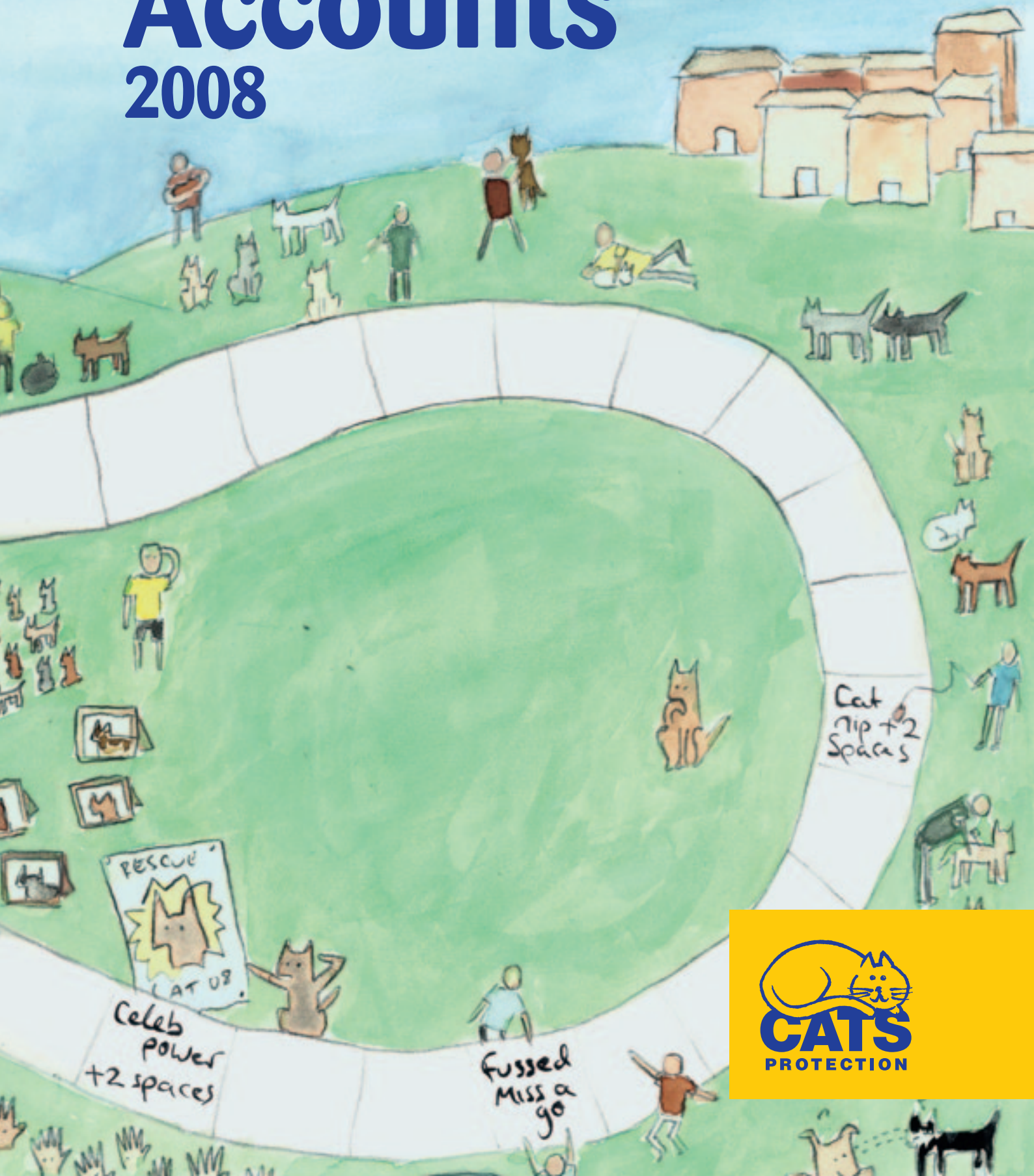


Accounts

2008



CATS
PROTECTION





OUR WEBSITE RECEIVED
1,914,688
HITS

X

Broken link
miss a go

➡
+2
spaces

GO!

Trustee's Report

Cats Protection is the UK's leading cat welfare charity. Founded in 1927, we are dedicated to cat welfare; we find homes for cats in need, promote the benefits of neutering and provide education, information, advice and resources on cat care and welfare. In 2008 we directly helped over 193,000 cats (2007:157,000) and indirectly we help many more.

Our vision is...

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

It's an ambitious vision. However, we truly believe that it can be achieved because of our passion and professional approach.

Cats Protection will continue to help cats by **developing and growing** in all three of our objectives:

Homing – finding good homes for cats in need

Neutering – supporting and encouraging the neutering of cats

Information – improving people's understanding of cats and their care through education and advice

Our values, which underpin everything...

