



Annual Report
& Accounts
2018



The five animal welfare needs

Diet

To have suitable food and fresh water

Environment

To have a suitable place to live with everything they need

Health

To be protected from pain, suffering, injury and disease

Behaviour

To be able to express normal behaviour

Company

To have the choice to be apart from other cats

It is a legal requirement that all cat owners must ensure that the five welfare needs are met for their cats: Animal Welfare Acts 2006-11.



Trustee's report

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

Founded in 1927, Cats Protection is the UK's leading feline welfare charity. In 2018 we helped 184,000 cats and kittens, including 26,000 feral cats, through our national network of over 250 volunteer-run branches and 36 centres (in 2017 we helped over 193,000 cats, including 28,000 ferals). That's the equivalent of helping 500 cats a day.

This report covers the period 1 January 2018 to 31 December 2018 and was approved by the Trustee on 17 April 2019.

Our strategy identifies four aims to help us help more cats:

Page

06 **Increasing awareness.** We will significantly increase awareness of Cats Protection and our work.

09 **Improving understanding of cats' needs.** As the leading authority on cats we will help people better understand their needs in order to improve the welfare of all cats.

12 **Reducing overpopulation of cats.** We will help to reduce overpopulation of cats through targeted neutering campaigns and education, by directing more resources to the promotion of early neutering and by doing more research and gathering better data on the impact of our neutering work.

15 **Rehoming cats.** 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 mean that there are fewer cats needing our help.

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

Helping us to get there:

Page

20 **Growing income and managing funds.** We will significantly grow income and manage our funds to enable us to help more cats, now and in the future.

23 **How we ensure we fundraise responsibly.** We will work to maintain the trust and confidence of the public in our fundraising activities.

25 **Speaking up for cats.** We will speak up for cats and represent their interests.

27 **Partnership working.** We will increase the extent and effectiveness of our collaboration with animal welfare charities and other organisations, for the benefit of cats.

29 **Supporting our people.** We will value our hardworking people and support them to help more cats and kittens.

30 **Plans for 2019.** We will aim to have a greater impact on the welfare of cats in 2019 and beyond.

Chairman's report

An introduction from Linda Upson, Chairman

Cats Protection's 90th anniversary celebrations in 2017 gave us the opportunity to reflect on the charity's incredible history, and in 2018 the focus has been on looking to the future of cat welfare and the next 90 years of our work rehoming, neutering and educating the public about cats.

As the UK's leading feline welfare charity, our interest is in improving the lives of all cats, not just those in our care. In 2018, our work in advocacy and government relations saw us make impressive progress on a number of issues facing cats and their owners, and I am very encouraged that so many MPs and Peers have shown their support for our cause.

The introduction in England of tighter regulations for kitten vendors and the ban on licensed sellers dealing in kittens under eight weeks old is encouraging news for cat welfare and the proposal to end the commercial sale of kittens in pet shops and other outlets is also incredibly promising for improving the health and welfare of the UK's cats.

Campaigning for the licensing of air guns in England and Wales continues to be high on our agenda as sadly many cats are maliciously shot with these weapons each year, causing a great deal of suffering for them and anguish for their owners. I'm hopeful that the petition featuring an incredible 110,000 signatures from our kind supporters that we delivered to 10 Downing Street in 2018 will help to persuade the Government to review this issue and stop these weapons from falling into the wrong hands in the future.

We also launched our Purrfect Landlords campaign in 2018, encouraging more landlords to have responsible and reasonable pet policies that allow their tenants to experience the joy of owning a cat. We've already begun to hear success stories of tenants who, using our advice, have been able to persuade their landlords to let them keep pets and I look forward

to helping to change the attitudes of more landlords in 2019.

In 2018, the governance of our charity has also seen some changes, as we welcomed two new Trustees to the Board. Dr Kit Sturgess FRCVS, who is a recognised specialist in small animal internal medicine, will bring his long-standing experience in feline medicine and desire to improve cat welfare to the charity. Nikki Butcher has a wealth of project management and voluntary experience and has been involved with Cats Protection's Bracknell & Wokingham Districts Branch for the past 13 years and served on the charity's Advisory Council for the last three years. I look forward to working with them and with our six other Trustees to guide the charity towards achieving our vision of a world where every cat is treated with kindness and an understanding of its needs.

We said a fond farewell to Nick Edmans as Director of Communications and Lewis Coghlin as Director of Fundraising. They both made a fantastic contribution to the charity and we wish them well.

Finally, towards the end of 2018, we also welcomed our new Chief Executive, James Yeates and he is already working closely with myself and the other Trustees to shape the charity's future. His extensive knowledge of the animal welfare sector coupled with his love of cats will make him a great addition to Cats Protection's leadership team and I look forward to working with him in the years to come. I would like to thank Dominic Sullivan who was interim Chief Executive for the period February to November.



Linda Upson



Chief Executive's report

An introduction from James Yeates, Chief Executive

It was a huge honour to join Cats Protection in November 2018 and I have enjoyed getting to meet people across the charity and learn about all of the amazing things they do for cats. It is so inspiring to see the brilliant work to improve the lives of cats across the UK. In the years ahead I hope that we can shout a little louder about our shared successes as we should be truly proud of everything that the charity, and one another, has achieved.

Looking through this report, you may notice that there has been a slight decline in the number of cats we rehomed and neutered in 2018. In the interest of being open and honest, there is more work that we need to do in 2019 to understand why these numbers have fallen. A potential cause is that our neutering and public education work is being highly effective, leading to a drop in the number of unwanted cats ending up in our care. We should not make that claim without convincing evidence to back it up but we can certainly celebrate the impressive work that has been done to tackle this issue at its roots.

When it comes to helping cats, it is not all about the numbers though. The quality of care we provide for the cats we rehome has improved. The welfare standards we hold ourselves to are significantly higher than the industry standard and will continue to improve in 2019. We are also tackling the harder to reach cats and people, using innovative and demanding methods to reach the most vulnerable cats and people.

The numbers also show that we are fantastically efficient as a charity, as when you compare the scale of the work we do to our income, it is incredibly impressive. Of course, this has a lot to do with our wonderful team of over 11,200 volunteers who give their time, skills and dedication to the charity. Without each of them, and our equally dedicated employees, we would

simply not be able to help as many cats as we do.

We are also hugely grateful for the generosity of our supporters who donate money, purchase items in our charity shops, take part in fundraising challenges or spread the word about our work, it all makes a big difference to unwanted cats and kittens across the UK and we wouldn't be here without them.

Looking ahead to 2019, we have a year of consolidation of the amazing journey so far, and planning the next steps. In readiness, we will be recruiting to complete the Executive Management Team and working with the Board of Trustees to re-evaluate our plans for the years ahead. We have continued to expand our network to open new branches and centres including two of the latter in 2018 – with more of each than any other UK rehoming charity. In 2019 we will focus on refurbishing and improving several of our existing sites. Not only will this make them even better equipped to provide care for unwanted cats, it will also help our people perform their roles on a day to day basis.



James Yeates



Objectives, activities, achievements and performance

Increasing awareness

Spreading the word about Cats Protection is important for encouraging people to come to us, the UK's leading feline welfare charity, for all their cat needs, whether they are looking to rehome a cat or need cat care advice. Our people did a fantastic job of raising our profile in 2018, from speaking to members of the public at events, to getting local and national media coverage of our work.



In the news

The 2018 National Cat Awards, sponsored by PURINA®, took place in August to celebrate some of the UK's most extraordinary cats and over 900 entries were received for the five categories. The awards attracted some excellent media coverage, with an estimated reach of 584 million people (2017: 243 million). They featured on BBC News 24, Sky News and BBC Radio 5 Live and international coverage appeared in the USA, Ireland, Sri Lanka, Hungary, Indonesia and Russia.

In the summer, our Pawsome Predictor cat Phoenix was tasked with choosing the outcome of various Football World Cup games, predicting most of the results correctly. His videos were viewed over 130,000 times online and he soon

became the preferred predictor of ITV show *Lorraine*, where he was tasked with predicting the winners of *Love Island*, the outcome of *Bodyguard* and the gender of Harry and Meghan's baby. His efforts were also featured on express.co.uk, bbc.co.uk, mirror.co.uk and thesun.co.uk

Our National Cat Adoption Centre in Sussex was featured on BBC1 show *Antiques Road Trip* in October, as presenter Philip Serrell explored the history of cats and met some of the felines in our care.

Online activity

Our websites, including our national site and our individual branch and centre sites, are a fantastic source of cat care information and one of the main ways people can view cats available for adoption. Combined, they were visited 4.4 million times in 2018 (2017: 3.85 million) and work to develop the national website is ongoing. Our national *Meow Blog* features lots of cat welfare information and success stories from across the charity and was visited 242,000 times in 2018 (2017: 136,000).

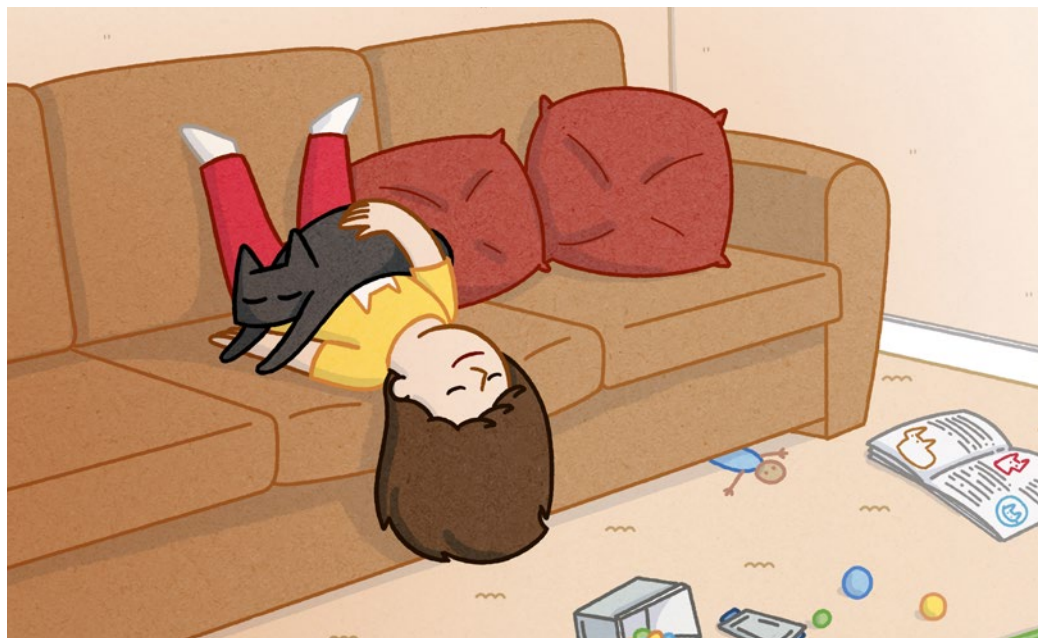
Social media continues to be a fantastic platform for raising awareness of our work and by the end of 2018 548,000 people had liked our national Facebook page (2017: 502,000), 105,000 people were following our national Twitter account (2017: 98,000) and 52,700 people were following our national Instagram account (2017: 27,200). In addition, we have gained thousands of new followers for our individual branch and centre social media accounts, which are run by dedicated volunteers and help us to reach an even wider audience.

We ran several digital campaigns throughout the year, all of which got national and local media coverage. They included Kids & Kitties – providing advice for parents concerned about having cats and children under one roof, Look Before You Lock – encouraging people to regularly check their sheds and outbuildings for missing cats, and National Black Cat Day – celebrating monochrome moggies who often get overlooked for adoption.

◀ 2018 National Cat of the Year
Theo with owner
Charlotte Dixon

Find us online:
www.cats.org.uk
Meow Blog:
meowblog.cats.org.uk
Facebook:
[/CatsProtection](https://www.facebook.com/CatsProtection)
Twitter:
[@CatsProtection](https://twitter.com/CatsProtection)
Instagram:
[@CatsProtection](https://www.instagram.com/CatsProtection)
YouTube:
[/CatsProtectionUK](https://www.youtube.com/CatsProtectionUK)

► Our Christmas animation tells the story of the beautiful bond between Evie and her cat Genie



We also produced a visual guide of plants that are poisonous to cats and a Cool For Cats video and quiz providing advice for keeping cats safe in hot weather. The dedicated webpage featuring all of our warm weather advice was visited by over 30,000 people and the quiz was taken over 12,000 times.

The latest Cats Protection news has been arriving in our supporters' inboxes thanks to our revamped email marketing content. Despite losing some of our supporters because of the General Data Protection Regulation that came into effect this year, those who did opt in to receive our emails are very engaged and passionate about our work. Engagement with our campaigns has increased by 87% from 2017 and by switching from letters to emails in many instances we are saving the charity money.

Online advertising has also helped us to reach more people with our messages. On Facebook our adverts have reached over 20 million people, helping to raise awareness and generate income. Our television adverts have also proved very popular, with over 25 million people viewing them, an increase of 8% from 2017.

We produced many more engaging videos, providing helpful cat care information and highlighting the important work we do. By the end of the year we had 12,000 subscribers on YouTube (2017: 7,500) and our videos had been viewed 1.8million times on YouTube alone (2017:

1million) with many more views on other social media platforms. Our heart-warming Christmas animation, telling the true story of 2017 National Cat Awards winners Evie and Genie, has had over one million views across Facebook, Twitter and YouTube.

“ Our free and confidential grief support service, has seen a steady increase in calls ”

Paws to Listen

Paws to Listen, our free and confidential grief support service, has seen a steady increase in calls throughout 2018. Our trained volunteer listeners provide people with emotional support and practical advice in coping with the loss of a cat. In August 2018 we conducted a survey which revealed 73% of pet owners felt it can be as difficult and upsetting grieving for a pet as it is grieving for the loss of a person, and launched a media campaign alongside Grief Awareness Day to raise awareness of the service. We have also provided veterinary surgeries with helpful materials on pet grief and plan to develop the service further in 2019, including expanding its hours of operation and developing alternative methods of contact.

Out and about

Our people also organise and attend many and varied local events, such as homing shows, open days and fairs to engage with the public and let them know how we can help them. We also attended 15 large events with our stand this year, and once again won a trade stand award at the RHS Malvern Spring Festival. Another highlight of the year was attending RHS Hampton Court for the first time, where we spoke to many cat lovers about our work. In September we visited Slough to see Tanmanjeet Singh Dhesi MP unveil a commemorative blue plaque at the building that was our original headquarters from 1935 to 1978.

“ We visited Slough to see Tanmanjeet Singh Dhesi MP unveil a commemorative blue plaque at the building that was our original headquarters from 1935 to 1978 ”

Celebrity support

Comedian Bob Mortimer continued to support us this year by donating the profits from the sale of art prints featuring his funny cat names. The prints are made and sold by online gift company Wordynumnum and have raised an incredible £3,590 for us



in 2018, bringing the overall total to £6,801. Bob also visited our National Cat Adoption Centre to name some of the cats and help them find new homes, getting us coverage on BBC Sussex and BBC South Today.

Businesswoman and *Dragons' Den* investor Deborah Meaden lent her support to our grief support service, Paws To Listen, in the summer, urging businesses to take pet bereavement more seriously and recognise the emotional impact it can have on their staff. This was covered by BBC Radio 5 Live along with a range of regional newspapers and local radio stations.



