directly involved' is defined as a company or individual either undertaking themselves, or commissioning others to undertake the contravening activity. The policy applies to companies that we deal with directly and their immediate parent company and also applies to our investment portfolio. Donations from such companies or individuals will be refused.

The Charity is aware of the Modern Slavery Act 2015 and we are reviewing our procurement processes in the light of this act. We are preparing a statement to be published on our website in line with the requirements of the legislation.

Reserves policy

The aim of Cats Protection's Reserves Policy is to ensure that the charity's ongoing and future activities are reasonably protected from unexpected variances in its income and expenditure. In the light of the new strategy and the projected growth of the charity, the reserves policy has been reviewed. The review considered the risks facing the charity, including the impact of significant adverse events, and our plans for growth. Informed by this analysis, the Board agreed that a minimum level of free reserves of £12m is appropriate. Free reserves as at 31 December 2015 were £13.2m (2014: £9.0m), which is £1.2m higher than the minimum required by our reserves policy. The review also considered fund designations. Trustees determined that aside from fixed assets, there should be two designated funds, one to support the 10-year capital plan and a smaller fund to support budgeted revenue expenditure in 2016 and 2017. Designated funds, excluding fixed assets, as at 31 December 2015 were £36.6m (2014: £37.0m). Further details are set out in Note 17 to the financial statements. Given the level of reserves, it is appropriate to prepare the financial statements on the assumption that Cats Protection is a going concern.

At 31 December 2015, the Charity held £6.3m (2014: £6.0m) restricted funds. These are funds that were raised or donated for a specified purpose, either for a geographic area or a particular adoption centre. These funds will be applied to their specified purpose and are not available for general use by the Charity.

Risk management

Trustees are required to identify and evaluate the risk that an event or events might occur that impact significantly on the charity's ability to deliver its strategic objectives. Appropriate actions are then taken to manage or mitigate each identified risk.

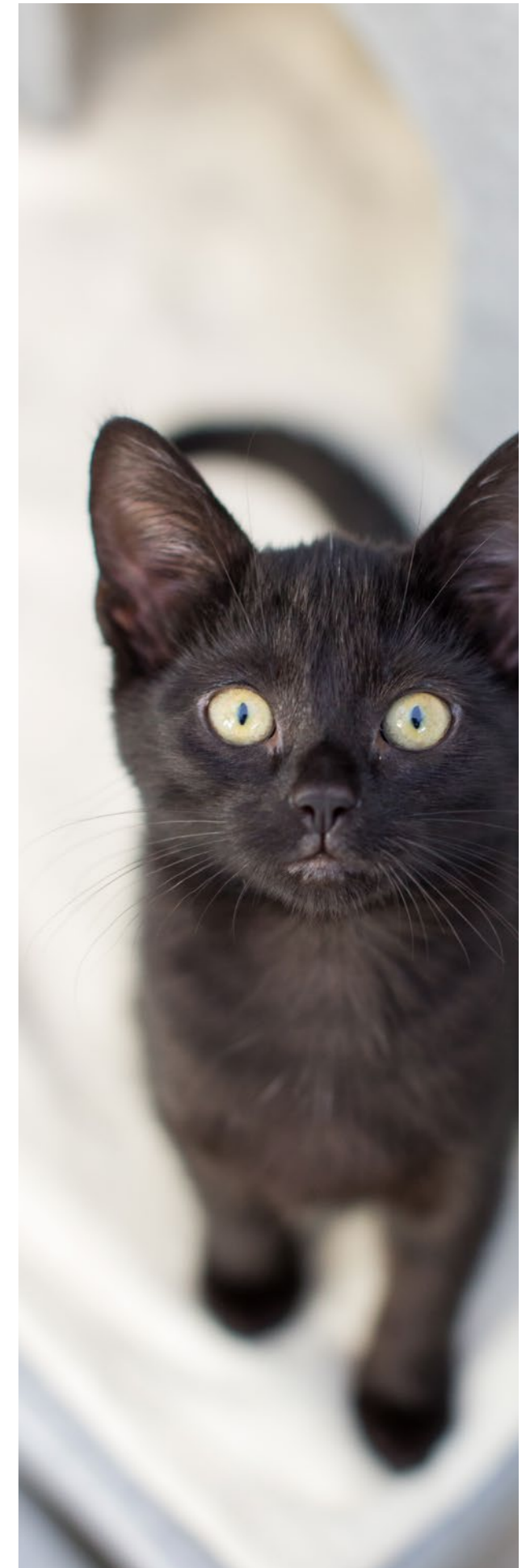
During the year, we reviewed and refreshed our approach to risk management. We introduced new format risk registers for departments to complete. Completion of the departmental risk registers helps the Board to identify the top level risks across the charity. These top level risks are recorded on the Charity Risk Register, for which we also implemented a new format in the year. Each risk is now linked to the strategic objective(s) on which it impacts most and is assigned a risk owner. We have also changed the way we document actions to address those risks and include assurances on whether those actions are having the desired impact. The Board checks whether each top level risk faced by the charity is managed to an acceptable degree or whether further actions are needed to reduce the likelihood and/or impact of the risk happening.

The principal risks that Cats Protection has faced in the year include implementing the new strategy, ensuring our internal communications are effective and any potential restrictions that could affect our fundraising.