They shine through our work and provide the cornerstones of our charity, enabling us to grow and, as a result, to help more cats and kittens every year. Our values are simple:

- We care about cats
- We value and respect our volunteers, supporters and staff
- We are committed to providing a service of the highest quality
- We are open and honest

How did we do?

Homing

Cats Protection finds good homes for cats in need. We operate through a network of 253 volunteer-led branches throughout the UK. These branches carry out approximately 74 per cent of our rehoming work. Branches are financed by their own local fundraising efforts and by grants and other support from central funds.

In addition to the branch network, we have 29 purpose-built adoption centres. Branches and adoption centres work side by side to deliver cat welfare work. For instance, adoption centres can provide a certain level of specialist pen facilities when branches run out of space. Adoption centres also provide support and increased visibility of Cats Protection in their local regions.

Cats Protection rehomed and reunited around 55,000 cats and kittens in 2008, broadly unchanged from 2007. There are around 7,000 cats in our care at any given time – but there may be many more than this during the kitten seasons.

Our work with feral cats helped approximately 20,900 feral cats and kittens to have a better life: through feeding programmes, neutering and, where appropriate, homing. Our work in this area showed a substantial increase from 16,800 in 2007.

Cats Protection never destroys a healthy cat; cats are only ever euthanased on veterinary advice when they no longer have an acceptable quality of life.



Neutering

Neutering actively prevents unplanned litters from being born; so that they do not become the unwanted cats of tomorrow. We achieve our objectives in this area by working with veterinary practices, other animal welfare organisations and cat owners to support and promote the benefits of neutering and responsible pet ownership. Financial assistance is also provided to enable owners who are in genuine need to have their cats neutered.

We carry out our neutering work through a voucher scheme for individuals, together with partnership working with organisations such as PDSA and a neutering consortium called C4. In 2008, we achieved a 24 per cent increase in the number of cats neutered with financial assistance from Cats Protection; 150,800 compared to 121,600 in 2007. In achieving this, neutering costs increased to £5.1m (2007 £3.6m).

In 2008, within our homing and neutering work, we helped over 193,000 cats, a 23 per cent increase on last year.

Information

Cats Protection publishes a wide range of leaflets on cats and their care. Leaflet topics range from fleas and parasites to cat behavioural problems and legal issues. The series can be downloaded from our website at www.cats.org.uk and is also available through our branches, our Helpline and veterinary clinics.

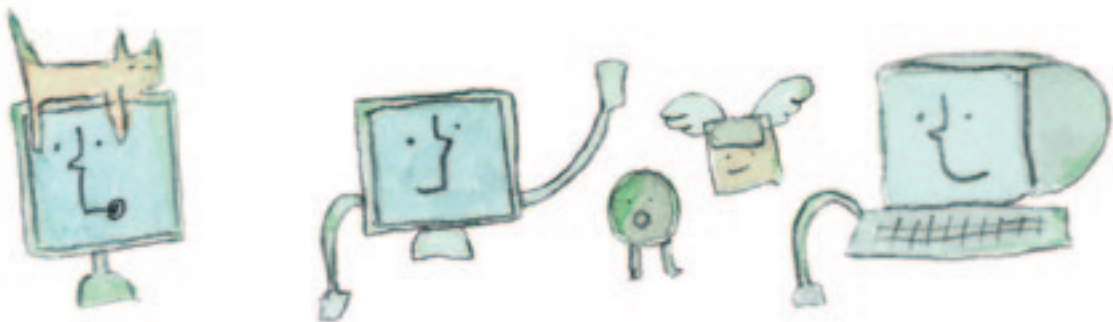
Each year we distribute more than half a million leaflets to members of the public and, in 2008, around 160,000 leaflets were downloaded.

We produce a full-colour quarterly magazine, *The Cat*, which is available to members and subscribers. Each issue provides cat care information and fun and informative features on cats and cat ownership. It is also an important way of keeping our supporters up to date with our work.

More than 25,000 education packs were distributed or downloaded by schools. 'Cats for Kids' is a website offering fun and educational pages for our younger supporters.

Our Helpline service provides members of the public with advice and assistance by phone, letter and email. In 2008, we dealt with approximately 50,000 enquiries through this national service.

All this is in addition to the huge amount of information work carried out by our branches, many of which publish their own newsletters and cat advice resources.



In support of our main objectives, we are proud of our achievements in the following areas:

Minimum Veterinary Standards – over the past 10 years the charity has ensured the highest quality of cat care has been introduced across all our facilities – both volunteer-run facilities and those that are centrally funded. We are now focused on veterinary care standards and ensuring that each cat we rehome receives the same high standard of veterinary care.