◀ *Holby City star Chizzy Akudolu at the 2018 National Cat Awards*

Holby City star Chizzy Akudolu spent a day at our Mitcham Homing Centre in June to meet the cats and help the volunteers care for them, and in September rock star Rick Wakeman helped to open our newly refurbished Dereham Adoption Centre, along with author of *The No.2 Feline Detective Agency*, Mandy Morton. Our Tyneside Adoption Centre was officially opened by actor Stephen Tompkinson and *X-Factor* singer Sam Lavery in July.

Bob, Deborah, Chizzy and Rick also joined Justin Hawkins, Peter Egan, Gavin Ramjuan, Andrew Collins, Paul Copley and Jessica-Jane Stafford at the 2018 National Cat Awards to judge categories and present awards.

◀ *Comedian Bob Mortimer meeting the cats at our National Cat Adoption Centre. Photo credit: Ciaran McCrickard*

Improving understanding of cats' needs

Despite being one of the UK's most popular pets, cats and their seemingly curious behaviours are often misunderstood and this can have a negative impact on their welfare. One of our key aims is to educate the public and animal welfare workers about cats' needs to help improve the lives of cats not just in the UK, but all over the world.

Providing education and advice

We have continued to promote *The Behaviour Guide* and *The Welfare Guide*, which we launched in 2017 to provide cat owners, veterinary professionals and other welfare organisations with trustworthy information about cats' needs. Members of the Veterinary team have been presenting webinars on several topics featured in the guides to further educate our own people, helping them to spread the word about good cat welfare as well as improve their own work with cats. We have now begun developing guidance on feral cats, cats that are not socialised to humans and so cannot be kept as pets, as they continue to be misunderstood by many. This will be released in 2019.

We provide lots of useful cat care advice to the public via our leaflets, social media pages, National Information Line and official charity magazine *The Cat*.

► *The Cat* magazine is packed with news, views and features about fabulous felines



Our branches and centres are also happy to help people with their cat-related queries.

On our website we launched a new 'Help & Advice' section, featuring information on all things cat, from how to deal with behaviour issues to what to do if your cat goes missing. We also produced some animated videos giving an insight into cat body language and how to recognise stress in cats. The public continue to be able to take our Understanding Feline Origins online course, which provides information about the ancestry of cats and how this relates to the needs of our domestic cats today. This was accessed by over 11,000 devices in 79 countries in 2018.

Another new addition to our website is the Education section, providing fun and informative videos, games and activities that promote responsible pet ownership to the cat owners of the future. The site also features curriculum-friendly lesson plans and resources for teachers, and gives them the opportunity to book a free talk for their school from one of our Education Officers. In 2018, we revamped the content of our talks given to schools and community groups and delivered 1,693 talks to an audience of 52,343 children and adults in total (2017: 1,063 talks to 31,479 people).

“ *Our Contact Centre handled over 110,000 customer enquiries* ”

In addition to the thousands of calls handled directly by our branches, our Contact Centre handled over 110,000 customer enquiries via the National Information Line, website, email and our social media channels in 2018, and there was a 75% increase in the number of people asking for cat care and welfare advice. Unfortunately the number one reason people contact us remains that they wish to give up their cat, but our advice and education work is making a difference and sometimes this results in the cat staying in its home. Our team of Contact Centre volunteers has continued to grow and we will be expanding the service in 2019.



◀ Our free education talks cover a range of cat-related topics and can be customised to suit your needs. Photo credit: Gavin Pitts

Improving cat welfare

Cats Protection continues to be a member of the Canine and Feline Sector Group made up of influential organisations that advise government on behalf of the sector on strategically important dog and cat health and welfare issues and standards. We have been working with other members of the group to produce a kitten checklist giving guidance to prospective cat owners on what to look for when choosing a kitten and a code of practice for cat breeding, both of which are due to be launched in 2019. We also helped to update the guidance on animal activities that are licensed including boarding catteries and pet shops.

We are a member of the Pet Advertising Advisory Group, a coalition of animal welfare organisations aiming to promote responsible pet advertising and reduce the number of adverts from unscrupulous, and often criminal, dealers and sellers. In 2018, this group launched www.howtobuyapet.org.uk – a new website featuring advice on how to buy a pet responsibly which also provides a place for anyone to confidentially report suspicious websites or traders.

For anyone caring for young kittens, it's important that they introduce them to the sights, smells and sounds they will encounter in their future homes. If kittens are not exposed to these experiences in a positive way between the ages of two to seven weeks they may be fearful of them as adults and will not make well-adjusted pets.

“ We have developed a series of kitten socialisation resources ”

We have developed a series of kitten socialisation resources to help, including a library of common household noises to introduce kittens to. Work has also begun on marketing the Feline Fort, a cat hide developed by Cats Protection for the cats in our care to make them feel more secure and less stressed, to a wider audience, and it is now being used in Africa for the first time.

Members of the Cats Protection Veterinary team delivered 34 presentations on cat welfare to 1,121 veterinary and animal welfare professionals, volunteers and members of the public in 2018. They also organised the feline strand of the Association of Dogs and Cats Homes Conference, attended by various organisations within the animal welfare sector.

Working with vets

Improving the understanding of cats' needs within the veterinary professions, particularly in the animal rescue environment, is another important part of our work.

In 2018 we were involved in writing and editing the British Small Animal Veterinary Association *Manual of Canine and Feline Shelter Medicine*, the first book on the subject produced outside the USA. It covers all areas of shelter work from a veterinary perspective, providing anyone undertaking clinical work with useful information about shelter design, disease control, behaviour, population control and ethics.

We are working closely with Bristol Veterinary School on their Bristol Cats Study, which we are also helping to fund. The study records the environment, health and behaviour of a group of cats as they grow up, so that the data can be used to help veterinary professionals improve the health and welfare of cats.

► *Cats Protection provides advice for vets to help improve cat welfare across the UK*



Our webpage featuring advice for vets has also been redeveloped, featuring more resources and guidance for those who treat cats, and we are currently developing an online hub for vet students too.

We had stands at the British Small Animal Veterinary Association Congress, the London Vet Show and The British Veterinary Nursing Association Congress giving us an opportunity to talk to vets and veterinary nurses about how they can work with us and promoting kitten neutering. We have

“ We have been working with more veterinary schools, delivering lectures on shelter medicine ”

been working with more veterinary schools, delivering lectures on shelter medicine to vet students and running practical sessions for them at our centres, as well as offering vet students in their clinical years a chance to do a placement with us at the National Cat Centre vet clinic. Every year we hold the Veterinary Student Awards for those that produce the best reports on an aspect of feline or shelter medicine after their placements.

Beyond the UK

As internationally-recognised experts in feline welfare, Cats Protection is often called upon to advise outside the UK. We make our expertise and resources freely available which includes allowing other organisations to produce translations of our cat care information. We also attend and speak at conferences such as the International Companion Animal Welfare Conference to share our knowledge for the benefit of cats and people internationally. We host visits from those engaged in similar work in other countries and we gave a limited amount of equipment, such as cat traps, to voluntary organisations through a scheme administered by SNIP International at the International Companion Animal Welfare Conference in Krakow, Poland.



◀ *Cats Protection is the largest single cat neutering group in the world*

Reducing overpopulation of cats

With thousands of stray and feral cats in the UK, neutering is the only effective and humane way to keep the UK's cat population under control. As well as reducing the number of unwanted cats that come to us for rehoming, neutering also has plenty of benefits for cats and their owners too as neutered cats are less likely to fight, roam, wail, spray and get certain diseases.

“ We are investing more time in building relationships with harder to reach audiences ”

In 2018 we neutered 143,000 cats and kittens including 19,000 ferals (2017: 153,000 including 21,000 ferals). We are currently investigating the reasons behind the slight drop in the number of cats we have neutered. It could be good news – a sign that our work has been successful, with more cats being neutered before puberty, fewer kittens being born and more people following our advice and neutering their cats without our help. Certainly the neutering rates in the UK generally seem

to be steady and we are not seeing an increase in cats coming into care. What we can be sure of, is that we are investing more time in building relationships with harder to reach audiences, neutering the cats of people that didn't know help was available and trying to create a change in attitudes towards cat welfare. This will be hugely beneficial for tackling the overpopulation of cats in the long term.

Neutering campaigns

Financial constraints can often be a barrier to people getting their cats neutered, so we offer vouchers towards the cost to help those on low incomes. As one great example, in 2018, our Gosport Branch ran a hugely successful £10 'Snip & Chip' campaign after they noticed considerable numbers of unneutered cats being reported in their area. Despite offering discounted neutering and microchipping, they still found that cat owners were reluctant to use the scheme, so they decided to advertise it in a local vet's surgery and a team of volunteers went out to knock on doors and even offer to transport the cats to and from the vets to encourage people to sign up. In just two months they succeeded in getting over 100 cats neutered and nearly 90 cats microchipped, making a significant difference to the cat population of Gosport.



▲ *Molly is enjoying a well-earned break after caring for her kittens and grand-kittens.*

Molly's story

Molly and her daughter Polly were both pregnant when they were taken in by our Gateshead & Newcastle Branch in July 2018. Both cats gave birth within 24 hours of each other, having 12 kittens between them, although tragically one of the kittens was stillborn and another had to be put to sleep at just a day old. Polly, who was only six months old herself, also received veterinary treatment as she was struggling after giving birth. Days later, she was taken back to the vet where it was discovered she had lymphoma and had to be put to sleep.

Molly took over the care of her daughter's kittens as well as caring for her own. Thankfully the branch volunteers were on hand to help out with bottle feeds and after appealing for donations were able to raise more than £600 towards the cost of the kittens' care. When they reached eight weeks old, all 10 kittens and Molly were neutered and found loving new homes. Molly now gets to enjoy life with her new owner Jean Hay without the stress of having more kittens. Jean said: "Molly is just amazing and loves all the attention she's getting. She is one clever cat who never ceases to amaze me."

Cat Watch

With no permanent residence or owner to care for them, unowned cats are the most vulnerable in society. Our Cat Watch project is working closely with communities to control cat numbers and make sure they are cared for. It will also give us more information about the numbers of unowned cats in the UK as there are no robust statistics on this.

By actively engaging with residents in areas with large stray cat populations and involving them in our work, we have been able to find unowned cats and help them through our Trap, Neuter and Return (TNR) campaigns or rehoming. People can also report all the stray cats they see to us via our Cat Watch mobile phone app or Cat Watch Facebook groups to help us locate them. We can then provide residents with support to help the cats, raising awareness of cat welfare within the community and changing human behaviour towards strays. This is all helping to prevent kittens being born into a life on the streets and caring for those who are.

Success in Bulwell

Cat Watch first launched in Bulwell in 2016 and this pilot project has been a huge success. Our team of Community Neutering Officers have been engaging with local residents to encourage them to report stray cats and to change their attitudes towards the area's cat population. All of this hard work has meant that, to the best of our knowledge, no new kittens were born on Bulwell's streets in 2018 – fantastic news for the community and its cats. A study of the Bulwell project was recently published in the *Frontiers Veterinary Science* journal highlighting the importance of our community programmes and use of behaviour change techniques, making our TNR campaigns in urban areas more effective.

Following Bulwell's success, Cat Watch has since launched in Everton, Little Horton in Bradford, Beeston in Nottingham and Houghton Regis to develop the learnings from Cat Watch further and help more communities help their large populations of unowned cats.

Each new site builds on the learnings from the previous work, adapting to the complex and shifting situation in each neighbourhood and the needs of the community.

Work with others

We are continuing to collaborate with other charities and local authorities to help us get as many cats neutered as possible. We work with the PDSA and their Pet Aid Hospitals to fund subsidised cat neutering across the UK and also support proactive community events led by the RSPCA. We also provide neutering vouchers to over 50 smaller animal charities to help them manage their local cat populations.

In Wales we continue to run neutering schemes with the RSPCA, and in London we are part of the London Cat Care & Control Consortium (C4) initiative of animal charities working to tackle the problem of cat overpopulation with neutering.

In partnership with the RSPCA and University of Bristol we have launched a neutering campaign in the West Midlands and are also launching an accompanying research study to find out how neutering campaigns influence communities and their cats, to help us better support them in the future and understand the impact the campaigns have on the cat population.

One of our key objectives is educating the public and the veterinary profession about the importance of neutering cats routinely from the age of four months old and even younger in the rescue and TNR environments. As a founding member of the Cat Population Control Group (CPCG) we work alongside eight other welfare charities to promote the health benefits of kitten neutering and dispel any myths. We continue to run the Kitten Neutering Database, a resource for vets that supports our recommendation of routinely neutering cats from four months. This now has 1,515 vets as members (2017: 1,482).

The CPCG are currently working on a research project with University of Bristol, to understand more about vets' neutering practices and demonstrate the impact an intervention we have developed might have on the age cats are neutered.

Rehoming cats

For one reason or another, thousands of unwanted cats end up in the care of our branches and centres across the UK each year. Although all our people are committed to making sure these unfortunate cats are happy and healthy, we know that the best place for them is in a loving home. In 2018, we rehomed 41,000 cats (2017: 43,000), doing everything we could to match the right cat to the right owner.

While rehoming this many cats is still an impressive achievement, we are working to understand why the number has fallen slightly in 2018. Hopefully it's for positive reasons – it could be that our neutering and education work is having the impact intended, meaning fewer cats are ending up in our care. It could also be a result of us helping more cats with greater care needs, who can stay in our care for longer, which in turn reduces our overall homing rate. Whatever the reason, we can be sure that the quality of care we are providing for unwanted cats and kittens keeps improving and our centres and branches are working together to make sure they find the perfect forever home for every cat.

▼ *Our Cardiff Homing & Information Centre has three cat pens housing moggies that are ready for adoption*

Expanding our network

In 2018, we continued to establish new branches where appropriate but more importantly, we focused on developing volunteering opportunities where they were most needed and would impact positively on the numbers of cats helped. We also opened our 35th and 36th centres; Cardiff Homing & Information Centre located within the Newport Road store of Pets at Home, and Tyneside Adoption Centre. Our Dereham Adoption Centre also reopened after its refurbishment, which was funded in part by a kind legacy left to our Framlingham & Saxmundham Branch. The refurbishment of our Isle of Wight Adoption Centre is due to be completed in 2019 and work has also started on the relocation of our Wrexham Adoption Centre. Plans are ongoing for a new site in North London and the redevelopment of our existing site in Exeter.

Our strategy for improving and better integrating our activity in London has commenced and we intend to open an additional centre in Harrow by the end of 2019. Our London teams have been restructured to enable them to provide even higher levels of support to branches



in the Home Counties and further afield. The London centres continue to help many branches and centres with rehoming opportunities and this will be further enhanced with the rollout of a dedicated transport service for cats in 2019. We are excited to be putting Cats Protection at the forefront of cat welfare in the capital.

Providing peace of mind

Our free Cat Guardians service continues to give cat owners peace of mind that we will find their beloved cats new homes after they have passed away. When one cat owner who had signed up for the scheme was rushed into hospital and later died of a heart attack, our Barnsley Branch made sure the four cats in the house were looked after. Even when severe weather conditions delayed their ability to get access to the house, they made sure the cats didn't go hungry by putting dry cat food through the letterbox. Eventually all four cats were rehomed with the help of our York Adoption Centre.