Our investment in fundraising in recent years has made the Charity more financially secure and has given us extra resources to fund significant growth. These are exciting times for the Charity; our plans are ambitious and will lead to a big increase in the scale of our existing activities as well as developing new activities. We need to ensure that this growth is well planned and managed so that we can continue to help as many cats as possible while making the best use of our funds. To achieve this, we are developing detailed plans which will help us to deliver our strategic objectives. We have reviewed and standardised our approach to building projects, including designing a standard layout for new adoption centres. We have performed modelling exercises to ensure we understand the medium to long-term financial impact of the plans and also how the investment should lead to improvements in our performance indicators. We cannot realise our goals without the support and work of our volunteers. We have therefore introduced new roles to help recruit new volunteers and provide more training to existing volunteers. As the Charity grows, it is essential that we keep our volunteers, staff and stakeholders involved in the process. We have a range of different two-way communication channels that enable volunteers and staff to learn about the plans and also have an input.

In the latter part of 2015, there was significant media attention on how charities fundraise. We expect this to lead to increased regulation and we will continue to monitor the risk of this affecting our future income. We will continue to liaise with our fundraising agencies to ensure that they meet our expected professional standards and we have also conducted an internal audit of our processes to ensure they are compliant. The Audit Committee has also requested a review of fundraising in early 2016 to ensure we are adhering to regulatory standards and good practice. The Board monitors this topic carefully at all meetings.

The Board recognises that ultimately any approach to risk management can only provide reasonable, and not absolute, assurance that major risks have been identified and are being managed adequately.



Executive remuneration

In order to perform as an effective and professional charity, we need to recruit the best candidates and retain our highly skilled and motivated employees. We aim to ensure that we offer salaries that are competitive both locally and within the charitable sector. The Board determines the salary of the Chief Executive and to assist the process take account of data provided by the National Council for Voluntary Organisations (NCVO), the Association of Chief Executives of Voluntary Organisations (ACEVO) and other organisations providing market data. The Board, taking advice from the Chief Executive and taking into account the charity's performance, determines the salaries of other senior staff in line with the same salary policy. An overriding factor in salary setting is always affordability under the budgets.

Since 2012, staff have not had the opportunity to progress through pay scales. In 2015, we undertook a job evaluation exercise where each staff role in the Charity was scored according to its level of accountability, scope for decision-making, staff management responsibilities and skills and knowledge needed to perform the role effectively. The results of this exercise were then used to compare the current salaries for those roles with market data available from other similar organisations. This identified a number of instances where our salary rates were uncompetitive. Following the job evaluation exercise, a new salary structure has been approved by the Board and is currently being implemented. This has affected salaries in 2015 and will to a lesser extent in 2016-17.

Scotland

We are required to make a separate statement of our work in Scotland to the Office of the Scottish Charity Regulator (OSCR).

Cats Protection undertakes between 15 per cent and 20 per cent of its welfare work in Scotland. The work is delivered through one staffed adoption centre, three branch volunteer-run centres, 49 branches and 10 shops, involving around 1,490 volunteers and 20 staff.



Statement of the Corporate Trustee's responsibilities in respect of the Trustee's Annual Report and the Financial Statements

Under charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the group and the charity and of the group's excess of income over expenditure for that period. The Trustee has elected to prepare the financial statements in accordance with FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- selects suitable accounting policies and then applies them consistently
- makes judgements and estimates that are reasonable and prudent
- states whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue its activities

The Trustee is required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. The Trustee is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by them under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, those statements of accounts comply with the requirements of regulations under those Acts. The Trustee has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Legal and administrative information

Registered Charity Number:

203644 (England and Wales)
SC037711 (Scotland)

Registered address:

Chelwood Gate
Haywards Heath
RH17 7TT

Telephone: 01825 741 900
Helpline: 03000 12 12 12

Email: cp@cats.org.uk
Website: www.cats.org.uk

Trustee:

Cats Protection Trustee Limited

Directors of Cats Protection Trustee Limited (referred to internally as “the trustees” and in this Annual Report and Accounts as the Board):

Ms H McCann BA (Hons)	Chairman
Professor T Gruffydd-Jones BVetMed (Lond), PhD (Bristol), PhD DipECVIM MRCVS	Deputy Chairman
Ms W Bosler BA (Hons)	
Mr T Jones MA (Cantab), FInstF, FIDM	
Mrs M Price Freeman of the Worshipful Company of International Bankers, Freeman of the City of London	
Mrs A Ryan BA (Hons) ACII	
Dr A Swarbrick ACA	
Mrs J Toben MIOD (resigned February 2016)	
Ms L Upson DipLGD	

Advisory Council members:

(all Directors of Cats Protection Trustee Limited are also Advisory Council members)

Mr J Barnett	Ms B Kubler
Mr C Batt (resigned July 2015)	Mr D Manners
Mrs N Butcher (elected July 2015)	Mrs G McMullen
Mr N Clements (elected July 2015)	Mr M Ridgway HNC, IEE, BIFM
Mrs T Cooper	Mrs J Rouse
Mrs G Davies	Mr B Till
Ms D Hingley	

Investment Committee:

Mrs J Toben MIOD (Chair) (resigned February 2016)
Professor T Gruffydd-Jones BVetMed (Lond), PhD (Bristol), MRCVS DipECVIM
Mr T Jones MA (Cantab), FInstF, FIDM
Mrs A Ryan BA (Hons) ACII
Mr A Fletcher BSc, MBA (advisor) (resigned February 2015)
Mrs A Gregory-Jones BSc, FCA, TEP (advisor)
Mr L Jones OBE (advisor)
Mr S Kumar LLB (Hons), MCSI (advisor)
Ms G Woodward (advisor)