As a minimum standard, we aim for all cats to be: health checked by a vet, treated for fleas and worms, neutered, vaccinated with at least the first vaccination for cat flu and enteritis and blood tested for the feline leukaemia and FIV viruses if the cat is sick. In addition to these minimum standards, we also recommend microchipping. In 2008 the standards became mandatory and, for over 95 per cent of all cats in our branch care, this standard was met. To help achieve this target we gave grants to less wealthy branches to assist in the cost of implementing this standard.

Volunteers – the Trustees would like to record their sincere thanks to the charity's 7,200 volunteers. Their professionalism and hard work means they play a major role in achieving our goals. Our volunteers carry out much of the charity's cat care and rehoming work and without them we would not be able to care for as many cats as we do each year.

Volunteers are the life-blood of the charity and around 74 per cent of the charity's cat welfare work is completed through our branches. Most of our branches are self sufficient and generate funds to cover their own operating costs; £7m in total. Volunteers also work in our adoption centres and as fundraisers in their local area. We estimate that, in 2008, our volunteers generously gave in the region of 3.4 million hours to Cats Protection's work; the value of these hours to the charity is close to £40m*

This valuation does not take into account the fact that much of the work is carried out during evenings and weekends, nor does it reflect the dedication of volunteers working outside of the branch on Council, national initiatives, working groups and so on.

Employees – the Trustees acknowledge, with thanks, the professionalism and hard work of Cats Protection staff who contribute to the development of the charity year by year.

*The rate is based on the median gross hourly rate (excluding overtime) for full time workers (£11.87) from the 2008 Annual Survey of Hours and Earnings National Office of Statistics, November 2008

Partnerships with other animal welfare organisations – as the largest cat charity, Cats Protection is an active member of The Cat Group, The Microchip Advisory Group, The Society for Companion Animal Studies, the Association of Dogs and Cats Homes (ADCH) and the Pet Advertising Advisory Group (PAAG). We sponsor the International Companion Animal Welfare Conference (ICAWC) and work collaboratively with a number of other animal charities including: RSPCA, The Feline Advisory Bureau (FAB), PDSA, Blue Cross, Animal Health Trust and Dogs Trust. In addition to these national organisations, we also work closely with many local independent animal welfare charities across the country, including the Assisi Animal Sanctuary in Northern Ireland and the neutering consortium C4 in London.

Capital projects – in 2008 our ambitious programme to improve our capacity to rehome more cats began.

A site at Ferndown near Bournemouth was acquired and the development of a new Homing Centre commenced. The concept of a Homing Centre will be piloted with the aim of forming a template for future homing centres across the United Kingdom. It will allow local branches to place ready-to-rehome cats in a position where they can be seen by the public in an accessible and easy to reach location. The site will also provide information and advice to new cat adopters and the local community and act as a central point for our volunteers and staff to meet.

New sites were purchased in Gildersome, Yorkshire; Felling near Gateshead and Lisburn, Northern Ireland for the future development of adoption centres. Some initial planning work has taken place and the projects will move ahead as funds allow.

During the course of the year, we undertook major refurbishment works at our adoption centres at Belfast, Northern Ireland; Bredhurst, Kent and Bridgend, Mid Glamorgan to improve and increase homing facilities.

Fundraising – legacies have always been a mainstay of our income. While we are appreciative of this strong source of funds, in recent years we have been working hard to diversify our income. In 2008 we were delighted to increase our combined income from subscriptions, donations and branch fundraising by 6 per cent, despite the more difficult economic times. A huge thank you goes out to everyone who has supported us during the course of the year.

Commercial partnerships – we work with Petplan, ensuring that new owners have insurance cover for the first few weeks that their new cat is with them. Adopters have an opportunity to continue with the insurance plan and support Cats Protection at the same time, as we receive commission on new policies and renewals.

Our partnership with Purina PetCare continued through 2008 and we thank them for their continued support of our branches and adoption centres through the provision of subsidised food and for their sponsorship of fundraising and awareness events and campaigns.

Cats Protection... into the future

For every cat we help in the UK there are many more that we cannot. To be able to reach out to all the cats and kittens that need us, we must dramatically increase our ability to rehome, neuter and impart information. We cannot ask the cats to wait until we can help them. Their needs are paramount, as is our responsibility to be there for them.

This goal cannot be achieved without increasingly supporting our people, the volunteers and staff who carry out our vital work. We must invest in building a dynamic, go-ahead organisation that will attract further volunteers, more homes for cats and funds to pay for food, veterinary care and everything that the cats in our care need.

The years ahead will bring many new opportunities and challenges. Cats Protection wants everyone to celebrate our achievements to date, and also to support us in achieving an even better future.