Paws Protect, our temporary fostering service for cats whose owners are fleeing domestic abuse, expanded into Kent, Sussex and Surrey as well as continuing to cover London, Hertfordshire and Essex in 2018. This enabled us to help 62 cats and their owners who may otherwise have not been able to leave abusive relationships for fear that they would lose their pets or put them at risk. We're pleased to say that we were able to reunite 52 cats with their owners once they were resettled in a place of safety. One cat owner who used the service said: "It has meant the world to me that after such a horrific time, my cats were looked after and everything has been done to ensure that they were returned to me. Thank you so much." Paws Protect has also received funding from the Safe Space Sussex Funding Network, established by the Sussex Police Commissioner, and from the Essex Community Safety Development Fund, established by the Essex Police Commissioner, to help us support cat owners fleeing domestic abuse in these areas. In 2019, the service will be expanding into Bedfordshire, Buckinghamshire and Berkshire.

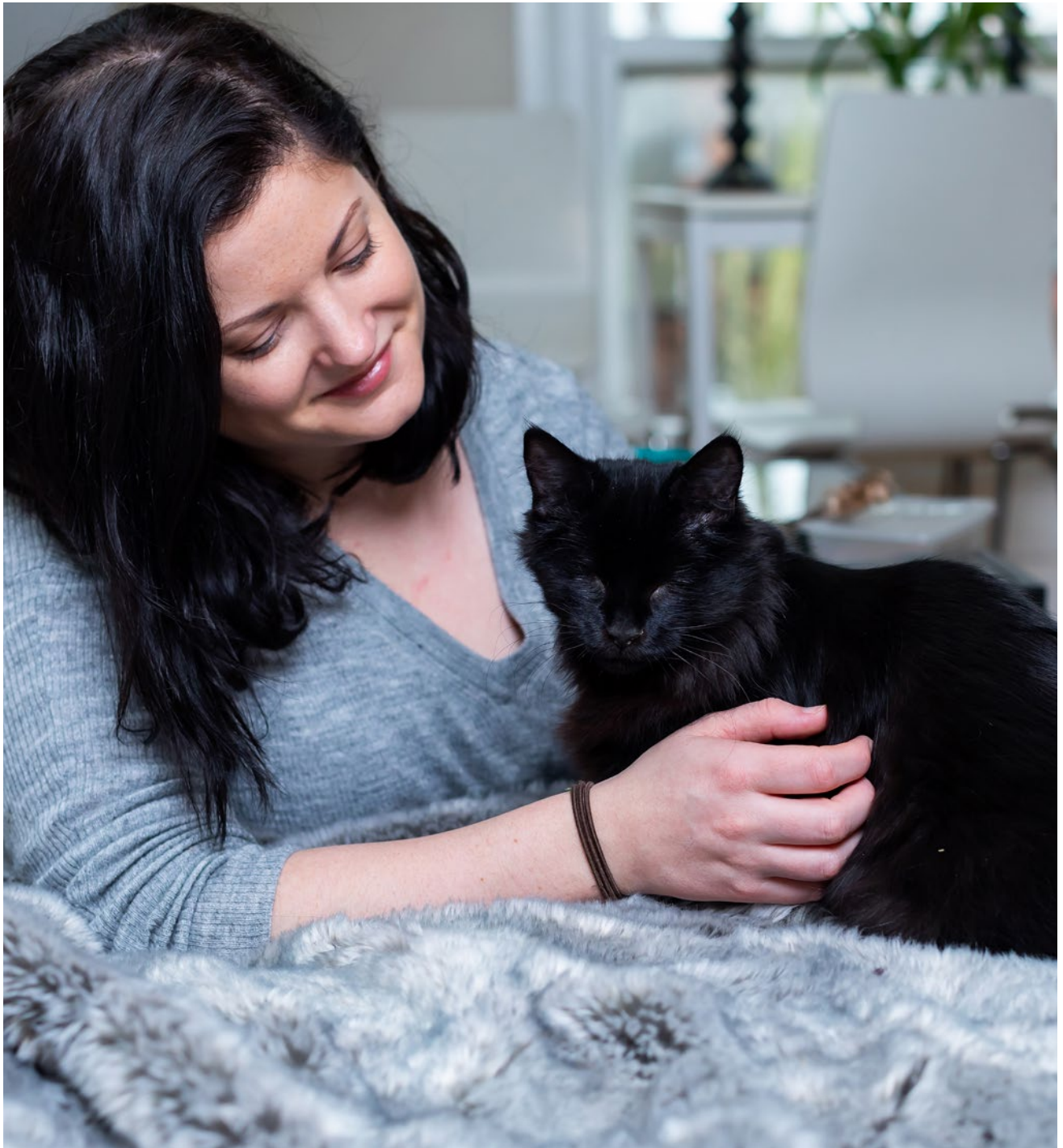


◀ *Fergal became a Twitter celebrity with fans all over the world*

Fergal's story

Fergal was found in a sorry state on the streets of Chesham where it's thought he had been living as a stray for a number of years. He was taken in by our Chiltern Branch, who got him treated by a vet and then made him the focus of their @ChilternCPCat Twitter feed. His battered appearance and hard-luck story quickly won him thousands of loyal fans and he became something of a social media superstar with messages, donations and gifts sent to him from as far away as Argentina and the USA.

Despite his fame, he was overlooked by many potential adopters who were deterred by his unconventional appearance, but eventually Chris Elliot came forward to give him a home. Chris said: "It's unusual having a celebrity cat but lovely to know so many people across the world love him as much as I do. He has certainly settled in well now. He loves his outdoor catio and spends a lot of time out there watching the world go by. He also enjoys cuddling up on the sofa in front of the TV and is always sat right behind the front door when I come home.



▲ *Ziggy and Mercutio are coping well without their sight and love their new home*

Ziggy and Mercutio's story

When a pair of 14-week-old kittens came into the care of our Mitcham Homing Centre, it was clear that they had severe eye problems that had left them both blind. The cause of their sight loss is unknown but their remaining eye tissue was causing them discomfort and needed to be removed. With the operation due to cost over £1,500, the centre appealed to supporters for donations and quickly reached their target.

Once the kittens had recovered from their surgery, they were soon given a home by Alex Maxwell from Streatham Hill, who

named them Ziggy and Mercutio. Alex said: "I fell in love with these cheeky chappies as soon as I saw their photo on the website. Ziggy and Mercutio have settled in so well to my flat and have found their playfulness and confidence. Mercutio is definitely the most outgoing of the two, but Ziggy has a lovely caring side. They had a difficult start in life and I am so grateful for Cats Protection and all those who donated to give them the best possible care and helped me to adopt them! I look forward to seeing them grow up and to enjoy their company for years to come."



Promoting microchipping

As well as rehoming unowned cats, we also return lost cats to their existing homes. In 2018 we reunited 3,000 cats (2017: 3,000) with their relieved owners and continued to promote microchipping as the most effective way of identifying lost cats.

To get more of the UK's owned cats microchipped, we have begun to roll out our Snip & Chip scheme, offering discounted microchipping to owners on low incomes who are already eligible for neutering vouchers. We hope this will increase the number of cats getting microchipped.

Not knowing what has happened to their missing cat is often a source of great sadness and frustration to cat owners. An innovative example of how we are tackling this issue is the work undertaken by our Leicester & County Branch. The branch has been working with Harborough District Council to provide the local street cleaning team with four microchip scanners. This will enable them to alert the owners of any cats they find that have been victims of road traffic accidents, giving their owners some peace of mind.

Samson's story

Hannah Guy and her family were devastated when their cat Samson went missing from their home in Derby in October 2013. After making sure his microchip details were up to date, they did everything they could to find him, including making and delivering over 200 leaflets around the local area. Then, five years later in July 2018, Hannah got a call from our Derby Adoption Centre saying Samson had been handed in to them.

"I was so surprised and overwhelmed that it took a while for it to sink in," said Hannah. "He settled back in immediately with our family, particularly with my five-year-old son Elliot. He follows him around and flops upside down on the floor for a chin tickle. I'm relieved because I wondered how he'd get on with the children, having not seen them since they were babies. He's certainly shown his age of 13 since coming home but at least now he's getting the treatment and care that he so clearly needs. We are so overjoyed to have him back and are still in shock to have him with us after all this time."

▲ *Hannah is thrilled to have Samson back home after five years*



▲ *Tosha has been reunited with his owners after 10 years, all thanks to his microchip*

Tosha's story

When Tosha went missing in Crawley in 2007, his owners David and Natasha Lewington feared they would never see him again. They had left their beloved moggy in the care of a family friend while they were working overseas, but when they returned he had gone missing. Then, 10 years later, the couple were shocked to receive a phone call from our National Cat Adoption Centre in Sussex, to say that Tosha had been found.

It turned out that he had been taken in by an elderly lady who had cared for

him until she sadly passed away in January 2018. He was then handed in to the centre, where a routine microchip scan revealed his original owners. "We were really stunned to get the phone call," said David. "After 10 years it really was a bolt from the blue. It was great to see him again – of course he is a lot older, a bit slower and is still getting to know us again. But we can see he's the same old Tosha and it's really wonderful to have him home again. We're just so pleased we had him microchipped, otherwise we'd never have had this happy ending."

Helping us to get there

Growing income and managing funds

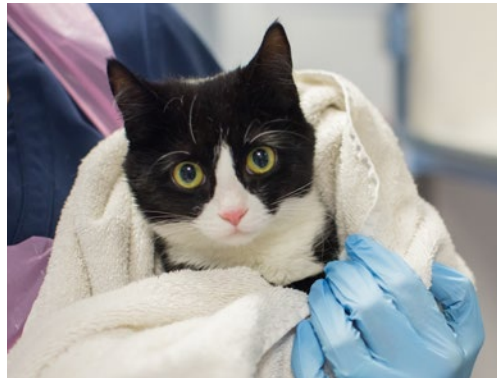
All of the vital work we do would not be possible without the kindness and generosity of our amazing supporters. As we receive no direct government funding, we rely on them to enable us to help thousands of cats and kittens each year and we are incredibly grateful to everyone who has donated to us or fundraised for us in 2018. It is thanks to them that Cats Protection remains in a strong financial position.

“ We are incredibly grateful to everyone who has donated to us or fundraised for us in 2018 ”

Kind donations

The number of people donating to us regularly by Direct Debit increased to 159,000 in 2018 (2017: 146,000), of which 52,500 sponsor cat pens through our Cat Sponsorship programme (2017: 49,000) and 60,500 play our Weekly Lottery (2017: 51,000). Both of these schemes have proved particularly popular on social media, with almost 17,500 new monthly givers recruited through digital marketing (2017:12,000). As a result, our Cat Sponsorship programme generated £9,299,000 (2017: £5,340,000) and our Weekly Lottery raised £3,990,000 (2017: £2,880,000) to help us improve the lives of cats and kittens across the UK.

In 2018 we transformed our digital fundraising at Cats Protection. We saw a phenomenal increase in our existing digital marketing activity and introduced new income streams such as Instagram and programmatic advertising. In order to make it easier for our supporters to give we also introduced new payment methods, such as Facebook donate and Paypal Giving, which proved to be very popular.



◀ *We wouldn't be able to help so many cats without the help of our generous supporters*

Gifts in wills continue to be a major source of income for the charity and in 2018 1,299 people supported us in this way (2017: 1,264). We are incredibly grateful for these special gifts as they help to fund a large proportion of our work.

Our high value supporters were incredibly generous in 2018 and our Black Cat Society, a group of 15 supporters, gave over £150,000 toward our work caring for cats. We have also been continuing to thank our supporters by inviting them to special supporter days at our centres across the country. We hosted 11 of these events in 2018 with 415 supporters attending and they all received positive feedback.

“ We were delighted to have been chosen as a beneficiary of People's Postcode Lottery ”

People's Postcode Lottery

In 2018, we were delighted to have been chosen as a beneficiary of People's Postcode Lottery and received more than £1million in the October draw. This money is funding Cat Care Assistant roles, helping us to find loving homes for more cats, and Volunteer Team Leader roles, helping us to recruit and support volunteers who tirelessly devote their time and efforts to improving cats' lives. We are very grateful for the players of People's Postcode Lottery for all their amazing support.

► *Evie has been raising funds for cats by selling her homemade keyring charms*



Amazing Cat Champions

Many of our fantastic supporters worked hard to raise vital funds for us in 2018, hosting and taking part in events, selling unwanted goods and testing their nerve in thrill-seeking challenges.

Evie's Little Charmers

Enterprising schoolgirl Evie Carpenter has been raising money for the cats at our Exeter Axhayes Adoption Centre by selling her homemade keyring charms. "When I got to sell my Little Charmers at the school fête, they sold really well and all my friends bought them – even my head teacher bought one!" said 11-year-old Evie.

She has even been selling her creations through her Little Charmers Facebook page and has visited the centre to hand over the

first £50 she has raised for the cats so far. "I wanted to donate some money to Cats Protection because we got our cat, Bobble, from there and because cats are really lovely

“ I wanted to donate some money to Cats Protection because we got our cat, Bobble, from there ”

and cuddly. I wanted to help them while they are waiting to find their homes. I am going to make some more cat charms soon and for every one I sell I will donate money to Cats Protection."



Dorothy's wingwalk

Dorothy Hyman from Weymouth combined her birthday with some adrenaline-fueled fundraising. To celebrate turning 70, she was strapped to the wings of a Boeing Stearman biplane and took to the skies to raise money for our Weymouth & District Branch. Having fostered cats for the branch for the last two years, Dorothy knows the importance of raising funds for its vital work.

“What better way to celebrate my birthday than by fulfilling a dream of feeling the wind in my hair at 130mph, while helping local cats at the same time!”

Dorothy said: “I thought what better way to celebrate my birthday than by fulfilling a dream of feeling the wind in

my hair at 130mph, while helping local cats at the same time!” She set herself a target of raising £1,000 for the cats and was thrilled to surpass this amount. “I am very grateful for all the donations,” she added. “It was an amazing experience. The most exciting moment was take off and the worst moment was when it ended – I’d liked to have gone straight up again.”

Challenges and events

Each year Cats Protection launches an international Big Cat Challenge and these raise around £60,000 to help support our vital work helping cats and kittens in the UK. The Big Cat Challenge of 2018 saw 10 cat loving fundraisers travel across the world to India, to take on an epic four-day trek up to the top of the Triund hill, almost 3,000 metres above sea level. Alongside the trek, the group also went tiger spotting and carried out some conservation work at Kanha National Park with the help of the park rangers and guides.

We held our Pawsome Afternoon Tea mass participation event again in 2018, and over 1,500 cat lovers signed up to host events, raising a fantastic £30,000 for cats in need. We also launched our Nine Mile

▲ *Dorothy celebrated her 70th birthday with a very special flight*

Challenge, encouraging members of the public to walk nine miles during the month of September and collect sponsorship for their efforts. 225 people took part, raising £22,000 to improve the lives of cats and kittens.

Our charity shops

We continue to have a presence on high streets across the UK, with 124 shops open by the end of 2018 (2017: 121). This included 14 new sites, four of which were relocations to better sites within the towns of Weymouth, Ipswich, Poole and Stockton-on-Tees. Despite a poor start to the year due to the bad weather experienced across the UK, Cats Protection saw retail like-for-like sales increase by 7% compared to 2017, and we even outperformed the charity sector, which grew by 1.7% for the same period. Our strategy of opening stores in clusters so they can support each other is paying dividends and we have expanded the model in 2018 to increase our retail presence in Wales and the North West of England.