Audit Committee:

Ms W Bosler BA (Hons) (Chair)
Dr A Swarbrick ACA
Ms L Upson DipLGD
Mr B Carslake (from April 2015)
Mrs K Elis-Williams BA (Hons), ACA (advisor)
Mr A Rummins MSc, FIIA, MIIA (advisor)
Mrs T Wright (from April 2015 to August 2015)

Chief Executive and Executive Management Team

Chief Executive

Mr P Hepburn BSc, FCCA, FRSA

Executive Management Team

Mr L Coghlin BA (Hons), MinstF(Dip); Director of Fundraising
Mr N Edmans BA (Hons), CPE (Law); Director of Communications
Mrs H Jacobs MSc, FCMA, ACIS, BSc; Director of Central Services
Mr D Newall; Director of Operations
Dr M Roberts BVM&S, MRCVS; Director of Veterinary Services
Mr D Sullivan LLB (Hons); Director of Legal Services

External auditor:

KPMG LLP
15 Canada Square
London
E14 5GL

Internal auditor:

Haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1 6AY

Bankers:

Barclays Bank Plc
2 Carfax
Horsham
West Sussex
RH12 1DN

Insurance broker:

Arthur J Gallaher
The Walbrook Building
25 Walbrook
London
EC4N 8AW

Investment advisors:

Rathbones Investment
Management Limited
159 New Bond Street
London
W1S 2UD

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Royal London Asset
Management
55 Gracechurch Street
London
EC3V 0UF

Disclosure of information to auditor

The Trustee who held office at the date of approval of this Trustee's report confirms that, so far as it is aware, there is no relevant audit information of which the charity's auditor is unaware; and the Trustee has taken all the steps that it ought to have taken as a Trustee to make itself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The Trustee will place a resolution before the Annual General Meeting to reappoint KPMG LLP as auditor for the next year.

Thank you.

We thank everyone who has supported our work, through giving donations or being members of the organisation, or as volunteers or staff, for giving their time and effort to improve the life of cats throughout the United Kingdom.

Approved and signed on behalf of the Trustee by:

Ms H McCann
Chairman

7 April 2016



Independent auditor's report to the Trustee of Cats Protection

We have audited the group and charity financial statements (the 'financial statements') of Cats Protection for the year ended 31 December 2015 set out on pages 36 to 54. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the charity's Trustee as a body, in accordance with both section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustee 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 and its Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 31 the Trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with the regulations made under those Acts. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 December 2015 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient and proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Ian Pennington
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square, London E14 5GL
12 April 2016

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

Consolidated statement of financial activities (SOFA)

Year ended 31 December 2015

(Full prior year comparatives are set out in Note 2)

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 Restated £'000 (Note 2)
Income					
Legacies	4	28,549	1,980	30,529	24,202
Donations	5	13,434	-	13,434	10,924
Income from charitable activities:					
- Rehoming fees		2,199	-	2,199	2,375
Income from other trading activities:					
- Shops	6	3,747	-	3,747	3,528
- Fundraising events		3,196	-	3,196	2,285
- Commercial trading operations		1,537	-	1,537	1,359
Investment income	7	1,117	-	1,117	783
Other income	8	103	-	103	257
Total income		53,882	1,980	55,862	45,713
Expenditure					
Costs of raising funds:					
- Seeking donations and legacies	9	10,292	-	10,292	6,351
- Shops	9	3,755	-	3,755	3,119
- Fundraising events	9	2,990	-	2,990	1,671
- Commercial trading operations	9	758	-	758	764
- Investment management	9	203	-	203	107
Costs of charitable activities:					
- Rehoming	9	20,544	1,614	22,158	20,656
- Neutering	9	5,022	-	5,022	3,887
- Education and information	9	2,672	-	2,672	2,201
Total expenditure		46,236	1,614	47,850	38,756
Net income/(expenditure) before gains/(losses) on investments					
		7,646	366	8,012	6,957
Gains/(losses) on investments		(244)	-	(244)	697
Net movement in funds		7,402	366	7,768	7,654
Reconciliation of funds					
Total funds brought forward at 1 January 2015		75,924	5,981	81,905	74,251
Total funds carried forward at 31 December 2015		83,326	6,347	89,673	81,905

All of the above results relate to continuing activities. The consolidated SOFA includes all gains and losses recognised in the year. This incorporates the income and expenditure account. Resources expended have been restated for 2014 to reflect the Statement of Recommended Practice 2015. Full comparatives for 2014 are set out in Note 2. The results of the Charity only are set out in Note 3 and the results of the Subsidiary only are set out in Note 20.

The notes on pages 39 to 54 form part of these accounts.

Consolidated balance sheet

As at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	12	33,477	29,906
Investments	13	46,139	46,020
Total fixed assets		79,616	75,926
Current assets			
Stocks		5	18
Debtors	14	3,900	3,697
Short term deposits		4,500	1,571
Cash at bank and in hand		5,694	5,349
Total current assets		14,099	10,635
Liabilities			
Creditors: amounts falling due in one year	15	(3,942)	(4,384)
Provisions for liabilities	16	(100)	(272)
Net current assets		10,057	5,979
Total net assets		89,673	81,905
Funds			
Unrestricted funds:			
- General funds	17	13,249	9,000
- Designated funds	17	70,077	66,924
Restricted funds			
	17	6,347	5,981
Total funds		89,673	81,905

A summary balance sheet for the Charity only is set out in Note 3. A summary balance sheet for Cats Protection Enterprises Ltd is set out in Note 20. The results of the Charity only are set out in Note 3 and the results of the Subsidiary only are set out in Note 20.