Cats Protection will continue to help cats by:

- Pulling together as 'one charity'
- Investing in our branches and volunteers so that we can help even more cats
- Becoming more effective and professional with consistent and high standards

To achieve our strategy, our goals for 2009 include:

Education

Improving how we provide information. This has led to the development of a new Education and Information team, which will focus on reaching a wider audience with our cat welfare messages. We want to change perceptions and behaviour towards cats. We already enjoy good relationships with schools, adult groups and veterinary professionals and the team will develop contacts with community housing managers, local authority animal welfare departments and residential care homes among other relevant groups.

Neutering

Our neutering work will be targeted towards those geographical regions where fewer cats are neutered and we shall use appropriate ways to deliver and support our neutering programmes. We will continue to run regional campaigns and maintain our partnerships with other charities to promote the benefits of neutering. Our focus will be on local authorities and housing providers as we strive to further our neutering initiatives.

Homing

We are developing new ways to make it easier for potential adopters to rehome a cat from us. Longer opening hours are being piloted at a number of our adoption centres and we are developing our web presences with the aim of making every one of our cats available via our national website.

Public benefit

Under the charities legislation in England, Wales and Scotland the advancement of animal welfare is recognised as a distinct statutory charitable purpose. However, under the legislation, charities are also required to demonstrate that the work they do benefits the public in some way.

Ensuring the welfare of animals, preventing cruelty and relieving the suffering of animals has benefits for society as a whole; this is recognised in the passing of the Animal Welfare Acts.

Cats Protection – public benefit

Research indicates that companion animals, and cats in particular, provide measurable benefits to people's physical and mental health, especially children, the elderly and the sick. We continue our involvement with and support for various animal welfare groups including:

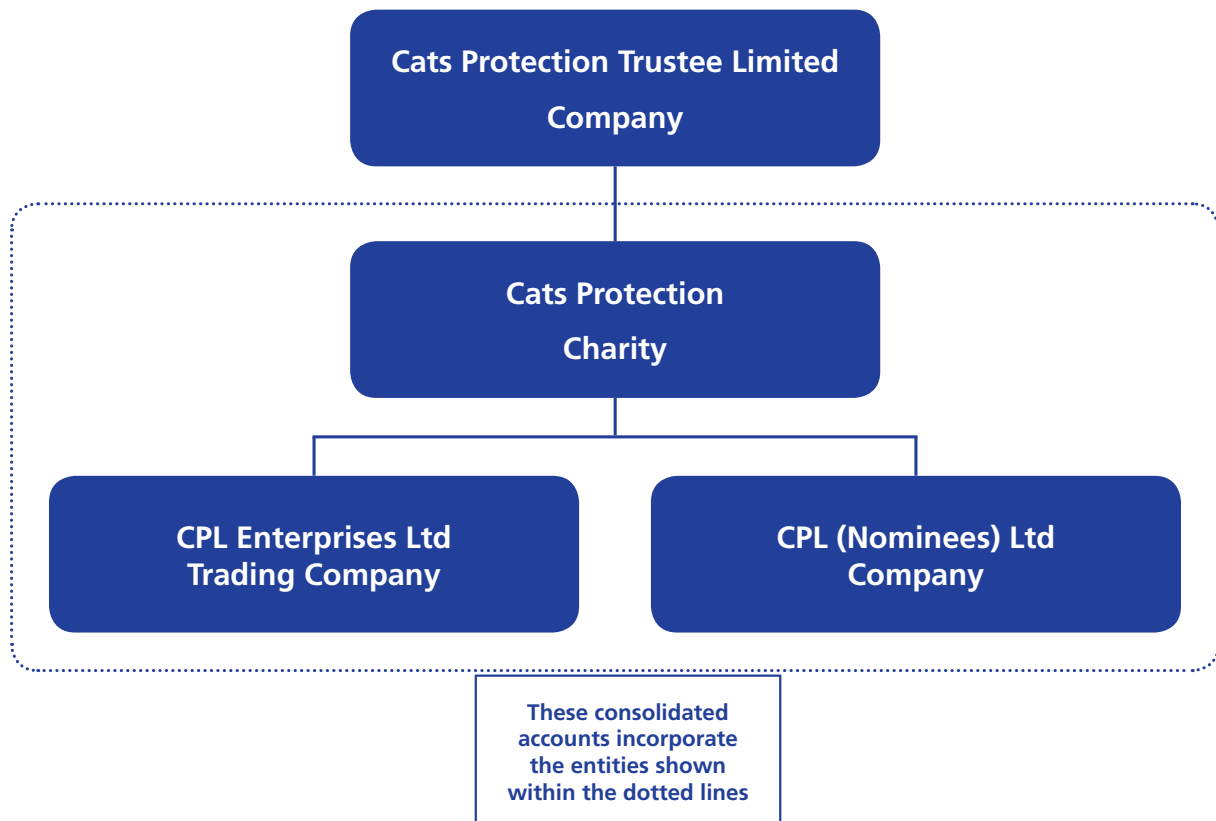
- The Society for Companion Animal Studies (SCAS) which exists to promote the study of human-companion animal interactions and raise awareness of the importance of pets in society
- The Companion Animal Welfare Council (CAWC) which currently has a working group researching the benefits of companion animals in health and social care institutions
- Pathway and the Pet Advisory Committee (PAC). The group's report for Housing Providers looks at the role of pets in society and provides guidance on keeping pets to providers of housing facilities, such as homeless hostels and sheltered accommodation