With a real team effort shown by our people, and of course the contributions from our customers, total year-on-year income, including new shop income but excluding income from shops closed in the year, has increased by 24.2% compared to 2017.

As well as raising vital funds for the charity, our shops also help to raise awareness of our work and provide the public with excellent cat care information on a wide range of topics.

Award-winning fundraising

Our Bristol Gloucester Road shop won the 'WOW! Factor Award – Best Shop Window 2018' category, voted for by delegates at the national Charity Retail Association conference. The winning window design was created by shop manager, Karl Dunbar Watson, who was inspired by Bristol's industrial heritage to create a futuristic yet retro eye-catching display.

Our Digital Fundraising team won Best Use of Data and Analysis in Digital Fundraising at the Institute of Fundraising at the Institute of Fundraising Insight Awards and our Digital Marketing Manager, Emily Casson, was named one of *Fundraising Magazine's* 'Top 25 Fundraisers Under 35'.

How we ensure we fundraise responsibly

Cats Protection receives no direct government funding and is reliant on voluntary support. In order to provide the funds required for a large charity like Cats Protection to do its work, we fundraise in a number of different ways:

- we invite people to become donors, through one-off or regular donations, in several different ways; as members of Cats Protection, as sponsors of cat pens from which we rehome cats that we look after or as raffle or lottery players, depending on what suits the individual
- we raise funds from trusts, foundations, companies and major donors who have an affinity with our work and with whom we have partnerships
- through our chain of shops which sell mainly donated goods and also through the sale of new goods through our website and catalogue
- we are fortunate to have volunteers and supporters who raise funds in the community for the charity, with events that range from Pawsome Tea parties to Big Cat treks overseas and running and cycling events for energetic fundraisers
- we ask our supporters and potential supporters to consider including a gift to the charity in their will

Working with agencies

In 2018, we worked with three face-to-face fundraising agencies to recruit new monthly supporters for the charity at 'private site' venues, such as shopping centres and shows, across the UK. The agencies were The Professional Fundraiser, Unique Fundraising and DMD Solutions. Asking people to sign up to regular giving is hugely important as it provides cat lovers with an opportunity to support our work helping cats and creates a long-term relationship where the supporter can see over time the very real difference that their gifts are making. It also means that we can count on the income for a long period. Working with fundraising agencies helps us to recruit cat lovers to become sponsors or take part in our Weekly Lottery. By using agencies, we are able

to vary the level of activity depending on our requirements, which is much more cost-effective than carrying out the work in-house. This means that more money can go directly towards caring for cats in need of our help.

We also worked with four agencies who recruited donors to support the charity through their payroll, the give as you earn scheme. The agencies are The Payroll Giving Team, Payroll Giving in Action, StC Payroll Giving and Hands on Payroll Giving.

Building public trust

We and the agencies we work with follow the Code of Fundraising Practice, which can be found at www.fundraisingregulator.org.uk/code-of-fundraising-practice Our face-to-face fundraising agencies also abide by the Institute of Fundraising's code of conduct for face-to-face fundraising, which can be viewed at www.institute-of-fundraising.org.uk/code-of-fundraising-practice/guidance/face-to-face-fundraising-guidance

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. We have contracts with all the agencies we work with, which set out expectations clearly. New donors receive a courtesy call soon after signing up to check that they were happy with the way in which they were encouraged to support us and that they understand the nature of their regular gift to Cats Protection. The calls are recorded for monitoring and training purposes (the charity listens to a selection of these calls) and donors are given every opportunity to opt out if they no longer wish to take part. Fundraisers at our agencies all receive specific Cats Protection

“ Fundraisers at our agencies all receive specific Cats Protection training before conducting fundraising activities on our behalf ”

training before conducting fundraising activities on our behalf. We also carry out a structured programme of mystery shopping in-house and work with the Institute of Fundraising to facilitate their mystery shopping. Despite these controls, complaints will be received from time to time. In 2018, we received a total of 39 complaints about our fundraising, a reduction of 61% compared to 2017, with the vast majority (90%) being resolved within 21 days.

The number of complaints is carefully monitored so retraining can be targeted appropriately. Our training of personnel from all of our contracted fundraising organisations includes the issue of protecting vulnerable adults and sets out the appropriate action that we expect them to take. Our training is based on the 'Treating Donors Fairly' guidance developed by the Institute of Fundraising, which can be viewed at www.institute-of-fundraising.org.uk/library/treatingdonorsfairly

General Data Protection Regulation

GDPR implementation touches on all aspects of our working practices and has a significant impact on our methods of fundraising. We have undertaken considerable preparations and implementation to ensure compliance in 2018. In 2017 we asked our supporters specific questions designed to help us understand their views on a range of data processing issues and we used their feedback to support the development of our stance on GDPR. We established a working group which carried out a comprehensive review of our general information, marketing activities, data processing and data retention. All contracts with our third party agencies, the updated Privacy Policy and Marketing Policy were meticulously scrutinised for compliance.

We reviewed the consent given by all our supporters to make sure we had permission to contact them. We also worked with our local branches to ensure that their communications were GDPR compliant. All this work led to some great conversations with our supporters, who valued the transparency about how we used their data.

Speaking up for cats

2018 has been an amazing year for the Advocacy & Government Relations team. We've seen some real policy changes on issues and key concerns to our supporters, particularly in relation to the sale of kittens.

New regulations for animal activities

For the last two years we have campaigned on the True Cost of Kittens to highlight growing concerns for cat welfare resulting from the market in kittens, and to call for changes in the law to protect kittens and cats. We were delighted that The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 came into force on 1 October. These regulations refer to 'animal activities' as opposed to establishments. A legal loophole has been closed so that people who breed kittens in their own homes and advertise them for sale in online adverts will be regulated if they are operating a business. Councils are using a variety of tests to assess if a pet shop business really is operating or if someone is just perhaps making a one-off or occasional sale and perhaps for example not making any money. Licensed sellers are now banned from dealing in kittens under the age of eight weeks. This shows a clear indication that the government has listened to our campaign for a ban on selling kittens under eight weeks old and marks a huge step forward for feline welfare.

► *Maria Caulfield*
MP has been elected
Chair of the first All-
Party Parliamentary
Group on cats

**“ Licensed sellers
are now banned
from dealing
in kittens under the
age of eight weeks ”**

Third party sales of kittens

In August, Jacqui Cuff, Cats Protection's Head of Advocacy & Government Relations, was invited to 10 Downing Street to meet Michael Gove, Secretary of State for Environment, Food and Rural Affairs at the launch of a proposal to ban the commercial third party sale of kittens and puppies in

England in 2019. These proposals will bring an end to the commercial sale of kittens in pet shops and sales by commercial dealers that have not bred the kittens themselves. As Cats Protection believes that most pet shops do not breed kittens this effectively means an end to the sale of kittens in pet shops.

APGOCATS

In early March, the first All-Party Parliamentary Group (APPG) dedicated to improving feline welfare was launched at Westminster. The group is made up of MPs and Peers with the support of Cats Protection and Battersea. The APPG on cats, abbreviated to APGOCATS, was set up to discuss feline welfare and how to tackle key cat issues both in parliament and in society more widely. At the first business meeting the then Minister with responsibility for animal welfare for the Department for Environment Food & Rural Affairs (DEFRA) Lord Gardiner was the keynote speaker. His speech set out a vision for tackling cat welfare issues and promoting the positive contribution cats make to society. Going forward the group aims to explore how cat ownership can benefit human wellbeing and tackle issues such as loneliness and this will be the main topic for the group's further meetings in 2019.





◀ *We delivered our air guns petition, signed by thousands of our supporters, to 10 Downing Street*

Air gun licensing

Cats Protection continues to call on all Members of Parliament to support the introduction of licensing air guns in England and Wales. In May we delivered a 110,000-signature petition directly to 10 Downing Street to call for a change in the law on air gun ownership in England and Wales. Thank you to everyone who took the time to sign our petition – your support is vital. At the time of writing, we are still waiting to hear the Government’s next steps.

“ We delivered a 110,000-signature petition directly to 10 Downing Street to call for a change in the law on air gun ownership in England and Wales ”

Advocacy and our centres

This year the Advocacy & Government Relations team has been working hard to raise Cats Protection’s profile at a local level by meeting MPs at their local constituency adoption centres. This has proved very popular with both the MPs and centres. Last year MPs visited Newbury, York, Mitcham

and Morden, Tyneside and Gildersome. MPs who have visited have been able to see first-hand how the charity helps cats both in their constituency and across the UK.

Cat consultations

In 2018 the charity responded to an unprecedented 14 consultations for both the Scottish and English Governments. The consultations have been on a variety of topics including the fur trade in the UK, sentencing and kitten sales in pet shops. The Scottish Government consulted on the registration and licensing of animal sanctuaries and rehoming activities. We welcome any legislation that ensures that homing centres operate with good welfare practices. The English Government is also looking at this issue. We are very pleased that the Welsh Government has announced a review of the Code of Practice for the welfare of cats and we are looking forward to working on this issue in Wales in 2019.

Purrfect Landlords: cat friendly tenancies

In November, we launched our Purrfect Landlords campaign to encourage more landlords to accept cats and to have responsible and reasonable pet policies. This is the culmination of two years of research into both the private and social rental markets. We commissioned a major national survey with YouGov looking at the facts about cats in rented accommodation. We have produced a range of resources both online and in print, which branches and

centres can use to help potential adopters to persuade their landlord to accept cats. Also, we have produced resources to help landlords get advice about allowing cats into their properties. We launched our report at the National Landlord Investment show in London and advertised the Purrfect Landlords website with a major poster campaign at Westminster tube station. We were delighted that the Advocacy & Government Relations team won 'Best Education Provider' at the National Landlords Investment Show (LIS) Awards for the Purrfect Landlords campaign.

► *CEO James Yeates and Justine Greening MP at our Westminster Christmas reception*



Raising our profile

We held our popular annual Christmas event for MPs at Westminster in early December. This year it was hosted by Justine Greening MP and we welcomed 65 MPs and Lords. We also raised our profile by asking 18 questions of politicians at Westminster, Holyrood and in the Welsh Government on key cat issues ranging from air gun legislation to kitten sales.

Partnership working

Funds and support from our corporate partners are vital for us to continue our work with cats and we are very grateful for the generous support we received in 2018.

Pets at Home and Support Adoption For Pets

Our sixth three-day fundraising weekend with Support Adoption For Pets took place across all 450 Pets at Home stores in March 2018 and raised over £65,000 from in-store fundraising mechanisms and branch fundraising activities. This took the total proceeds raised from these events to over £283,000. During 2018, we received £38,600 in grants for branch development projects and a £60,000 grant towards our cat population work from Support Adoption For Pets, for which we are very grateful. Our branches and centres also received over £84,000 in donations from bi-annual fundraising drives.

We'd also like to thank Pets at Home's VIP (Very Important Pets) club whose continued support has to date raised a total of just over £450,000 for us in Pets at Home vouchers. We were also successful and won the Pets at Home Love to Give campaign in 2018 by getting the most votes from VIP members which generated an additional £52,500 for us to help cats in our care! Pets at Home have also supported us by providing the space for two Homing & Information Centres in their Newbury and Cardiff Newport Road stores.

Petplan®

Thank you to Petplan® with whom we work closely and who provide four weeks' free insurance to Cats Protection adopters when they rehome a cat. Whenever a Cats Protection adopter continues onto a full Petplan® insurance policy for their cat, Petplan® gives 10% of the premium back to Cats Protection and a further 10% each year the policy is renewed*. On average we receive in excess of £900,000 each year through this partnership, which has generated over £6 million in commission for Cats Protection since 2001. *Only applicable when there is no break in cover. Petplan® is a trading name of Pet Plan Limited and Allianz Insurance plc.

PURINA®

Thank you to PURINA® for its continued support. PURINA® has partnered with Cats Protection for more than 30 years and supports a variety of our initiatives and campaigns. In 2018 we launched a joint campaign called 'The Unadoptable Stories' for four weeks. Through the mass reach, multi-platform campaign, together we were able to highlight that no matter whether they have medical conditions, are a little older, or just a bit shy, every cat deserves to find their perfect match, as we believe no cat is unadoptable. The campaign was a great success and generated significant awareness for Cats Protection, PURINA® and our partnership. PURINA® also generously

“ PURINA® generously donated £100k to fund the running costs of our National Cat Adoption Centre for a month ”

donated £100,000 to fund the running costs of our National Cat Adoption Centre for the month of November and as part of this, PURINA® promoted the work of the centre across their communication channels. Our thanks also go to them for being the official sponsor of the National Cat Awards for the seventh time. As part of its sponsorship support, PURINA® encouraged entries among its consumers and through its pet-loving online community, increasing awareness of the awards and extending their reach. PURINA® also provides subsidised Pro Plan®, Pro Plan® Veterinary Diets and FELIX® food for the cats in our care, often donates items for our shops and helps to communicate our key messages and campaigns to promote responsible pet ownership.

Simon's Cat

Thank you to *Simon's Cat* for their continued support in 2018 and for kindly granting us use of two *Simon's Cat* designs

for the pin badges at the Pets at Home fundraising weekend and two designs for our Christmas card range. We also worked with them to produce three *Simon's Cat Logic* videos explaining feline welfare and behaviour, which have received over one million views to date. They have also helped us to promote key messages and this year have widened their support of our Cat Sponsorship programme to all of the sponsor pens and helped to promote the programme to their followers.



◀ *Our corporate partners make a big difference to the lives of cats and kittens*

Other corporate partners

Thank you to Ceva, who continue to support us through sales of their FELIWAY® diffuser, Sure Petcare for sponsoring our Cat Sponsor newsletter and marketing agency DMS who sponsored our Christmas parliamentary reception. Thank you also to TrustedHousesitters who make a donation for every new TrustedHousesitters membership that we generate and for helping to share our messages and campaigns. Finally, thank you to weekly magazine *The People's Friend* who once again supported us through their annual Love Darg charity appeal in late 2018, which saw their supporters make and donate

knitted gifts for the cats in our care. Thank you to the many others who support our work through corporate partnerships.

Animal welfare partnerships

We continue to be a member of the Association of Dogs and Cats Homes, a group of over 100 rescues, and collaborate with them to spread our cat welfare expertise as well as offer advice and support to others engaged in cat rescue work.

Cats Protection is also a longstanding member of the Pet Advertising Advisory Group comprising leading animal welfare and specialist agencies across the UK. The Pet Advertising Advisory Group works with online classified websites like Gumtree, Friday Ad and Preloved to improve the welfare standards of online pet adverts.

We are also a member of The Cat Group, a collection of professional organisations that develops and promotes recommendations on cat welfare; and the Canine and Feline Sector Group, which provides expert advice to policymakers on all issues relating to dogs and cats. We would also like to thank the many others who support our work through corporate partnerships, as well as the other charities, including the RSPCA, Battersea, Dogs Trust, Blue Cross, PDSA and International Cat Care who help us achieve our objectives in improving animal welfare across the UK.

Supporting our people

We wouldn't be able to help so many cats and kittens each year without the dedication of our people, who play a vital role in everything we achieve across the UK.

In 2018, our team of volunteers grew to over 11,200 people (2017: 10,000) and we continue to support our volunteers through our volunteer management and leadership initiatives and recognise everything they contribute to Cats Protection through our Volunteer STARS (Special Thanks and Recognition Scheme).