The notes on pages 39 to 54 form part of these accounts.

The financial statements were approved and signed on behalf of the Trustee by:

Ms H McCann

Chairman

7 April 2016

Consolidated cash flow statement

Year ended 31 December 2015

		2014
	2015	Restated
Note	£'000	£'000
Cash flows operating activities		
Net cash provided by operating activities	7,556	6,631
Cash flows from investing activities		
Dividends, interest and rents from investments	1,117	783
Proceeds from the sale of property, plant and equipment	5	114
Purchase of property, plant and equipment	(5,041)	(1,851)
Proceeds from sale of investments	13,412	13,183
Purchase of investments	(13,775)	(18,193)
Net cash used in investing activities	(4,282)	(5,964)
Change in cash and cash equivalents in the year		
Cash and cash equivalents at 1 January	6,920	6,253
Cash and cash equivalents at 31 December	10,194	6,920
a) Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the SOFA)	7,768	7,654
Adjustments for:		
Depreciation charges	1,534	1,226
(Gains)/losses on investments	244	(697)
Dividends, interest and rents from investments	(1,117)	(783)
Loss/(profit) on the sale of fixed assets	(69)	(87)
(Increase)/decrease in stocks	13	(10)
(Increase)/decrease in debtors	(203)	(853)
Increase/(decrease) in creditors	(442)	1,591
Increase/(decrease) in provisions	(172)	(1,410)
Net cash provided by operating activities	7,556	6,631
b) Analysis of cash and cash equivalents		
Cash in hand	5,694	5,349
Notice deposits (less than three months)	4,500	1,571
Total cash and cash equivalents	10,194	6,920

The notes on pages 39 to 54 form part of these accounts.

Notes to the consolidated financial statements

1. Accounting policies

A. Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland published on 16 July 2014. Cats Protection meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. In the transition to FRS102 from old UK GAAP, the Group has made no measurement and recognition adjustments. However, categories of income and expenditure for 2014 have been restated in accordance with the new SORP. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements have also been prepared on the basis that the Group remains a going concern.

The accounting policies adopted are described below and have been applied consistently.

B. Consolidation

These Group Accounts consolidate the accounts of Cats Protection (the Charity) and its subsidiary undertakings, Cats Protection Enterprises Limited and Cats Protection (Nominees) Limited, on a line by line basis. The detailed results for the subsidiaries are provided in Note 20.

C. Fund accounting

The Charity maintains various types of funds as follows:

- Restricted funds represent funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements
- General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the Charity's objectives and which have not been designated for other purposes
- Designated funds are funds that have been set aside by the Trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements

The cost of raising and administering such funds are charged against the specific funds. Transfers between funds are shown where funds have been allocated by the Trustee for specific purposes.

D. Income

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Policies for certain types of income are as follows:

- Legacy income is recognised in the SOFA when there is the receipt is considered probable and amounts receivable can be measured with sufficient reliability. Income from pecuniary interests is recognised when probate has been granted and we have been advised of the amount stipulated in the Will. Income from residuary interests is recognised when probate has been granted and we have received the approved accounts of the estate. The Charity is the residuary beneficiary of several properties without current vacant possession and for these premises, a sale value cannot be accurately determined and as such, these legacies are not recorded in the SOFA
- Adoption fees are recognised upon receipt and are included under Charity Trading
- Subscription, including lifetime subscriptions, and donation income are recognised when received. No amounts are included in the financial statements for services or time donated by volunteers. Gift Aid on donations is accounted for on an accruals basis
- No account is taken of monies or other assets in the hands of volunteer helpers until such monies are banked or other assets are received

- Branch fundraising is the total of all fundraising income from the volunteer-led branches and fundraising events held at the National Cat Centre and adoption centres. It includes the sale of donated goods through shops and funds raised in one-off events
- Investment income is accounted for when receivable
- The income from goods donated for sale is recognised at the point of sale as it is not currently practicable to recognise their value at point of receipt

E. Resources expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all costs relating to that category. Liabilities are accounted for when a constructive obligation arises. Where costs cannot be directly attributed to an activity or function, they have been allocated in proportion to direct costs.

- Costs of generating funds are those costs incurred in seeking voluntary donations or as incurred in publicising or marketing the Charity. All investment management charges and the costs associated with the trading company, Cats Protection Enterprises Limited, are also included
- Charitable activities are all costs incurred in meeting the core objectives of the Charity. Neutering vouchers are recorded as a liability at the point at which they are released to the branches for distribution
- Governance costs are those which relate to administering the Charity. This includes internal and external audit fees and other costs that have arisen from constitutional or statutory requirements, including one-off costs of governance. It also includes an apportionment of overhead costs

The Charity is able to partially recover Value Added Tax (VAT). Irrecoverable VAT is included in the relevant expense categories

Support costs are allocated on the basis of the number of staff and volunteers engaged in the respective charitable and fundraising activities. As we are primarily a volunteer-based organisation with a significant proportion of our activity delivered by volunteers, this method of allocating support costs provides a more reasonable assessment of the use of the charity's support infrastructure.