By helping cats and kittens, we believe that our work also benefits the public at large in a variety of specific ways, including:

- Providing cats to those who can and want to provide a good home for them
- Providing companionship for individuals, families, the sick and the elderly
- Providing a service and reassurance to cat owners that their cats will be cared for and rehomed when they become incapable of looking after them either through illness, death or other reasons
- Reuniting lost and stray cats with their owners
- Taking care of stray cats reported to us and finding new homes for them if we are unable to locate the original owners
- Responding to complaints from the public about colonies of feral cats
- Helping to control the cat population (both feral and domestic) through neutering
- Helping to control the incidence and spread of disease and suffering in cat populations through vaccination and neutering
- Providing assistance to those on low incomes with the cost of neutering through our voucher scheme
- Providing assistance to local authorities and others by taking in and rehoming stray, lost or abandoned cats and by controlling feral populations
- Providing volunteering opportunities for those who wish to support our work
- Providing information and advice on the care of cats and promoting the welfare of cats generally
- Working with other animal welfare organisations to provide advice to government departments on animal welfare legislation

Structure, governance

Legal Structure



Cats Protection is an unincorporated charitable association. It was founded on 16 May 1927. The charities constitution is set out in the 'Rules and byelaws' of the charity. Cats Protection has a corporate trustee, a company set up to act as trustee, Cats Protection Trustee Ltd.

Cats Protection Trustee Ltd has a board of eight unpaid directors who are either elected by the membership or nominated to the Board and generally referred to as trustees.

Corporate Trustee

The Corporate Trustee came into effect on 31 December 2008. At the AGM on 13 October 2007, the members decided on setting up a company to act as the Corporate Trustee of the charity from 31 December 2008. The resolution was approved at the AGM in October 2008. The then trustees became statutory directors of 'Cats Protection Trustee Limited'. The change does not affect the day-to-day operations of the charity.

e and management

Governance

The Board meets at least eight times a year to administer the affairs of the charity, set policies and approve all major expenditure programmes. Trustees serve for a period of 5 years and are then eligible for re-election.

At the Annual General Meeting, a Council is elected with between 10 and 22 members. The functions of Council are to appoint five Trustees from among its members and to advise the Trustees. All Trustees are also Council Members. Council meets at least three times a year.

The Board comprises the following:

- those members elected by Council; and
- up to four Trustees appointed by the Board for their specific skills.

New Trustees are familiarised with the workings of the charity and its policies through induction training, visits to branches and adoption centres and meetings with the other Trustees and the Chief Executive. On-going training and support for all directors is provided through formal briefings from the Chief Executive, Executive Management Team, third-party specialists or external courses as appropriate.

During 2008 the Board had one sub-committee, the Investment Committee, which assists the Board in safeguarding the charity's assets and in determining investment policy. It meets at least twice annually with investment managers, advisors and relevant staff. In 2009, the Trustees agreed to set up an Audit Committee to assist the board in fulfilling its obligations on financial reporting. It will meet twice annually and the committee will comprise three Trustees, at least one volunteer and at least one external independent member.

Management

The implementation of policies, control of approved financial programmes and day-to-day operations are the responsibility of the Chief Executive, who is assisted by a management team.

For operational effectiveness, the United Kingdom is split into regions. Regional staff are responsible for developing the activities of volunteer-led branches and establishing new ones in areas of need. We have 12 regions in total. As part of our commitment to supporting local branches the management structure was reviewed and changed in 2008; there are now two Directors of Operations, covering North and South. This will give more focus and support for the branches and help provided an integrated service across branches and adoption centres.

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



GOAL!

Last Boost

Join Path

Bad luck - Stick to old path

WE NEUTERED
150,843
CATS AND
KITTENS

Chase ball
+ 2 spaces

Financial review

Income and expenditure

Key features of financial activity for the year ended 31 December 2008 are as follows:

- We have achieved a 3 per cent increase in legacy income; £20.7m (2007: 20 per cent increase, £20m)
- We have achieved an 3 per cent increase in non legacy income £15.8m (2007: 11 per cent, £15.3m)
- The costs of generating funds increased by 16 per cent to £7.5m (2007: 0 per cent, £6.4m), as we seek to diversify our fundraising and support our branches
- Rehoming costs have increased to £20.8m, up 16 per cent (2007: £18m, up 18 per cent). This reflects the cost of meeting the minimum veterinary standards
- The net movement in funds before assets was £0.4m (2007: £5.1m)