In April, Graham Hoults, Coordinator of our Wharfe Valley Branch, received a Special Recognition Award at the Petplan and ADCH Animal Charity Awards for dedicating the last 15 years to improving cat welfare. Graham, alongside his wife Sylvia who has sadly since passed away, have rescued and rehomed countless numbers of cats and worked closely with other animal charities and Leeds City Council to promote responsible pet ownership.

At the 2018 National Cat Awards, our volunteer-run Gwent Branch won the Star Team award, voted for by the public, for their efforts rehoming 350 domestic cats and neutering 236 feral cats in one year.

We are also incredibly grateful for the many volunteers and staff who ventured out during the Beast from the East and Storm Emma in February and March,

► Cats Protection's Gwent Branch collecting the Star Team award at the 2018 National Cat Awards



sometimes trekking through several feet of snow to make sure the cats in their care were warm and safe. And for all those volunteers who day in day out put cats in our care at the centre of everything they do.



Learning and development

Providing our people with the knowledge, skills and understanding they need to carry out their roles is vital for enabling us to help as many cats as possible.

In 2018, over 700 of our people attended cat welfare training workshops across the UK, learning about feline health, behaviour and wellbeing. Furthermore, 2,445 volunteers and staff completed 4,620 online courses on a variety of topics and our live webinars were attended by 294 people, with the recordings watched 1,230 times.

Around 450 of our people also attended Cats Protection's regional conferences in 2018, taking part in presentations and workshops on cat welfare and the charity's work as well as taking the opportunity to network and share best practice.

Plans for 2019

1. Reduce overpopulation of cats across the UK through promoting and funding neutering. This work helps ensure that there are fewer unwanted cats and kittens to be homed.

Priorities include:

- continue to promote and provide neutering vouchers to help people with the cost of neutering
- promote and undertake Trap, Neuter

and Return activities to help to manage the welfare of the feral cat population

- promote the safety and effectiveness of pre-pubertal neutering to the veterinary profession

2. Rehome the cats that come into our care efficiently and ensure a high level of welfare throughout their time with Cats Protection. We will be focusing as much on the quality of our homing activity as on the quantity of cats that we home.

Priorities include:

- continue to home more cats than any other UK organisation, ensuring that no healthy cat is ever put to sleep
- ensure that all cats we rehome experience the highest possible level of welfare throughout their journey to find a new home
- continue to maintain and improve our network of centres and the cat facilities that our volunteers have to ensure excellent cat welfare

3. Improve cat welfare and drive up standards across the UK through education and influencing activity. This work helps us to have an impact on the whole UK cat population, including feral and stray cats as well as owned cats.

Priorities include:

- work with existing cat owners and lobbying government to prevent the causes of relinquishment and abandonment of cats
- provide education and support for current and potential cat owners to help them provide excellent care for their pets
- influence the welfare sector and veterinary profession on best practice in cat welfare and shelter medicine

◀ *Some of our amazing volunteers had to wade through several feet of snow to reach the cats in their care*

To achieve this we shall:

4. Ensure that all our people (volunteers and staff) are trained and supported so that they can have the greatest impact on cats.

Priorities include:

- deliver and then act on the results of our first comprehensive volunteer and staff survey
- deliver focused Learning &

Development for our people to ensure our people are fully equipped to deliver their roles

- work with our volunteer-run branch network to improve the consistent use of key policies and systems to ensure we are compliant with external legislation such as GDPR and licensing

5. Build our understanding of, and engagement with, our key external audiences.

Priorities include:

- proactive and reactive press, media, PR, and advertising activities to improve cat welfare
- start to improve our audience understanding and engagement
- improve customer service across Cats Protection

6. Raise £76.9m of fundraising income in order to fund our charitable activities. We will focus on ensuring our portfolio of fundraising activities is diverse in order to ensure that we have sustainable income for the future and on improving the experience of our donors.

Priorities include:

- deliver fundraised income streams against budget
- improve donor acquisition, loyalty, experience and satisfaction
- develop, test and refine new fundraising products

7. Strengthen our infrastructure so that we can deliver more impact as efficiently and

effectively as possible.

Priorities include:

- deliver new IT developments to support all areas of our work and ensure we are compliant with external legislation
- deliver new insight and research priorities to inform our internal decisions and external influencing activities
- continuously improve our financial, legal and property activities to ensure we are as efficient and effective as possible

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. In the last five years, we have rehomed and reunited 231,000 cats. In the medium term, our neutering work will help control the population of cats so there are fewer unwanted cats. In the last five years, we have helped to neuter 770,000 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. In the last five years, we have delivered 5,800 educational talks.

► *We're looking forward to helping even more cats in 2019*



Public benefit

The Directors of the Corporate Trustee have given careful consideration to, and complied with, 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.

“Cats play a huge part in the lives of millions of people in the UK”

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 research, a quarter of UK households have at least one pet cat, with an estimated owned cat population of 11.1 million cats (Source: PDSA, 2018). 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:

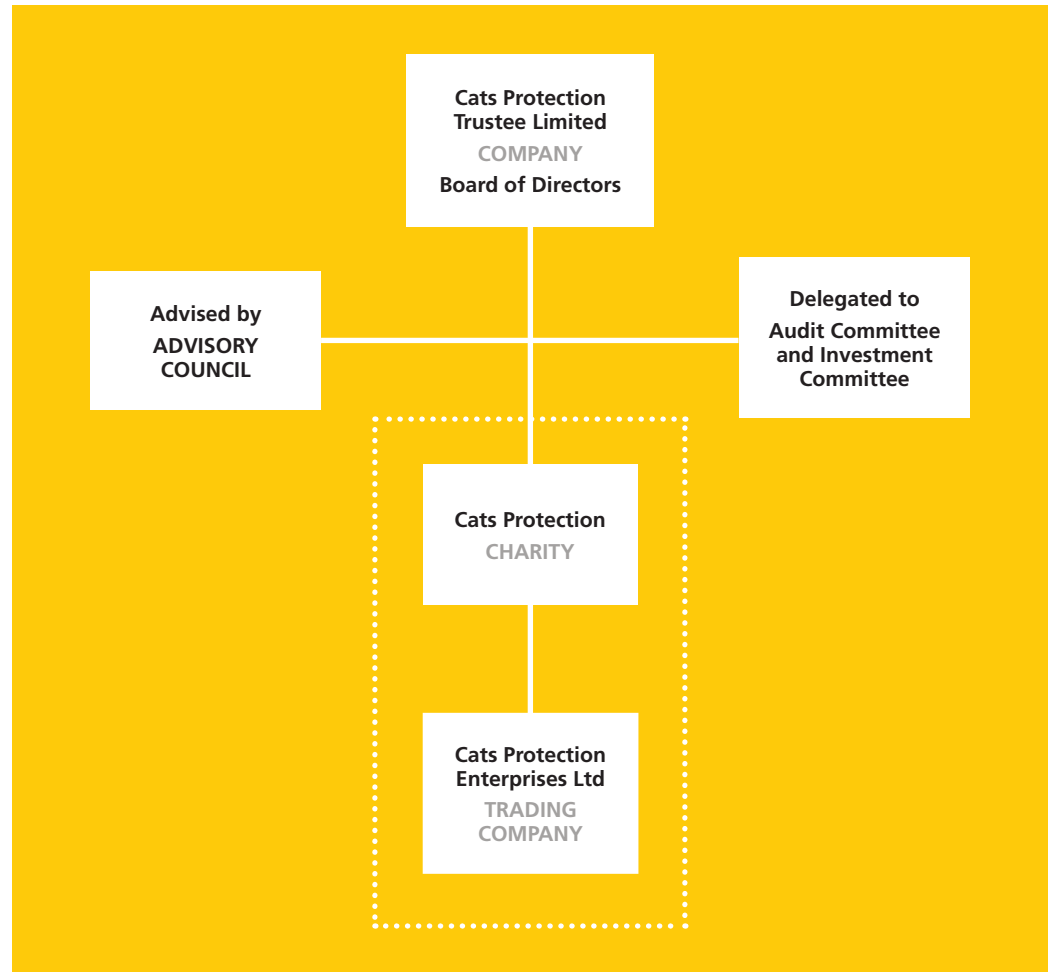
- helping to control the incidence and spread of disease and suffering in cat populations through vaccination, neutering and education, benefitting both human and animal health
- assisting those on low incomes with the cost of neutering and microchipping through our voucher scheme
- assisting local and 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
- under the Cat Guardians scheme, reassuring cat owners that their cats will be taken into our care and rehomed if they become incapable of looking after them either through illness, death or for other reasons
- 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 our Paws Protect scheme
- 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
- providing the Paws to Listen grief support service
- educating vets, vet nurses, vet students and other animal professionals and giving them practical experience as part of and beyond their formal training



◀ *We help thousands of cats each year through rehoming, neutering and education.*

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. Directors are appointed for a period of three years and are then eligible for re-election for a further two periods of up to three years each. Up to five Directors are elected by Advisory Council and up to four are appointed for their specific skills. Those that are appointed are recruited through an open, competitive process, which involves an interview with other current Directors. 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.

Governance

The Board of Directors met six 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 2018. Members met at the Annual General Meeting.

Newly appointed Directors, Advisory Council and sub-committee members are familiarised with the workings of the charity and its policies through induction training, visits to branches and centres and meetings with the Chairman, other Board Directors and members of the Executive Management Team. 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 Audit Committee provides assurance to the Board that effective systems of internal control are in place to safeguard the charity's assets. It also monitors the performance of the charity's appointed internal and external auditors. The Committee consists of no fewer than three Directors and at least one external, independent member, with no more than eight members in total. During 2018, the Committee met three times for Committee business and once to receive tender presentations from prospective external auditors. The latter resulted in the appointment of Crowe UK LLP as the charity's external auditors, replacing KPMG. 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 the private sessions with the auditors.

In 2018, the Audit Committee approved the plans of both internal and external audit and received reports on findings from their respective audit reviews. Areas reviewed by internal audit during the year included the implementation of GDPR, the internal control environment for branches and the charity's core financial controls. Internal audit also conducted a follow-up of their 2017 Governance audit. The

Committee also monitored the progress made by management on implementing audit recommendations and reviewed and advised on the charity's risk management processes. The Committee regularly considers developments in laws and regulations governing charities and how these impact on Cats Protection.

The Investment Committee assists the Board in safeguarding the charity's financial assets and in determining the investment policy. It has no fewer than two Directors and up to four independent advisors, but no more than seven members in total. During 2018, the Committee met three times with the investment managers, advisors and relevant staff. The Committee noted that the portfolio was invested in accordance with the asset allocation strategy set out in our Statement of Investment Principles. In 2018, the Committee completed a comprehensive evaluation of the performance of our fund managers, which concluded the returns achieved compared favourably to a range of benchmarks, the investments are meeting the current needs of the charity, and a satisfactory level of service is provided by our fund managers. The Committee also commenced a review of the investment strategy by establishing the charity's investment beliefs and considering a revised investment objective.





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

The Charity Governance Code was published in 2017. The Code sets out seven principles of good governance and includes recommended practice. Charities are encouraged to review their governance structures and processes against the Code to ensure they are fit for purpose and operate efficiently.

Cats Protection regards the Code as a valuable tool to support continuous improvement of its governance arrangements and believes that Cats Protection is best placed to achieve its ambitions and aims if it has effective governance. In the 18 months since the Code was published, the Charity has, when considering and reviewing its governance arrangements, sought to apply the principles of recommended practice set out in the Code and will continue to do so.

In 2017, the Charity's internal auditors, Sayer Vincent, carried out a governance audit. A follow up audit was undertaken in 2018. In responding to the issues covered by the respective audits, the Charity has applied the principles set out in the Code and, where necessary, has taken, and is taking, various actions to implement the relevant principles as part of a process of continuous improvement.

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.

In 2018 we invested considerable time and effort on improving our internal processes around planning, budgeting, performance reporting and insight. We did this to ensure that we are investing our time and money on the most effective activities to help cats, and to help us make more evidence based decisions about our focus in the future. Some of the improvements we have introduced include a revised corporate planning and budgeting process, linked to clearer cross-organisational objectives, a pipeline of insight projects and a new insight development process. There is a lot of work for us still to do to improve how we measure our performance and impact across the organisation.

For operational effectiveness, the UK is split into 19 regions. Regional staff are responsible for developing the activities of volunteer-run branches and our centres and establishing new ones in areas of need. 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 centres.

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

Financial performance in 2018

The charity has had another successful year. Our total income in 2018 was £68.0m, which is an increase of £5.1m (8%) from 2017. The key drivers of the increase in income are:

- legacy income, which increased by £1.6m (5%) compared to 2017. This was due to an increase in the number of notifications, which were up 2% year on year, and a small increase in the average value of notifications
- shop income, which increased by £1.1m (16%) as a result of the on-going expansion of our retail chain. In 2018, we opened 14 new shops and closed 11, leading to a net increase of three shops. Further analysis of income generated in our shops is provided below and in Note 6
- fundraising events income increased by £2.5m (49%), £1.0m of which was received from the People's Postcode Lottery, see Note 7. The remaining £1.5m increase is largely due to recruiting new players to the Cats Protection Weekly Lottery

The increase in these three lines of income helped to offset the £0.5m fall in our donations income. In 2018, both internal and external capacity issues meant we were unable to invest in new donor recruitment at the level experienced in 2017, which impacted negatively on this income stream.

We have continued to apply the additional income generated to increasing our work for cats. In 2018, we spent £31.2m on Rehoming cats, an increase of £3.2m (11%) compared to 2017. We have opened two new centres and expanded the Paws Protect project. We have also restructured and increased the support we provide to our branch network. In 2018, £0.2m was charged to this expenditure line to create a dilapidations provision on the adoption centres that are in leased premises.

While expenditure on reducing the overpopulation of cats at £6.0m in 2018 was broadly consistent with 2017 (£5.8m), there was a shift in the underlying activities with

fewer neutering vouchers issued but an expansion of the Cat Watch scheme.

Expenditure on our Education and information charitable activities increased by £0.5m (12%). This covers the work we do on Increasing awareness and Speaking up for cats, further details are provided in the relevant sections of the Annual Report.

Overall, expenditure on fundraising grew by £1.1m (5%) in 2018. However, we spent £1.4m (10%) less on activities related to seeking donations and fundraising events. This was due to the internal and external capacity issues referenced above. Key internal resources needed to be diverted to work on GDPR and externally, some of the fundraising agencies we work with had limited capacity to undertake activities on our behalf.

Expenditure on our shops increased by £2.2m (31%) to £9.6m. However, this includes a one off charge of £0.6m to create a provision for dilapidations which occur at the end of shop leases. The majority of our shops are in leased premises and previously, the liability for dilapidations was only recognised at the point the restorative works took place prior to vacating a shop. Excluding the cost of creating this provision and adding in £0.4m cost of new goods sold, which is recorded in the Commercial trading operations line, total expenditure on shops in 2018 was £9.4m (2017: £7.6m). Total income generated in the shop chain in 2018 was £9.3m (2017: £7.6m), see Note 6, resulting in a small net loss of £0.1m (2017: break even). An estimated £0.2m of shop income was lost in February 2018 due to the closure of many shops as a result of the bad winter weather. We are also in the investment stage of growing our shop chain, with shop openings resulting in upfront costs being incurred before any sales can be generated. We fully expect the chain to contribute a net profit from 2019 onwards and the financial performance of many of our new shops has been extremely positive.