F. Tangible fixed assets, depreciation and impairment

Freehold land and buildings are stated at cost less depreciation. Assets under the course of construction are transferred to freehold land and buildings on practical completion. Tangible fixed assets costing more than £1,000 are capitalised and included at cost, together with any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

- Freehold property is depreciated over 40 years
- Cat pens and adoption centre equipment is depreciated over 10 years
- Fixtures, fittings, IT and office equipment, IT software and motor vehicles are depreciated over four years

Freehold land and assets under the course of construction are not depreciated. The Charity does not hold any properties under a finance lease.

An impairment review is performed whenever the Charity becomes aware that a significant event has occurred. Impairments are recorded in the SOFA as resources expended.

G. Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Gains and losses on the

disposal of investment assets are calculated as the difference between historical and market values. Investments intended to be held for a period of more than one year are disclosed as a fixed asset on the Balance Sheet. Investments that are expected to be drawn down and utilised within the year are disclosed as a short term deposit on the Balance Sheet.

H. Stocks

Stocks are valued at the lower of cost to the Charity or net realisable value. Stocks disclosed on the Balance Sheet are goods held for sale.

I. Debtors

Debtors are included in the Balance Sheet at the amount due/invoiced less any bad debt provision.

J. Pension costs

The Charity operates a defined contribution pension scheme. The assets of the scheme are held in a separately administered fund. The amount charged to the SOFA represents the contribution payable to the scheme in respect of the accounting period.

K. Finance and operating leases

Operating lease rentals are charged to the SOFA on a straight-line basis over the life of the lease. The Group does not hold any assets under a finance lease.

L. Taxation

Cats Protection is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Cats Protection Enterprises Limited makes qualifying donations of all taxable profit to the Charity. No corporation tax liability arises in the accounts.

M. Creditors

Creditors are recognised when goods or services have been delivered or provided prior to the financial year end but the invoice has not yet been received or paid. Creditors are measured on the basis of either the invoice or order value.

N. Provisions

A provision exists when the Charity has a liability, but the amount and/or timing of the settlement is uncertain. A provision exists for neutering vouchers that have passed their expiry date but have not yet been redeemed. In most instances, we will redeem vouchers received shortly after their expiry date and provision is made for this cost. The Charity held no other provisions at 31 December 2015.

2. Prior year comparatives for the SOFA

	2014 Comparatives Restated		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Income			
Legacies	22,048	2,154	24,202
Donations	10,922	2	10,924
Income from charitable activities:			
– Rehoming fees	2,375	-	2,375
Income from other trading activities:			
– Shops	3,528	-	3,528
– Fundraising events	2,285	-	2,285
– Commercial trading operations	1,359	-	1,359
Investment income	783	-	783
Other income	257	-	257
Total income	43,557	2,156	45,713
Expenditure			
Costs of raising funds:			
– Seeking donations and legacies	6,351	-	6,351
– Shops	3,119	-	3,119
– Fundraising events	1,671	-	1,671
– Commercial trading operations	764	-	764
– Investment management	107	-	107
Costs of charitable activities:			
– Rehoming	19,351	1,305	20,656
– Neutering	3,887	-	3,887
– Education and information	2,201	-	2,201
Total expenditure	37,451	1,305	38,756
Net income before gains/(losses) on investments	6,106	851	6,957
Gains/(losses) on investments	697	-	697
Net movement in funds	6,803	851	7,654
Reconciliation of funds			
Total funds brought forward at 1 January 2014	69,121	5,130	74,251
Total funds carried forward at 31 December 2014	75,924	5,981	81,905

3. Summary financial performance of the Charity only

	2015 £'000	2014 £'000
Income and expenditure		
Income	54,875	45,128
Expenditure	47,038	38,838
Net operating income	7,837	6,290
Gains on investments	(244)	697
Net income	7,593	6,987
Total funds brought forward	81,311	74,324
Total funds carried forward	88,904	81,311
Balance sheet		
Fixed assets	79,616	75,926
Current assets:		
Debtors	4,018	3,812
Short term deposits	4,500	1,571
Cash	5,086	4,522
Creditors: amounts falling due within one year	(4,216)	(4,248)
Provisions for liabilities and charges	(100)	(272)
Net current assets	9,288	5,385
Net assets	88,904	81,311
Funded by:		
Restricted funds	6,347	5,981
Unrestricted funds	82,557	75,330
Total funds	88,904	81,311

4. Contingent legacy income

In addition to the legacy income recognised in the SOFA, the Charity had been notified of 349 residuary legacies (2014: 365 residuary legacies) with a total estimated value of £12,762k (2014: £16,679k). These legacies do not satisfy the criteria relating to probability and/or reliable estimate required by our accounting policy to recognise the income during the year. They are therefore disclosed here as a contingent asset.

5. Donations

	Unrestricted funds £'000s	Restricted funds £'000s	2015 £'000	2014 Restated £'000
Donations	12,842	-	12,842	10,320
Subscriptions	592	-	592	604
Total	13,434	-	13,434	10,924

Subscriptions include the membership fees paid to Cats Protection and our local branches.

6. Shop income

Shop income includes income from the sale of donated goods and Gift Aid claimable in respect of the sale of donated goods made under the Retail Gift Aid scheme.

7. Investment income

	Total 2015 £'000	2014 Restated £'000
Income from listed investments	1,051	721
Bank and other interest	66	62
Total	1,117	783

8. Other incoming resources

	Total 2015 £'000	2014 Restated £'000
Surplus on disposal of tangible fixed assets	5	87
Rental income	44	45
Miscellaneous income	54	125
Total	103	257

The income set out in Notes 7 and 8 is unrestricted.