Balance Sheet

Key features of Balance Sheet figures for the year ended 31 December 2008 are as follows:

- Tangible Fixed Assets have increased by £2.4m to £24.9m (2007: £1m to £22.5m) as a result of the capital project work outlined on page 7
- The value of investments has decreased by £14.7m (2007: increase £5.1m). The loss was a combination of the fall in market value of £6.4m (2007: gain £5.1m), reflecting the wider fall in stock market values; and the impairment of the cash deposit at Kaupthing Singer & Friedlander described on pages 14-15
- Overall Net Assets of the Charity at 31 December 2008 were £54.2m (2007: £69.3m)

Scotland

For reporting purposes to the Office of the Scottish Charity Regulator (OSCR), we are required to make a separate statement of our work in Scotland.

Cats Protection undertakes about 14 per cent of its rehoming (2007: 14 per cent) and 10 per cent of its neutering work (2007: 10 per cent) in Scotland.

The work is done through 5 adoption centres, 49 branches and 9 shops, using around 14 per cent of our volunteer workforce, approximately 1,000 people, and 22 employed staff.

Investment and cash management policy

Our investments are broken down into the following categories:

- An investment portfolio held in equities, cash equivalents and similar investments, long-term in nature, administered by investment managers on a discretionary basis
- Short-term working capital in term deposit accounts

The policy for the investment portfolio is to provide a positive investment return to the charity without exposing the charity to undue risk. Despite having a well diversified portfolio this was insufficient to prevent the significant fall in value due to the exceptional economic environment, when there was a widespread fall in the majority of asset values. At the time of the banking crisis during October 2008, the investment managers were instructed to keep surplus cash funds in government gilts to ensure the security of these funds. This restriction was removed in January 2009, as the banking situation stabilised.

The policy for the short-term working capital portfolio is to provide a reasonable return from cash deposits in relation to market rates.

Kaupthing Singer & Friedlander (in Administration)

Singer & Friedlander was an old city merchant bank established in 1907. The bank had the highest possible reputation and had provided specialist charity banking services to numerous charities for many years.

Singer & Friedlander was acquired by Icelandic Bank Kaupthing hf in 2005. The acquisition was approved by the Financial Services Authority (FSA) and Kaupthing Singer and Friedlander (KSF) was regulated by the FSA.

KSF continued to provide specialist charity banking services and enjoyed the highest possible credit ratings (AAA). Cats Protection had deposits of £11.4 million, including reinvested and accrued interest, with KSF. These were placed with KSF in 2005 and 2006. Following the collapse of Lehman Brothers in the United States, Cats Protection, in common with many charities, gave notice of withdrawal to KSF on **17 September 2008**. It was not until **30 September 2008** that credit rating agencies downgraded Icelandic parent banks to 'adequate grade'.

Five working days later, on **8 October 2008**, KSF was placed in administration by the FSA. Charities, like Cats Protection, with funds on Notice of Withdrawal or fixed term, were overtaken by the sheer speed of events.

The number of charities affected by these actions is not known. However, Cats Protection was instrumental in forming an action group, of which our Chief Executive, Peter Hepburn, is Co-Chairman. This group consists of 30 charities with a combined liability in the administration of £50 million. Cats Protection also secured one of only five places on the Creditors' Committee and represents the other charities on that Committee.

Because of market conditions, Cats Protection, like other charities, had cash reserves in the banking system. Charities are obliged to build up reserves for future projects of public benefit and to guard against variations in legacy income. In Cats Protection's case, these reserves were earmarked for capital projects, such as the building of future adoption centres.

The banking crisis affected other banks. Charities with reserves in other FSA regulated banks, such as Northern Rock, Bradford and Bingley, Lloyds/TSB/HBOS and The Royal Bank of Scotland, as well as some building societies, have been protected by various Government 'bailouts'. An explanation as to why KSF was placed in administration, but other FSA regulated banks were not, has yet to be given.

Cats Protection, alongside other charities, began a political lobbying campaign and submitted evidence to the Treasury Select Committee Inquiry into the banking crisis. This campaign involved writing to MPs, meeting the Icelandic Ambassador and Treasury and Third Sector ministers. The influential Treasury Select Committee considered the evidence and strongly recommended that it was *imperative* charities be compensated.

An Early Day Motion signed by 81 MPs called on the Government to adopt the Committee's recommendation. However, the Treasury has declined to compensate charities. We are grateful to all Cats Protection staff and volunteers who contacted their MPs on this issue.

The Administrators of KSF are Ernst & Young. They have announced a first payment of 20p in £1 will be paid to Cats Protection during July. There will be further distributions until the administration has been completed. Ernst & Young have stated that the overall dividend (repayment to creditors) "should be a minimum of 50p in the £1." They stress: "this estimate could be lower or higher if there are significant issues which impact future realisations or the level of claims from creditors." How long the administration takes depends on the realisation of assets and the Administrators have obtained an extension of three years to deal with the administration.