We could not achieve all that we do without the valued input and support from

our 11,200 volunteers. While the financial benefit of volunteers is not recorded in the financial statements, in 2018, it is estimated that they contributed over 5.0 million hours of work to the charity. Based on data from the National Statistics Office on average UK earnings, this is equivalent to a salary cost of over £70m. 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 £1.8m (2017: £1.7m). In 2018, the stock markets were particularly volatile and as at year end, the value of our investments had decreased by £2.3m (2017: increased by £3.7m). Taking the losses on investments into account (most of which are unrealised), the outturn for 2018 was a deficit of £0.5m (2017: surplus of £5.5m) and the net assets recorded on our balance sheet are now £100.1m (2017: £100.6m).

Review of subsidiary's activities

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

- sale of new goods to the public through shops, fundraising events and online
- receiving commission on pet insurance purchased for cats adopted from the charity
- sales relating to licensing the use of the Cats Protection brand to other commercial entities
- café, retail and meeting room hire at the National Cat Centre

The results for the year and the financial position of the Company are as shown in the financial statements at Note 21. The profit on ordinary activities for the year ended 31 December 2018 amounted to £1,346k (2017: £1,312k). Turnover in 2018, at £2,672k, represents an increase of £270k (11%) compared to the previous year (2017: £2,402k). Cost of sales in 2018 was 39% of turnover (2017: 33%). Administrative expenditure was £278k for 2018, which is similar to last year (2017: £290k). The full profit of £1,346k will be paid to the charity in 2019 as a Gift Aid payment.

Income and profit in 2018 were impacted negatively by a fire at the Visitors

Centre, which resulted in the closure of the café and meeting rooms for the period April to December 2018. We continue to have a presence on high streets across the UK, with 124 shops open by the end of 2018 (2017: 121). This included 14 new sites, four of which were relocations to better sites. The opening of new stores and expansion of the range of new goods offered for sale in our shops and online has contributed to the increase in profit.

The Company continues to benefit from the cumulative effect of cat adopters utilising Petplan® pet insurance. Commission is received every time a new policy is purchased or an existing policy is renewed. One enhanced commission payment was also received in 2018 due to the total number of policies purchased/renewed. In addition, PURINA® generously donated £100k to fund the running costs of our National Cat Adoption Centre for the month of November 2018. This income is recognised in the Company's turnover.

Investment management

We hold investments for two purposes. Short-term deposits are held to support the charity's working capital requirements, ensuring day-to-day payments can be made without the need for an overdraft. These funds are in a pooled short term fund managed by Royal London. This is a low risk fund that aims to provide a return greater than the seven day LIBID rate. This investment performed in line with the objectives in 2018 with returns exceeding the seven day LIBID rate.

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. We have appointed two professional fund managers to manage the portfolio, Rathbones and Sarasin & Partners. The portfolio is allocated almost equally between them. Funds are invested in line with our ethical policy with the objective of securing long-term growth in values without exposing the charity to undue risk.

The Charity acknowledges that these

funds are held for the long-term and market volatility can result in a fall in the capital value of the assets from time to time, as was the case in 2018. A composite benchmark exists for the funds to measure their actual performance against the average performance of the underlying asset classes, enabling us to evaluate whether the management of the funds has resulted in more or less favourable returns than the markets, even in a downturn. Both fund managers out-performed the annual benchmark for 2018, so while the capital value of the fund did fall, the extent of that fall was less than the market average. The funds also out-performed an index of similarly structured charity investment portfolios and there were no breaches of our ethical policy. 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, unless required for regulatory 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.

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. The Board reviewed the Reserves Policy in 2018 and agreed that a minimum level of unrestricted general funds, also known as free reserves, of £19m is appropriate given the risks faced

by the charity and the sustainability of our different income streams. Free reserves as at 31 December 2018 were £22.8m (2017: £26.5m), which is £3.8m above the minimum required by our current reserves policy. The £3.7m year on year decrease in free reserves is mainly due to a transfer of £3.8m to the capital development fund (see below). Although the free reserves at year end are slightly higher than the minimum set out in our policy, this will provide the charity with some coverage should investment values continue to experience volatility.

The charity holds two designated funds:

- the fixed assets fund sets aside an amount equal to the net book value of our fixed assets – this fund had a balance of £40.2m at 31 December 2018; and
- the capital development fund exists to support the charity's 10-year capital plan. Expenditure of £3.6m on capital projects included in the capital plan during 2018 has been charged to this fund. The main items of expenditure were the refurbishment of Dereham Adoption Centre, purchase of land for a replacement adoption centre in Wrexham and fitting out newly leased charity shops. Trustees agreed to designate a further £3.8m from free reserves to the fund in 2018 to support the revised estimated cost of the capital programme. The balance on this fund at 31 December 2018 was £31.3m

At 31 December 2018, the charity held £5.8m (2017: £5.2m) restricted funds. These are funds that were raised or donated for a specified purpose, either for a geographic area or a particular. These funds will be applied to their specified purpose and are not available for general use by the charity.

Further details are set out in Note 18 to the financial statements. Given the level of reserves, the budgeted surplus for 2019 and the five year financial projections, it is appropriate to prepare the financial statements on the assumption that Cats Protection is a going concern.

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.

Each department within the charity maintains its own risk register. These are reviewed and updated regularly and help the Board to identify the top level risks across the charity. These top level risks are recorded on the Charity Risk Register. Each risk on the Charity Risk Register is linked to the strategic objective(s) on which it impacts most and is assigned a risk owner. We document the actions to address each risk and include assurances on whether those actions are having the desired impact. The Board considers 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 occurring.

The principal risks that Cats Protection has faced in the year include managing personal data to ensure compliance with GDPR, ensuring that we attract and retain the right number of appropriately skilled volunteers on which our work depends and considering the potential impact of pending legislation regarding the licensing of premises where animals are held for sale. These are considered in more detail below.

In recent years, there have been a number of developments in the legal and regulatory environment concerning the use and retention of personal data. Within the charity sector, there has been a particular focus on the use of data for fundraising activities. Further information on this topic is included in the section How we ensure we fundraise responsibly. The General Data Protection Regulation (GDPR) came into force in May 2018. Failure to comply with the requirements can lead to significant financial penalties as well as reputational damage. Cats Protection has a devolved branch structure and many staff are regionally based. Historically, the charity's information flows have been heavily paper-based. We have issued and updated several policies including a revised Data Protection policy and Data Retention policy and schedule and we are working on implementing these. Additional staff

have been recruited to support this process. Arrangements are being put in place to securely collect, store and dispose of historic data that has previously been retained locally.

Having the right number of appropriately skilled volunteers is crucial to the charity's success. The market for volunteers is competitive and societal changes are impacting on the nature of volunteering. We need to ensure we are equipped to respond to the changing needs of volunteers. In response to this risk, we have increased the diversity of roles throughout the charity and have introduced new roles to support our branches and centres with recruiting and retaining volunteers. We have reviewed the volunteer induction process and have launched a training programme for staff so they can better understand volunteering in the context of Cats Protection. In 2019, we will undertake a survey of volunteers that will allow us to gain a greater understanding of their engagement with the charity, and the challenges they face. This will ensure that all our volunteers have a positive volunteering experience with us and that their gift of time makes a real difference to cats.

More recently, the challenges surrounding the licensing of animal welfare establishments has come to the fore, with regulation expected to be introduced in 2019. As the detail of how the regulation will be implemented is still not confirmed, we have been using current guidance for other relevant animal activities where applicable and reviewing the impact this could have on our rehoming activities. As well as the financial impact, there is a risk that the formality of licensing and potential inspections may deter volunteer fosterers, who generally foster from their own home. This could reduce our capacity to care for cats, at the same time as a potential increase in demand for our services if other organisations are unable to meet the standards and therefore wish to pass on their cats to Cats Protection. We are contributing actively to the drafting of the legislation and continue to monitor the position. Despite these challenges, the charity supports legislation that drives up

minimum standards for cat welfare.

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 takes 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, determines the salaries of other senior staff in line with the same salary policy. An over-riding factor in salary setting is always affordability under the budgets.

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 10% and 15% of its welfare work in Scotland. The work is delivered through two staffed adoption centres (2017: two), two branch volunteer-run centres (2017: two), 42 branches (2017: 43) and 12 shops (2017: 15), involving around 1,500 volunteers (2017: 1,260) and around 70 staff (2017: 50).

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.

Structure, governance and management

Legal and administrative information

Registered address:

National Cat Centre, Chelwood Gate
Sussex RH17 7TT
Telephone: 01825 741 900
Email: cp@cats.org.uk
Info line: 03000 12 12 12
Website: www.cats.org.uk

Registered Charity Number:

203644 (England and Wales)
SC037711 (Scotland)

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):

Chairman

Ms L Upson *DipLGD*
Ms W Bosler *BA (Hons)*
Mrs N Butcher *(from June 2018)*
Dr I Campbell
Professor T Gruffydd-Jones *BVetMed (Lond), PhD (Bristol),
DipECVIM MRCVS (to June 2018)*
Mr T Jones *MA(Cantab), FInstF, FIDM*
Ms H McCann *BA (Hons) (to June 2018)*
Mrs M Price *Freeman of the Worshipful Company of
International Bankers, Freeman of the City of London*
Mrs A Ryan *BA (Hons)*
Dr C Sturgess *MA, VetMB, PhD, CertVR, DSAM, CertVC, FRCVS
(from June 2018)*
Dr A Swarbrick *ACA*

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

Mr J Bradshaw *(from June 2018)*
Mrs N Butcher *(to June 2018)*
Mr N Clements *(to June 2018)*
Mrs T Cooper
Mrs G Davies
Ms B Kubler
Ms W Harris *(from June 2018)*
Mr D Manners

Mr M Ridgway *HNC, IEE, BIFM*
Mrs L Robinson
Mrs J Rouse
Mr B Till
Mrs L Potheary
Mrs K Stapleford
Mrs M Young

Investment Committee:

Mrs A Ryan *BA (Hons) (Chair)*
Dr I Campbell
Mr T Jones *MA (Cantab), FInstF, FIDM*
Mr S Kumar *LLB (Hons), MCSI (advisor)*
Ms G Woodward *(advisor)*
Mr Ian Enslin *(advisor)*

Audit Committee:

Ms W Bosler *BA (Hons) (Chair to April 2018)*
Dr A Swarbrick *ACA (Chair from April 2018)*
Ms L Upson *DipLGD*
Mrs K Elis-Williams *BA(Hons), ACA (advisor)*
Mr A Rummins *MSc (advisor) (to April 2018)*
Mrs J Armstrong *(advisor)*
Mrs L Payne *(advisor)*
Miss K Horvath *IRMCert (advisor) (from August 2018)*
Ms S Hunt *FCA (advisor) (from August 2018)*

Chief Executive and Executive Management Team

Chief Executive

Mr P Hepburn *BSc, FCCA, FRSA (to February 2018)*

Mr D Sullivan *LLB (Hons); Interim Chief Executive (from February to November 2018)*

Mr J Yeates *BVSc BSc DWEL DipECAWBM(WEL) PhD FRCVS (from November 2018)*

Executive Management Team

Mr L Coghlin <i>BA (Hons), MinstF(Dip)</i>	—————	Director of Fundraising <i>(to October 2018)</i>
Ms N Bishop <i>BA (Hons)</i>	—————	Interim Director of Fundraising <i>(from October 2018)</i>
Mr N Edmans <i>BA (Hons), CPE (Law)</i>	—————	Director of Communications <i>(to April 2018)</i>
Dr M Roberts <i>BVM&S, MRCVS</i>	—————	Director of Veterinary Services
Mrs J Scarfield <i>BA (Hons), CPFA</i>	—————	Director of Finance & Strategy
Mr D Sullivan <i>LLB (Hons)</i>	—————	Director of Legal Services <i>and Interim Chief Executive (February 2018 to November 2018)</i>
Mr M Beazley	—————	Director of Operations
Ms S Field <i>BA (Hons)</i>	—————	Director of Volunteering & Corporate Services

External auditor:

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Internal auditor:

Sayer Vincent
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Bankers:

Barclays Bank Plc
2 Carfax
Horsham
West Sussex
RH12 1DN

Insurance broker:

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

Investment advisors:

Rathbones Investment
Management Limited
8 Finsbury Circus
London
EC2M 7AZ

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

Royal London
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.

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 L Upson, Chairman, 17 April 2019

Opinion

We have audited the financial statements of Cats Protection for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006

Basis for opinion

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

with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect

thereunder.

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

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

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 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 Trustees 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 the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP, Statutory Auditor, London

Date: 17 April 2019

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated statement of financial activities (SOFA)

Year ended 31 December 2018

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

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Income					
Legacies	4	28,903	2,648	31,551	30,001
Donations	5	14,649	102	14,751	15,288
Income from charitable activities:					
– Rehoming fees		1,908	-	1,908	1,983
Income from other trading activities:					
– Shops	6	8,074	-	8,074	6,934
– Fundraising events	7	7,513	-	7,513	5,039
– Commercial trading operations		2,673	-	2,673	2,402
Investment income	8	1,214	-	1,214	1,099
Other income	9	266	-	266	127
Total income		65,200	2,750	67,950	62,873
Expenditure					
<i>Costs of raising funds:</i>					
– Seeking donations and legacies	10	7,079	-	7,079	8,228
– Shops	10	9,579	-	9,579	7,332
– Fundraising events	10	5,812	-	5,812	6,062
– Commercial trading operations	10	1,314	-	1,314	1,077
– Investment management	10	200	-	200	199
<i>Costs of charitable activities:</i>					
– Rehoming cats	10	29,125	2,120	31,245	28,059
– Reducing overpopulation of cats	10	6,036	11	6,047	5,826
– Education and information	10	4,898	-	4,898	4,352
Total expenditure		64,043	2,131	66,174	61,135
Net income/(expenditure) before gains/ (losses) on investments					
		1,157	619	1,776	1,738
Gains/(losses) on investments		(2,270)	-	(2,270)	3,749
Net movement in funds		(1,113)	619	(494)	5,487
Reconciliation of funds					
Total funds brought forward at 1 January					
		95,386	5,210	100,596	95,109
Total funds carried forward at 31 December					
		94,273	5,829	100,102	100,596

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. The results of the charity only are set out in Note 3 and the results of the Subsidiary only are set out in Note 21. The education and information charitable activity covers our work on increasing awareness and improving understanding of cats' needs.

The notes on pages 49 to 64 form part of these accounts.

Consolidated balance sheet

As at 31 December 2018

	Note	Charity		Group	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Tangible assets	13	40,208	37,790	40,208	37,790
Investments	14	49,285	52,377	49,285	52,377
Total fixed assets		89,493	90,167	89,493	90,167
Current assets					
Stocks		-	-	140	63
Debtors	15	7,189	6,267	6,002	5,063
Cash at bank and in hand		8,446	7,921	9,144	8,763
Total current assets		15,635	14,188	15,286	13,889
Liabilities					
Creditors: amounts falling due in one year	16	(4,251)	(3,759)	(3,902)	(3,460)
Provisions for liabilities	17	(775)	-	(775)	-
Net current assets		10,609	10,429	10,609	10,429
Total net assets		100,102	100,596	100,102	100,596
Funds					
Unrestricted funds:					
- General funds	18	22,763	26,498	22,763	26,498
- Designated funds	18	71,510	68,888	71,510	68,888
Restricted funds	18	5,829	5,210	5,829	5,210
Total funds		100,102	100,596	100,102	100,596

The results of the Subsidiary only are set out in Note 21.