9. Analysis of expenditure

	2015 £'000			2014 Restated £'000		
	Direct costs	Allocated support costs	Total	Direct costs	Allocated support costs	Total
Costs of raising funds						
Seeking donations and legacies	10,131	161	10,292	6,247	104	6,351
Shops	2,943	812	3,755	2,465	654	3,119
Fundraising events	2,781	209	2,990	1,486	185	1,671
Commercial trading operations	758	-	758	764	-	764
Investment management	203	-	203	107	-	107
Total cost of raising funds	16,816	1,182	17,998	11,069	943	12,012
Costs of charitable activities (unrestricted)						
Rehoming	16,928	3,616	20,544	15,977	3,374	19,351
Neutering	4,811	211	5,022	3,712	175	3,887
Education and information	2,396	276	2,672	1,975	226	2,201
Total charitable expenditure (unrestricted)	24,135	4,103	28,238	21,664	3,775	25,439
Charitable expenditure (restricted)						
Rehoming	1,614	-	1,614	1,305	-	1,305
Total charitable expenditure (restricted)	1,614	-	1,614	1,305	-	1,305
Total expenditure	42,565	5,285	47,850	34,038	4,718	38,756

Analysis of the indirect cost items included in Resources Expended is as follows:

2015 £'000						
	People costs	Corporate resources	IT	Facilities	Governance	Total indirect costs
Seeking donations and legacies	37	62	43	17	2	161
Shops	185	315	216	84	12	812
Fundraising events	48	80	56	22	3	209
Rehoming	826	1,399	964	376	51	3,616
Neutering	48	82	56	22	3	211
Education and information	63	106	74	29	4	276
Total	1,207	2,044	1,409	550	75	5,285

2014 Restated £'000						
	People costs	Corporate resources	IT	Facilities	Governance	Total indirect costs
Seeking donations and legacies	24	41	25	10	4	104
Shops	150	259	155	66	24	654
Fundraising events	42	73	44	19	7	185
Rehoming	774	1,339	801	339	121	3,374
Neutering	40	69	42	18	6	175
Education and information	52	89	54	23	8	226
Total	1,082	1,870	1,121	475	170	4,718

Indirect support costs are allocated on the basis of staff and volunteer numbers. People costs include the cost of supporting and developing volunteers and staff as well as the cost of the Human Resources department. Corporate resources includes Finance, Procurement and Legal.

10. Additional analysis of resources expended

	2015 £'000	2014 Restated £'000
Auditor's remuneration – statutory audit of Group accounts	30	36
Auditor's remuneration – statutory audit of subsidiary accounts	6	9
Auditor's remuneration – assurance, tax or other financial services	-	-
Depreciation of tangible fixed assets	1,534	1,226
Operating lease rentals	871	535

11. Staff costs

Employment costs

	2015 £'000	2014 Restated £'000
Wages and salaries	11,823	10,199
Social security costs	1,043	868
Employer's contribution to the defined contribution pension scheme	344	322
Employee benefits – private medical insurance	78	99
Agency staff	133	75
Total	13,421	11,563

To meet fluctuating demand in some of the Charity's departments, additional staff are needed for temporary periods. Such staff are supplied through agencies and shown as 'agency staff' in the table above. The Directors of Cats Protection Trustee Ltd are volunteers and are not paid a wage or salary by Cats Protection Trustee Ltd or Cats Protection.

In 2015, the Charity paid a total of £37,000 (2014: £51,000) in redundancy and termination payments in respect of three employees (2014: five employees). The payments were in the form of either cash or cash equivalents. All redundancy and termination payments are recognised as an expense in the year in which they occur, none are capitalised. There were no balances outstanding in respect of these payments at the balance sheet date.

Average number of employees and full-time equivalent (FTE) is as follows:

	2015 Average	2014 Average	2015 FTE	2014 FTE
Generating funds	173	139	134	112
Charitable activities	423	394	341	327
Total	596	533	475	439

Staff not directly engaged in generating funds or charitable activities have been allocated pro rata across these two categories on the basis of staff numbers. The increase in staff engaged in generating funds is mainly due to the increase in the number of charity shops. The above figures exclude staff who are employed and paid via an employment agency.

Employee emoluments

The emoluments of higher paid staff within the following scales were:

	2015 Number	2014 Restated Number
£60,001 - £70,000	8	3
£70,001 - £80,000	1	3
£80,001 - £90,000	4	1
£100,000 - £110,000	0	1
£110,000 - £120,000	1	0

Emoluments include salary and allowances, benefits in kind (company car and medical insurance) and exit costs. All 14 of the higher paid staff are members of defined contribution schemes (2014: nine) and in 2015 the Charity paid £53,246 (2014: £38,826) to the scheme on their behalf. These costs are excluded when calculating emoluments. No pension contributions were accrued at year end. The total amount of employee salary and benefits, including employer's pension contributions, received by key management personnel (defined internally as the Chief Executive and members of the Executive Management Team as set out on page 32) during 2015 was £621,095 (2014: £601,727).

Trustee expenses

Travel and subsistence expenses amounting to £6,619 (2014: £10,166) were reimbursed directly to four Directors of Cats Protection Trustee Ltd (2014: five Directors). A further £2,710 of payments (2014: £1,956) were paid directly to suppliers for travel and overnight hotel accommodation in respect of seven Directors (2014: seven Directors). This reflects the fact that Cats Protection is a UK-wide charity and so the Directors of Cats Protection Trustee Ltd sometimes need to travel long distances to branches, adoption centres and the National Cat Centre at Chelwood Gate, Sussex. Five Directors of Cats Protection Trustee Ltd did not claim for reimbursable expenses in 2015 (2014: five) and two Directors (2014: three Directors) had no payments made directly to suppliers on their behalf. None of the Directors has been paid any remuneration or received other benefits from an employment with the Charity or a related entity (2014: none). Payments of £278 (2014: £126) were paid directly to suppliers for attendance at a charity conference in respect of one Director (2014: one Director).