In the financial statements, a £9.1m provision for 80 per cent of the cash deposited at KSF has been made. This represents the balance of funds not included in the first distribution. As further distributions are announced, the provision will be released. The KSF deposits were classified as long-term assets for the charity; consequently the loss has been included within the loss on investment assets category in the statement of financial activities.

KSF was placed in administration on **8 October 2008** and our members were informed of the situation at the AGM on **12 October 2008**. Members, volunteers, supporters and staff were also made aware of the situation immediately by post and email. Thank you for the enormous level of support you continue to provide in this difficult time. We are doing all we can to seek the return of these funds.

Ethical investment policy

No investment will be knowingly permitted in companies whose business operations conflict with or detract from the objectives of the charity. Investment managers must avoid investment in companies involved in animal testing for cosmetic and other non-medical purposes, or in companies involved in any aspect of the fur trade.

Cats Protection fully supports the aims of reduction, refinement and replacement of laboratory animal studies.

The policy is to have an independent review of the portfolio biennially; with the next review due in 2010.

Reserves policy

The aim of Cats Protection's reserves policy is to ensure that its ongoing and future activities are reasonably protected from unexpected variances in income and expenditure.

The Trustee reviews the level of reserves on a regular basis. At the year end the general reserves for the charity were £15.73m (2007: £19.61m), equivalent to just over 5 months' operating expenditure. The plan is to increase the level of general reserves towards holding 12 months' expenditure to ensure the work of the charity can continue without disruption in adverse circumstances. During 2008 the level of general reserves was significantly reduced primarily due to the fall in investment value. As a result of this the designated funds were reviewed and £10.05m of the 'site acquisition and development' fund was released to general funds.

Designated funds – detailed in the notes to the accounts, funds set aside for specific purposes such as new site acquisition and development.

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. The aim and use of each restricted fund is set out in the notes to the financial statements.

Risk

The Charity Commission defines a risk as “that which, if it occurs, would have a severe impact on operational performance, objectives or reputation and which has a high chance of occurring.” Risks can be operational, financial, legal and regulatory, public perception or people-based in nature.

The Trustees have reviewed their major risks and the risk management processes within the charity and concluded that operational and financial controls, together with the internal audit programme, are sufficient to mitigate such risks.

Managers review risk regularly, reassessing the significance and probability of individual risks, the actions that can be taken to mitigate or control risks, the effectiveness of our risk management controls and whether there are new risks for the organisation that need to be considered. Actions taken during the course of the year have served to either increase the strength of our risk management, or to reduce the probability of the risk occurring, and served to embed the management of risk throughout the organisation.

It is recognised that systems can only provide reasonable, and not absolute, assurance that major risks have been adequately managed.

Review of subsidiaries' activities

The charity has two wholly owned subsidiaries: CPL Enterprises Ltd, which undertakes non-charitable trading activities for the charity and CPL (Nominees) Ltd, which acts as nominee in respect of the charity's investments.

CPL Enterprises Ltd undertakes the following trading activity:

- Sale of goods to branches for onward resale at fundraising events and through shops
- Sale of goods to the general public both online and through mail-order catalogues
- Sale of pet insurance services through branches and adoption centres

The company uses a mixture of in-house sales and external fulfilment to meet demand. Turnover was £1.29m, a 2 per cent decrease (2007 £1.32m) and cost of sales down to 69 per cent (2007 74 per cent). CPL Enterprises generated profits of £0.11m (2007 £0.13m) for the benefit of Cats Protection.

CPL (Nominees) Ltd is a wholly owned subsidiary which was established as a nominee company for the charity's investments. It is not a trading company – its purpose is purely administrative, and there were no transactions during the year.

Statement of the 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.

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 governing document;
- prepare 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 rules of the charity, within the framework of trust law. They are 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 it under section 42(1) of the Charities Act 1993, those statements of accounts comply with the requirements of regulations under that provision. It has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Legal and administrative information

Registered Charity Number:

203644 (England and Wales)

SC037711 (Scotland)

Registered Address:

National Cat Centre, Chelwood Gate, Haywards Heath RH17 7TT

Administration:	08707 708 649
Facsimile:	08707 708 265
Helpline:	03000 12 12 12
Email:	cp@cats.org.uk
Website:	www.cats.org.uk

Directors/Trustees:

All the directors had previously acted as trustees prior to the formation of the corporate trustee. On 31 December 2008 they were retired as trustees and appointed as directors to Cats Protection Trustee Limited.