The notes on pages 49 to 64 form part of these accounts.

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

Ms L Upson

Chairman of Cats Protection Trustee Limited

17 April 2019

Consolidated cash flow statement

Year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Cash flows operating activities			
Net cash provided by operating activities	a	3,715	1,883
Cash flows from investing activities			
Dividends, interest and rents from investments		1,214	1,099
Proceeds from the sale of property, plant and equipment		119	24
Purchase of property, plant and equipment		(5,690)	(4,906)
Investment management fees		215	213
Reinvestment of investment returns		(1,192)	(1,101)
Withdrawals from investments		4,000	8,000
New funds invested		(2,000)	(5,000)
Net cash used in investing activities		(3,334)	(1,671)
Change in cash and cash equivalents in the year	b	381	212
Cash and cash equivalents at 1 January		8,763	8,551
Cash and cash equivalents at 31 December		9,144	8,763

a) Reconciliation of net income to net cash flow from operating activities

Net movement in funds for the reporting period		(494)	5,487
Adjustments for:			
Depreciation charges		3,031	2,606
(Gains)/losses on investments		2,299	(3,782)
Dividends, interest and rents from investments		(1,214)	(1,099)
Loss/(profit) on the sale and write-off of fixed assets		(108)	(10)
(Increase)/decrease in stocks		(77)	(52)
(Increase)/decrease in debtors		(939)	(1,085)
Increase/(decrease) in creditors		442	(182)
Increase/(decrease) in provisions		775	-
Net cash provided by operating activities		3,715	1,883

b) Analysis of cash and cash equivalents

Cash at bank and in hand		9,144	8,763
--------------------------	--	-------	-------

The notes on pages 49 to 64 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 and applicable updates. Cats Protection meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. 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 undertaking, Cats Protection Enterprises Limited, on a line by line basis. The results for the charity are provided in Note 3 and the results for the subsidiary are provided in Note 21.



C. Fund accounting

The Charity maintains various types of funds as follows:

- 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 purpose and use of each designated fund is set out in Note 18
- 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 purpose and use of each restricted fund is set out in Note 18

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 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 Income

from charitable activities

- 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
- investment income is accounted for when receivable
- the income from goods donated for sale in our charity shops is recognised at the point of sale as it is not currently practicable to recognise their value at point of receipt

E. Expenditure

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.

- Costs of raising funds are those costs incurred in generating income for the Charity. It includes investment management charges and the costs associated with the trading company, Cats Protection Enterprises Limited
- Charitable activities are all costs incurred in meeting the core objectives of the Charity

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 time spent by 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 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

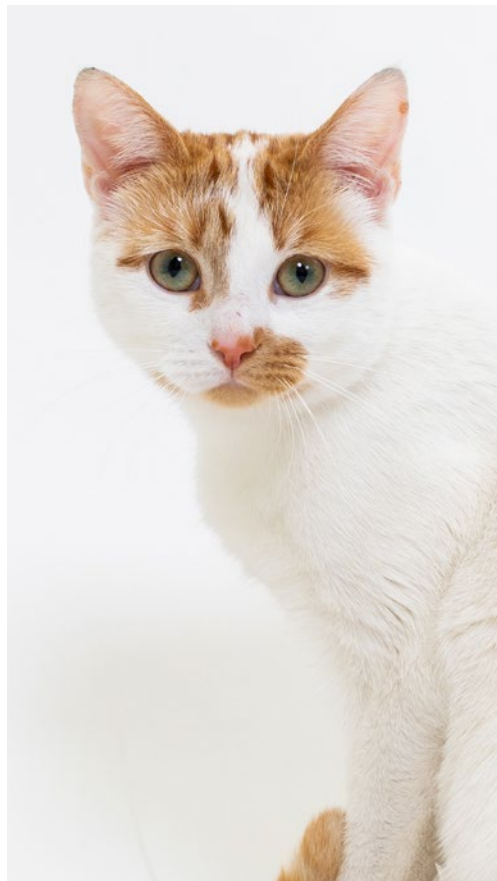
course of construction are transferred to freehold land and buildings on practical completion. Tangible fixed assets costing more than £1,000 are capitalised and included at cost, together with any incidental expenses of acquisition.

Depreciation is provided on 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, with the exception of shop fit out costs which are depreciated over four or five years depending on the length of the shop lease

Freehold land, investment properties 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 expenditure.





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.

H. Stocks

Stocks are valued at the lower of cost to the Group 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. There is no bad debt provision as a review has concluded that none is necessary.

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 employer's 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 Group has a liability that can be estimated reliably and for which there is an expectation that payment will be made. Estimation techniques involve assumptions, which are based on experience. The provision disclosed in Note 17 relates to obligations for dilapidations in respect of properties rented by the Group.

O. Financial instruments

The Group has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors. Investments, including bonds held as part of the investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within the SOFA. See Note 24.

2. Prior year comparatives for the SOFA

	2017 Comparatives		Total £'000
	Unrestricted funds £'000	Restricted funds £'000	
Income			
Legacies	27,849	2,152	30,001
Donations	15,258	30	15,288
Income from charitable activities:			
– Rehoming fees	1,983	-	1,983
Income from other trading activities:			
– Shops	6,934	-	6,934
– Fundraising events	5,039	-	5,039
– Commercial trading operations	2,402	-	2,402
Investment income	1,099	-	1,099
Other income	118	9	127
Total income	<u>60,682</u>	<u>2,191</u>	<u>62,873</u>
Expenditure			
Costs of raising funds:			
– Seeking donations and legacies	8,228	-	8,228
– Shops	7,332	-	7,332
– Fundraising events	6,062	-	6,062
– Commercial trading operations	1,077	-	1,077
– Investment management	199	-	199
Costs of charitable activities:			
– Rehoming	25,148	2,911	28,059
– Neutering	5,815	11	5,826
– Education and information	4,352	-	4,352
Total expenditure	<u>58,213</u>	<u>2,922</u>	<u>61,135</u>
Net income/(expenditure) before gains on investments	2,469	(731)	1,738
Gains on investments	3,749	-	3,749
Net movement in funds	<u>6,218</u>	<u>(731)</u>	<u>5,487</u>
Reconciliation of funds			
Total funds brought forward at 1 January 2017	89,168	5,941	95,109
Total funds carried forward at 31 December 2017	<u>95,386</u>	<u>5,210</u>	<u>100,596</u>

3. Summary financial performance of the Charity only

	2018 £'000	2017 £'000
Income and expenditure		
Income	64,737	61,796
Expenditure	(62,961)	(60,058)
Net operating income	1,776	1,738
Gains/(losses) on investments	(2,270)	3,749
Net income/(expenditure)	(494)	5,487
Total funds brought forward	100,596	95,109
Total funds carried forward	100,102	100,596

4. Contingent legacy income

In addition to the legacy income recognised in the SOFA of £31,551k (2017: £30,001k), the Charity had been notified of 410 residuary legacies (2017: 385 residuary legacies) with a total estimated value of £21,210k (2017: £18,804k). 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	2018 £'000	2017 £'000
Donations	14,104	102	14,206	14,745
Subscriptions	545	-	545	543
Total	14,649	102	14,751	15,288

Subscriptions include the membership fees paid to Cats Protection and our local branches. In 2017, Donation income of £30k was restricted. This is included in the 2017 total £14,745k above.

6. Shop income

Shop income of £8,074k (2017: £6,934k) recorded under Shops in the SOFA includes income from the sale of donated goods and Gift Aid claimable in respect of the sale of donated goods under the Retail Gift Aid scheme. Donations totaling £238k (2017: £158k) were received in our shops and these are included in Donations income in the SOFA. For a short period, we also sold lottery tickets in our shop, which generated £66k (2017: £42k) and is included in Fundraising events income in the SOFA. Our shops also sold £880k (2017: £504k) of new goods that generated a gross profit of £485k (2017: £253k). Transactions relating to the sale of new goods are processed through Cats Protection Enterprises Ltd and are recorded as Commercial Trading Operations in the SOFA. Therefore, total gross income generated by the shop chain in 2018 was £9,258k (2017: £7,638k).

7. Fundraising events

Fundraising events includes income from lotteries and raffles, as well as challenge events and community-based fundraising activities such as fairs and quizzes. As part of the Charity's Gambling Commission License (Non Remote License - 004905-N-300168-012) (Remote License – 004905-R-300167-013), during the year the charity has operated four Raffles, a Weekly Lottery and been the beneficiary of a People's Postcode Lottery (PPL) Draw.

The following ticket sales were received for each lottery where the draw was held in 2018:

	Ticket sales
	£'000s
Weekly Lottery	3,675
Spring Raffle	337
Summer Raffle	324
Autumn Raffle	335
Christmas Raffle	539
Total for Cats Protection Lottery Draws	5,210
Ticket sales from People's Postcode Lottery	3,312
Total Ticket sales	8,522

In line with the new requirements under Social responsibility code provision 4.3.1 of the License Conditions and Codes of Practice of the Gambling Act 2005, the following section details the percentage of lottery proceeds returned to the purposes of Cats Protection from the lotteries promoted in 2018.

Lottery Name	Percentage proceeds returned to Charity
Weekly Lottery	82%
Raffles	84%
People's Postcode Lottery	32%

During the year, Cats Protection received the proceeds of a lottery draw held by the PPL. This was the first time the Charity has benefitted from the draw. Cats Protection has no ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as the principal, and so only net proceeds due to Cats Protection are recognised under Events income in the statement of financial activities. The net proceeds received are recorded against Fundraising events and are analysed as follows:

	2018
	£'000
Ticket value	3,212
Prize fund	(1,282)
Management fee	(902)
Net proceeds received	1,028

8. Investment income

	2018	2017
	£'000	£'000
Income from listed investments	1,187	1,090
Bank and other interest	27	9
	1,214	1,099

9. Other income

	2018 £'000	2017 £'000
Surplus on disposal of tangible fixed assets	108	10
Rental income	119	77
Restricted grant income to support neutering work	-	9
Miscellaneous income	39	31
	266	127

The income set out in Notes 8 and 9 is unrestricted unless otherwise stated.

10. Analysis of expenditure

	2018 £'000			2017 £'000		
	Direct costs	Allocated support costs	Total	Direct costs	Allocated support costs	Total
Costs of raising funds						
Seeking donations and legacies	6,828	251	7,079	8,004	224	8,228
Shops	8,102	1,477	9,579	5,975	1,357	7,332
Fundraising events	5,536	276	5,812	5,804	258	6,062
Commercial trading operations	1,314	-	1,314	1,077	-	1,077
Investment management	200	-	200	199	-	199
Total cost of raising funds	21,980	2,004	23,984	21,059	1,839	22,898
Costs of charitable activities (unrestricted)						
Rehoming cats	23,823	5,302	29,125	20,330	4,818	25,148
Reducing overpopulation of cats	5,649	387	6,036	5,490	325	5,815
Education and information	4,402	496	4,898	3,894	458	4,352
Total cost of charitable activities (unrestricted)	33,874	6,185	40,059	29,714	5,601	35,315
Costs of charitable activities (restricted)						
Rehoming cats	2,120	-	2,120	2,911	-	2,911
Reducing overpopulation of cats	11	-	11	11	-	11
Total cost of charitable activities (restricted)	2,131	-	2,131	2,922	-	2,922
Total expenditure	57,985	8,189	66,174	53,695	7,440	61,135

Analysis of the allocated support costs included in Expenditure is as follows:

	2018 £'000					Total indirect costs
	People costs	Corporate resources	IT	Facilities	Governance	
Seeking donations and legacies	68	83	67	25	8	251
Shops	403	484	396	150	44	1,477
Fundraising events	75	91	74	28	8	276
Rehoming cats	1,448	1,737	1,422	536	159	5,302
Reducing overpopulation of cats	106	126	104	39	12	387
Education and information	135	163	133	50	15	496
Total	2,235	2,684	2,196	828	246	8,189

	People costs	Corporate resources	IT	Facilities	Governance	Total indirect costs
Seeking donations and legacies	61	73	60	23	7	224
Shops	369	441	364	138	45	1,357
Fundraising events	70	84	69	26	9	258
Rehoming cats	1,311	1,566	1,294	488	159	4,818
Reducing overpopulation of cats	88	106	87	33	11	325
Education and information	125	149	123	46	15	458
Total	2,024	2,419	1,997	754	246	7,440

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

11. Additional analysis of expenditure

	2018 £'000	2017 £'000
Auditor's remuneration – statutory audit of Group accounts	33	31
Auditor's remuneration – statutory audit of subsidiary accounts	3	6
Auditor's remuneration – assurance, tax or other financial services	-	-
Depreciation of tangible fixed assets	3,031	2,606
Operating lease rentals	1,743	1,558

12. Staff costs

Employment costs

	2018 £'000	2017 £'000
Wages and salaries	20,278	17,189
Social security costs	1,851	1,560
Employer's contribution to the defined contribution pension scheme	820	512
Employee benefits – private medical insurance	168	120
Apprenticeship Levy	92	66
Agency staff	162	173
Total	23,371	19,620

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.

Employer's contributions to the pension scheme represent payments made to Scottish Widows, who are contracted to manage the defined contribution scheme for staff. In the SOFA, the cost of employer pension contributions is allocated against the activity to which the related member of staff is engaged. No allocations are made against restricted funds.

In 2018, the Charity paid a total of £88,873 (2017: £10,420) in redundancy and termination payments in respect of nine employees (2017: five employees). All payments were monetary, with the exception of one former employee who retained the use of their company car for four months following the date of their departure. All redundancy and termination payments are recognised as an expense in the year in which they occur, none are capitalised. A balance of £nil was outstanding in respect of these payments at year end (2017: £nil).

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

	2018 Average	2017 Average	2018 FTE	2017 FTE
Charitable activities	561	490	450	392
Generating funds	343	302	265	235
Total	904	792	715	627

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 in our retail chain. 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:

	2018 Number	2017 Number
£60,001 - £70,000	2	7
£70,001 - £80,000	6	2
£80,001 - £90,000	2	5
£90,001 - £100,000	2	-
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1

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 (2017:15) and in 2018 the Charity paid £62,173 (2017: £61,692) 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 and employer's National Insurance Contributions (NICs), received by key management personnel (defined internally as the Chief Executive and members of the Executive Management Team as set out on page 42) during 2018 was £835,938 (2017 (restated to include employer's NICs): £809,584).

Trustee expenses

Travel and subsistence expenses amounting to £13,772 (2017: £9,080) were reimbursed directly to six Directors of Cats Protection Trustee Ltd (2017: five Directors). A further £6,942 of payments (2017: £3,963) were paid directly to suppliers for travel and overnight hotel accommodation in respect of 11 Directors (2017: 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, centres and the National Cat Centre at Chelwood Gate, Sussex. Five Directors of Cats Protection Trustee Ltd did not claim for reimbursable expenses in 2018 (2017: four). All Directors had payments made directly to suppliers on their behalf (2017: two Directors had no payments made 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 (2017: none).