12. Tangible assets

	Freehold land and buildings	Assets under the course of construction	Pens and adoption centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2015	36,488	791	4,816	2,484	3,239	47,818
Additions	42	3,400	337	870	392	5,041
Transfers	781	(781)	-	-	-	0
Disposals	-	-	-	-	(42)	(42)
At 31 December 2015	37,311	3,410	5,153	3,354	3,589	52,817
Depreciation						
At 1 January 2015	10,553	-	3,116	1,584	2,659	17,912
Charge for the year	773	-	180	342	239	1,534
Disposals	-	-	-	-	(106)	(106)
At 31 December 2015	11,326	0	3,296	1,926	2,792	19,340
Net book value						
At 31 December 2015	25,985	3,410	1,857	1,428	797	33,477
At 31 December 2014	25,935	791	1,700	900	580	29,906

Freehold land and buildings includes freehold land with a value of £3,001k (2014: £3,001k) that is not depreciated. All assets are held for charitable purposes.

13. Fixed asset investments

	2015 £'000	2014 £'000
Market value at 1 January	46,020	40,313
Additions	13,775	18,193
Disposals	(13,412)	(13,183)
Net gain on revaluation	(244)	583
Proceeds from administration	-	114
Market value at 31 December	46,139	46,020
Historical cost at 31 December	43,008	42,188

In the 2008, KSF was placed in administration. Our financial statements for 2008 included a provision of £9.1m for 80 per cent of the cash we had deposited at KSF. This represented the balance of funds not included in the first distribution by the bank's administrators. We have continued to receive distributions from the administrators and as at 31 December 2015, these distributions totalled £7.1m (78.0 pence in £1). No distributions were received in 2015 (2014: £0.1m). The administrators forecast that between 85.0 to 86.5 pence in £1 will be distributed in total over the course of the administration.

Analysis of investments held at 31 December

	2015 £'000	2014 £'000
Represented by:		
Fixed interest securities	5,660	5,053
Equities (excluding investment trusts)	13,611	12,219
Overseas investment and unit trusts	12,852	11,552
Property funds	1,569	1,498
Alternatives	2,391	1,815
Cash and cash equivalents	10,056	13,883
	46,139	46,020

As at 31 December 2015, the Charity held no investments which were in excess of 5 per cent of total market value. The Charity is not aware of any material restrictions which might affect the realisation of any of its listed securities.

The Charity holds the following investments in subsidiary undertakings:

	2015 £'000	2014 £'000
Cats Protection Enterprises Ltd	2	2
CP (Nominees) Ltd	100	100

14. Debtors: amounts falling due within one year

	2015	2014
	£'000	£'000
Prepayments and accrued income	3,841	3,222
Other debtors	59	475
	<u>3,900</u>	<u>3,697</u>

15. Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Trade creditors	1,554	1,730
Taxation and social security	581	314
Accruals	1,092	1,095
Other creditors	715	1,245
	<u>3,942</u>	<u>4,384</u>

16. Provisions for liabilities and charges

	2015	2014
	£'000	£'000
At 1 January	272	1,682
Utilised during the year	(84)	(224)
Charge to the SOFA in the year	-	-
Released unused	(88)	(1,186)
At 31 December	<u>100</u>	<u>272</u>

This provision relates to neutering vouchers that have been issued but not yet redeemed. While neutering vouchers do carry an expiry date, we do allow for a grace period whereby vouchers that have recently passed their expiry date will be redeemed. The provision relates to the estimated cost of those vouchers, which will be settled in the next financial year.

17. Statement of funds

	Balance at 1 January 2015	Incoming resources	Expenditure	Investment gains/(losses)	Transfers	Balance at 31 December 2015
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
General funds	9,000	53,882	(46,236)	(244)	(3,153)	13,249
Designated funds						
Fixed assets	29,906	-	-	-	3,571	33,477
Repairs and maintenance	522	-	-	-	(522)	-
Site acquisition/development	10,968	-	-	-	(10,968)	-
Special projects	25,528	-	-	-	(25,528)	-
Capital development fund	-	-	-	-	34,600	34,600
Revenue growth fund	-	-	-	-	2,000	2,000
Total unrestricted funds	<u>75,924</u>	<u>53,882</u>	<u>(46,236)</u>	<u>(244)</u>	<u>-</u>	<u>83,326</u>
Restricted funds						
By area	5,050	1,535	(1,350)	-	-	5,235
By adoption centre	931	445	(264)	-	-	1,112
Total restricted funds	<u>5,981</u>	<u>1,980</u>	<u>(1,614)</u>	<u>-</u>	<u>-</u>	<u>6,347</u>
Total funds	<u>81,905</u>	<u>55,862</u>	<u>(47,850)</u>	<u>(244)</u>	<u>-</u>	<u>89,673</u>

The general funds represent the funds of the Charity which are not designated for particular purposes by the Trustee.