13. Tangible fixed assets

	2018 £'000					
	Freehold land and buildings £'000	Assets under the course of construction £'000	Pens and adoption centre equipment £'000	Fixtures, fittings and office equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 January 2018	43,449	207	6,248	6,919	4,629	61,452
Additions	2,105	562	604	1,710	709	5,690
Transfers	79	(89)	-	10	-	-
Transfer to Investments	(237)	-	-	-	-	(237)
Disposals	(65)	-	-	-	(342)	(407)
At 31 December 2018	45,331	680	6,852	8,639	4,996	66,498
Depreciation						
At 1 January 2018	13,142	-	3,764	3,299	3,457	23,662
Charge for the year	1,008	-	296	1,220	507	3,031
Transfer to Investments	(7)	-	-	-	-	(7)
Disposals	(46)	-	-	-	(350)	(396)
At 31 December 2018	14,097	-	4,060	4,519	3,614	26,290
Net book value						
At 31 December 2018	31,234	680	2,792	4,120	1,382	40,208
At 31 December 2017	30,307	207	2,484	3,620	1,172	37,790

Freehold land and buildings includes freehold land with a value of £3,451k (2017: £3,054k) that is not depreciated. All assets are held for charitable purposes.

	2017 £'000					
	Freehold land and buildings £'000	Assets under the course of construction £'000	Pens and adoption centre equipment £'000	Fixtures, fittings and office equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 January 2017	41,723	617	5,752	4,572	3,996	56,660
Additions	1,623	49	492	1,995	747	4,906
Transfers	103	(459)	4	352	-	-
Disposals	-	-	-	-	(114)	(114)
At 31 December 2017	<u>43,449</u>	<u>207</u>	<u>6,248</u>	<u>6,919</u>	<u>4,629</u>	<u>61,452</u>
Depreciation						
At 1 January 2017	12,169	-	3,517	2,423	3,047	21,156
Charge for the year	973	-	247	876	510	2,606
Disposals	-	-	-	-	(100)	(100)
At 31 December 2017	<u>13,142</u>	<u>-</u>	<u>3,764</u>	<u>3,299</u>	<u>3,457</u>	<u>23,662</u>
Net book value						
At 31 December 2017	<u>30,307</u>	<u>207</u>	<u>2,484</u>	<u>3,620</u>	<u>1,172</u>	<u>37,790</u>
At 31 December 2016	<u>29,554</u>	<u>617</u>	<u>2,235</u>	<u>2,149</u>	<u>949</u>	<u>35,504</u>

14. Fixed asset investments

	2018 £'000	2017 £'000
Market value at 1 January	52,377	50,707
New funds introduced	2,000	5,000
Funds withdrawn	(4,000)	(8,000)
Reinvested income	1,192	1,101
Management fees	(215)	(213)
Transfer from fixed assets	230	-
Net gain/(loss) on revaluation	(2,299)	3,782
Market value at 31 December	<u>49,285</u>	<u>52,377</u>
Historical cost at 31 December	<u>44,860</u>	<u>44,540</u>

In 2008, KSF was placed in administration. Our financial statements for 2008 included a provision of £9.1m for 80% 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 further distributions from the administrators and as at 31 December 2018, these further distributions totaled £7.5m. Taking into account the first distribution, we have now received £9.8m, which is equivalent to 85.75 pence in £1. One distribution totaling £29k was received in 2018 (2017: two distributions totaling £0.1m).

Analysis of investments held at 31 December

	2018 £'000	2017 £'000
Represented by:		
Fixed interest securities	5,671	6,032
UK equities	12,539	14,725
Overseas equities	15,487	14,591
Alternatives	4,696	5,204
Cash and cash equivalents	9,672	10,835
Investment property	1,220	990
	49,285	52,377

Alternatives include Property and Infrastructure funds and commodities. As at 31 December 2018, the Charity held no single investment which was in excess of 5% of total market value of the portfolio (31 December 2017: nil). The Charity is not aware of any material restrictions which might affect the realisation of any of its listed securities. The investment property relates to two houses and a large converted garage on the same site. The houses are rented on assured short term tenancies at open market rates. The properties were valued in April 2016, the point at which the Charity assumed ownership, by an independent, suitably qualified professional. There has been no subsequent revaluation. The movement in value between 2017 and 2018 represents a change in treatment of the converted garage which is no longer used for our operational activities and is therefore now recognised as an investment asset.

15. Debtors: amounts falling due within one year

	Charity		Group	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Prepayments and accrued income	5,559	4,721	5,887	4,976
Other debtors	1,420	1,336	115	87
Loan to Subsidiary	210	210	-	-
	7,189	6,267	6,002	5,063

16. Creditors: amounts falling due within one year

	Charity		Group	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade creditors	2,274	2,293	2,321	2,386
Taxation and social security	544	20	580	25
Accruals	650	617	653	624
Other creditors	349	405	348	425
Amount owing to Subsidiary	434	424	-	-
	4,251	3,759	3,902	3,460

17. Provisions for liabilities and charges

	2018 £'000	2017 £'000
At 1 January	-	-
Raised during the year	775	-
Utilised during the year	-	-
At 31 December	<u>775</u>	<u>-</u>

The provision relates to dilapidations on properties rented by the Group.

18. Statement of funds

	2018 £'000					Balance at 31 December 2018 £'000
	Balance at 1 January 2018 £'000	Income £'000	Expenditure £'000	Investment gains/ (losses) £'000	Transfers £'000	
Unrestricted funds						
General funds	26,498	65,200	(64,043)	(2,270)	(2,622)	22,763
Designated funds						
Fixed assets	37,790	-	-	-	2,418	40,208
Capital development fund	31,098	-	-	-	204	31,302
Total unrestricted funds	<u>95,386</u>	<u>65,200</u>	<u>(64,043)</u>	<u>(2,270)</u>	<u>-</u>	<u>94,273</u>
Restricted funds						
By area	4,203	2,273	(1,732)	-	(52)	4,692
By adoption centre	996	477	(388)	-	52	1,137
Neutering	11	-	(11)	-	-	-
Total restricted funds	<u>5,210</u>	<u>2,750</u>	<u>(2,131)</u>	<u>-</u>	<u>-</u>	<u>5,829</u>
Total funds	<u>100,596</u>	<u>67,950</u>	<u>(66,174)</u>	<u>(2,270)</u>	<u>-</u>	<u>100,102</u>

	2017 £'000					Balance at 31 December 2017 £'000
	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Investment gains/ (losses) £'000	Transfers £'000	
Unrestricted funds						
General funds	17,164	60,682	(58,213)	3,749	3,116	26,498
Designated funds						
Fixed assets	35,504	-	-	-	2,286	37,790
Capital development fund	34,600	-	-	-	(3,502)	31,098
Revenue growth fund	1,900	-	-	-	(1,900)	-
Total unrestricted funds	<u>89,168</u>	<u>60,682</u>	<u>(58,213)</u>	<u>3,749</u>	<u>-</u>	<u>95,386</u>
Restricted funds						
By area	4,857	1,846	(2,500)	-	-	4,203
By adoption centre	1,074	333	(411)	-	-	996
Neutering	10	12	(11)	-	-	11
Total restricted funds	<u>5,941</u>	<u>2,191</u>	<u>(2,922)</u>	<u>-</u>	<u>-</u>	<u>5,210</u>
Total funds	<u>95,109</u>	<u>62,873</u>	<u>(61,135)</u>	<u>3,749</u>	<u>-</u>	<u>100,596</u>

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

The purpose of each designated fund is:

- fixed assets – this represents the net book value of fixed assets in use by the Charity
- 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 centres and fitting out new charity shops, as well as refurbishing our existing sites. In 2018, we expended £3,596k on projects in the capital plan (2017: £3,502k). The equivalent amount has therefore been transferred into General funds to finance this expenditure. This is netted off against a transfer of £3,800k (2017: £nil) into the fund
- revenue growth fund – this fund was created to support new and expanding activities across the Charity in 2016 and 2017 that could not be funded from the income we expected to generate in those years. In both 2016 and 2017, we did generate sufficient funds to cover all our activities and we did not need to draw on this designated fund. Therefore, the balance of £1,900k was released back into general funds at 31 December 2017

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.

19. Analysis of net assets between funds

	2018 £'000			2018 Total £'000
	General funds £'000	Designated funds £'000	Restricted funds £'000	
Balance at 1 January 2018	26,498	68,888	5,210	100,596
Net movement in funds	(3,735)	2,622	619	(494)
Balance at 31 December 2018	22,763	71,510	5,829	100,102
Represented by:				
Tangible fixed assets	-	40,208	-	40,208
Investments	12,154	31,302	5,829	49,285
Net current assets	10,609	-	-	10,609
Total net assets	22,763	71,510	5,829	100,102
	2017 £'000			2017 Total £'000
	General funds £'000	Designated funds £'000	Restricted funds £'000	
Balance at 1 January 2017	17,164	72,004	5,941	95,109
Net movement in funds	9,334	(3,116)	(731)	5,487
Balance at 31 December 2017	26,498	68,888	5,210	100,596
Represented by:				
Tangible fixed assets	-	37,790	-	37,790
Investments	16,069	31,098	5,210	52,377
Net current assets	10,429	-	-	10,429
Total net assets	26,498	68,888	5,210	100,596

20. Operating lease commitments

At 31 December 2018, the Group was committed to making the following payments under operating leases:

	2018 £'000	2017 £'000
Within one year	1,714	1,384
Within two to five years	3,134	2,912
Over five years	74	3
	<u>4,922</u>	<u>4,299</u>

21. Subsidiary

At 31 December 2018, the Charity held 100% of the issued share capital of the following company, which is registered in England:

Cats Protection Enterprises Limited	Trading subsidiary	Issued share capital £2
-------------------------------------	--------------------	----------------------------

The results of the subsidiary have been fully consolidated into the results of the Group.

Cats Protection Enterprises Limited Profit and Loss Account

	2018 £'000	2017 £'000
Turnover	2,672	2,402
Cost of sales	(1,048)	(800)
Gross profit	1,624	1,602
Administrative expenditure	(278)	(290)
Profit on ordinary activities before taxation	1,346	1,312
Taxation on current year profits	-	-
Profit on ordinary activities after taxation for the year	1,346	1,312
<i>Changes in equity:</i>		
Equity brought forward	-	-
Profit for the year	1,346	1,312
Gift Aid Payment	(1,346)	(1,312)
Equity carried forward	-	-

All profits are paid to Cats Protection charity via a Gift Aid distribution and a corresponding tax credit is recorded at the point of distribution as no payment of Corporation Tax is due to HMRC.

Cats Protection Enterprises Limited Balance Sheet

	31 December 2018	31 December 2017
	£'000	£'000
Current assets:		
Stock	140	63
Debtors	803	742
Cash at bank and in hand	698	842
	<u>1,641</u>	<u>1,647</u>
Creditors: amounts falling due within one year	(1,431)	(1,437)
Net current assets	<u>210</u>	<u>210</u>
Creditors: amounts falling due after one year	(210)	(210)
Net assets	<u>-</u>	<u>-</u>
Funded by:		
Called up share capital	-	-
Retained earnings	-	-

The Charity has provided a long-term loan of £210k (2017: £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% over Barclays Bank PLC base lending rate.

The profits for the year, amounting to £1,346k (2017: £1,312k) will be donated to the Charity under Gift Aid as a distribution from Cats Protection Enterprises Limited in 2018.

22. Capital commitments

At 31 December 2018, the Charity had one significant (over £100k in value) capital commitment totaling £2.1m (2017: none). This commitment relates to the main contract for building a new adoption centre in Wrexham.

23. Related parties

As at the Balance Sheet date, a total of £434,147 was owing from Cats Protection to Cats Protection Enterprises Ltd (2017: £424,202) for income collected through the Charity on behalf of Cats Protection Enterprises Ltd, and a total of £210,000 (2017: £210,000) was owing from Cats Protection Enterprises Ltd to Cats Protection in respect of a loan from the Charity.

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 12 and 21, there were no transactions with related parties during 2018 (2017: none).

24. Financial instruments

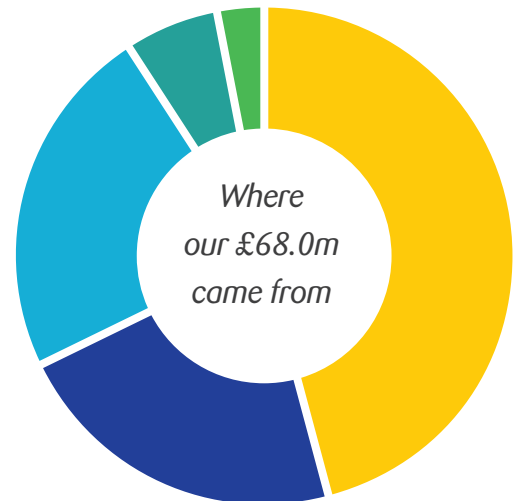
	31 December 2018	31 December 2017
	£'000	£'000
Financial assets held at amortised cost	9,987	9,540
Financial liabilities held at amortised cost	(3,794)	(3,025)
Financial assets measured at fair value	48,065	51,387

Financial summary

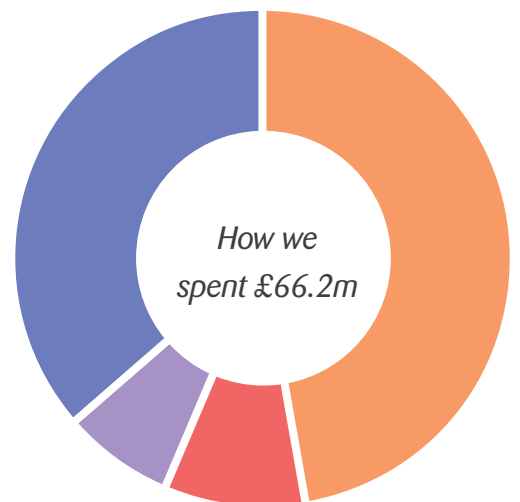
Our total income in 2018 was £68m, an increase of £5.1m from 2017. Shop income increased by £1.1m as a result of the on-going expansion of our retail chain; fundraising events income increased by £2.5m thanks in part to a £1m donation from People's Postcode Lottery and an increase in the number of Cats Protection Weekly Lottery players; and our legacy income increased by £1.6m.

This growth in funds has enabled us to increase our expenditure from £61.1m in 2017 to £66.2m in 2018. We spent £3.2m more on rehoming, developing our network of branches and centres and expanding our Paws Protect service. We invested a further £0.2m on reducing the overpopulation of cats with our Cat Watch project and an extra £0.5m on educating the public about cat welfare. We also spent £24.0m on generating more income for the charity, to enable us to help more cats in the future.

A summary of our income and expenditure for 2018 is presented in the charts opposite. These figures are based on those included in the full, audited and unqualified accounts for the year ended 31 December 2018. For further details of these figures, turn to the financial review section starting on page 36.



- £31.6m Legacies
- £14.8m Donations
- £15.6m Events and shops
- £4.1m Other
- £1.9m Rehoming fees



- £31.3m Rehoming cats
- £6.0m Reducing overpopulation of cats
- £4.9m Education and information
- £24.0m Generating funds



Annual Report & Accounts 2018

Our network

- Over 250 volunteer-run branches
- 36 centres
- 124 shops
- 11,200 volunteers

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

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 National Information Line on 03000 12 12 12, or email info@cats.org.uk You can also visit www.cats.org.uk or write to us at: Cats Protection, National Cat Centre, Chelwood Gate, Sussex, RH17 7TT.

Thank you, on behalf of the cats!



Reg Charity
203644 (England and Wales)
SC037711 (Scotland)
www.cats.org.uk