During 2015, the Trustees reviewed the designated funds and agreed to reallocate the Repairs and maintenance, Site acquisition and development and Special projects funds across two new designated funds, Capital development and Revenue growth. The purpose of each designated fund is:

- Fixed assets – this represents the net book value of fixed assets in use by the Charity
- Repairs and maintenance fund – this represented funds needed to meet major repair and maintenance projects
- Site acquisition and development fund – this represented funds needed to meet the cost of new sites or major refurbishment projects
- Special projects fund – this represents money which has been earmarked as ongoing expenditure for special projects
- Capital development fund – this fund has been established to meet the cost of the Charity's 10 year capital plan. The funds will be applied to building new adoption centres and fitting out new charity shops, as well as refurbishing our existing sites
- Revenue growth fund – this fund is to be applied to new and expanding activities across the Charity in 2016 and 2017 that cannot be funded from the income we expect to generate in those years.

The restricted funds represent funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised for particular purposes.

18. Analysis of net assets between funds

	General funds £'000	Designated funds £'000	Restricted funds £'000	2015 Total £'000	2014 Total £'000
Balance at 1 January 2015	9,000	66,924	5,981	81,905	74,251
Net movement in funds	4,249	3,153	366	7,768	7,654
Balance at 31 December 2015	13,249	70,077	6,347	89,673	81,905
Represented by:					
Tangible fixed assets	-	33,477	-	33,477	29,906
Investments	3,192	36,600	6,347	46,139	46,020
Net current assets	10,057	-	-	10,057	5,979
Total net assets	13,249	70,077	6,347	89,673	81,905

19. Operating lease commitments

At 31 December 2015, the Group was committed to making the following payments under operating leases:

	2015 £'000	2014 Restated £'000
Within one year	817	628
Within two or five years	1,706	1,079
Over five years	158	212
	2,681	1,919

20. Subsidiaries

The Charity holds 100 per cent of the issued share capital of each of the following companies, both of which are registered in England:

	Issued share capital
Cats Protection Enterprises Limited Trading subsidiary	£2
CP (Nominees) Limited Nominee company for the Charity's investment portfolio, acting as the legal entity for investment trades	£100

The results of both these subsidiaries have been fully consolidated into the results of the Group. There were no transactions on CP (Nominees) Limited during 2015 (2014: none) and the Charity is looking to strike off the company during 2016.

Cats Protection Enterprises Limited Profit and Loss Account

	31 December 2015 £'000	31 December 2014 £'000
Turnover	1,537	1,359
Cost of sales	(541)	(543)
Gross profit	996	816
Administrative expenditure	(227)	(221)
Profit on ordinary activities before taxation	769	595
Taxation	-	-
Profit on ordinary activities after taxation for the year	769	595

Cats Protection Enterprises Limited Balance Sheet

	31 December 2015 £'000	31 December 2014 £'000
Current assets:		
Stock	5	18
Debtors	486	101
Cash at bank and in hand	608	827
	1,099	946
Creditors: amounts falling due within one year	(120)	(141)
Net current assets	979	805
Creditors: amounts falling due after one year	(210)	(210)
Net assets	769	595
Funded by:		
Called up share capital	-	-
Retained earnings	769	595

The Charity has provided a long-term loan of £210k (2014: £210k) to Cats Protection Enterprises Limited to provide working capital. The loan is secured by a debenture covering all the Company's assets and is repayable on demand. Interest is payable on the loan at a rate of 1 per cent over Barclays Bank PLC base lending rate.

The profits for the year, amounting to £769k (2014: £595k) will be donated to the Charity under Gift Aid as a distribution from Cats Protection Enterprises Limited in 2015.

21. Capital commitments

At 31 December 2015, the Charity had three contracts where a significant capital commitment existed (over £50k in value). The balances outstanding on these contracts are:

	2015 £'000
Bredhurst Adoption Centre refurbishment	70
Newbury Adoption Centre refurbishment	85
Haslemere Adoption Centre refurbishment	701
	<hr/> 856

22. Related parties

During the year, the following payments were made by Cats Protection Enterprises Ltd to Cats Protection:

- £594,719 distribution of the previous year's profits (2014: £434,177)
- £9,600 licence fees (2014: £9,600)
- £3,045 loan interest (2014: £2,987)
- £200,390 recharges to reflect use of Cats Protection's support functions (2014: £197,604).

As at the Balance Sheet date, a total of £393,328 was owing from Cats Protection to Cats Protection Enterprises Ltd (2014: £nil) and a total of £nil (2014: £29,942) was owing from Cats Protection Enterprises Ltd to Cats Protection.

The Charity has controls in place to ensure that Directors of the Corporate Trustee cannot participate in any decisions where they may have a vested interest. Other than the transactions disclosed in Notes 11 and 20, there were no transactions with related parties during 2015 (2014: none).

In 2015, the Directors of the Corporate Trustee made personal donations totalling £851 to the Charity (2014: £820).

Our network

- Over 250 volunteer-run branches
- 32 centres
- 89 shops
- 9,800 volunteers

Support us

There are lots of ways you can help us, from adopting a cat to making a donation, leaving a legacy or following us on Facebook. For more information on how to help, see our website www.cats.org.uk/get-involved

Contact us by phoning our Helpline on 03000 12 12 12, or email helpline@cats.org.uk.

You can also visit www.cats.org.uk or write to us at: Cats Protection, National Cat Centre, Chelwood Gate, Haywards Heath, Sussex, RH17 7TT.

Thank you, on behalf of the cats!

*Our vision is a world where every
cat is treated with kindness and an
understanding of its needs.*

Annual Report & Accounts 2015

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