Ms H McCann	Chairman
Mr K Hughes	Deputy Chairman (retired 06/02/08)
Professor T Gruffydd-Jones	BVetMed PhD DipECVIM MRCVS (Appointed Deputy Chairman 06/02/08)
Ms W Bosler	(Appointed 07/03/08, previously council member)
Ms N Holloway	
Mr P Sheehan	
Mr J Stoker	(Appointed 07/03/08)
Mrs J Toben	
Mrs PE Walls MBE	

Council Members:

Mrs P Cameron
Mrs L Glaze
Ms P Godfrey
Mrs J Harbour
Ms C Loy
Mrs J Neville
Mrs C Osborne (elected 11/10/08)
Mr P Roberts
Mrs A Ryan (elected 11/10/08)
Mr P Syvret
Ms L Upson
Mrs E Watson (nee Reid)

Chief Executive and Senior Management Team:

Chief Executive

Mr P Hepburn BSc, FCCA, FRSA

Executive Management Team

Mr M Henley ACIB; Director of Operations South

Mrs H Jacobs MSc, FCMA, ACIS; Director of Central Services (from 14/04/09)

Mr M Rawden MBA; Director of Operations North (from 05/08/08)

Ms M Roberts BVM&S MRCVS; Director of Veterinary Services

Mr D Sullivan LLB (Hons); Director of Legal Services

Ms J Wickens MInstF (Cert); Director of Fundraising and Communications

Auditors:

KPMG LLP

1 Forest Gate

Brighton Road

Crawley

West Sussex

RH11 9PT

Internal Auditors:

BDO Stoy Hayward

Emerald House

East Street

Epsom

Surrey

KT17 1HS

Bankers:

Barclays Bank plc

2 Carfax

Horsham

West Sussex

RH12 1DN

Investment Advisers:

Rathbones Investment Management Limited

159 New Bond Street

London

W1S 2UD

UBS AG

1 Curzon Street

London

W1J 5UB

Insurance Brokers:

Eagle House Financial Services Ltd.

The Almshouse

Bepton Road

Midhurst

West Sussex

GU29 9LU

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The Trustee will place a resolution before the Annual General Meeting to re-appoint KPMG LLP as auditors for the next year.

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:

A handwritten signature in blue ink that reads "Heather McCann". The signature is written over a dotted line.

Ms H McCann
Chairman

Date: 17 July 2009

Independent auditors' report to the Trustee of Cats Protection

We have audited the group and charity financial statements (the 'financial statements') of Cats Protection for the year ended 31 December 2008 which comprise the group Statement of Financial Activities, the group and charity Balance Sheets and the group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's Trustee, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditors

The Trustee's responsibilities for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities on page 18.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustee's Annual Report is not consistent with the financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustee's Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and charity's affairs as at 31 December 2008 and of the group's incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993



KPMG LLP

Chartered Accountants

Registered Auditor

1 Forest Gate, Brighton Road, Crawley, West Sussex, RH11 9PT

Date: 17 July 2009

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestrict ed Funds £000	Restricted Funds £000	Total 2008 £000	Total 2007 £000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income:					
Legacies	2	19,285	1,377	20,662	19,998
Subscriptions & donations	3	8,350	618	8,968	8,649
Activities for generating funds:					
Branch fundraising	4	3,677	-	3,677	3,252
Trading company	20	1,286	-	1,286	1,316
Investment income	5	1,662	124	1,786	1,983
Other incoming resources	6	99	-	99	108
Total incoming resources		34,359	2,119	36,478	35,306
Resources expended					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	7	4,227	-	4,227	3,684
Branch fundraising & trading company	7	3,151	-	3,151	2,649
Investment management costs	7	106	-	106	104
		7,484	-	7,484	6,437
<i>Charitable activities:</i>					
Rescue & rehoming	7	19,134	1,671	20,805	18,003
Neutering schemes	7	4,834	252	5,086	3,647
Information & education	7	2,412	-	2,412	1,863
		26,380	1,923	28,303	23,513
Governance costs		275	-	275	268
Total resources expended		34,139	1,923	36,062	30,218
Net incoming resources before transfers	8,18	220	196	416	5,088
Transfers between funds		-	-	-	-
Net incoming resources before asset revaluations and disposals	16	220	196	416	5,088
Revaluation (losses)		(6,393)	-	(6,393)	(385)
Impairment to investment asset	11	(9,129)	-	(9,129)	-
(Loss) on investment assets		(15,522)	-	(15,522)	(385)
Net movement in funds	17	(15,302)	196	(15,106)	4,703
Reconciliation of Funds					
Total funds brought forward at 1 January	17	67,634	1,659	69,293	64,590
Total funds carried forward at 31 December	16	52,332	1,855	54,187	69,293

The consolidated statement of financial activities includes all gains and losses recognised in the year. All of the above results are derived from continuing activities.

The notes on pages 26 to 39 form part of these accounts.

Cats Protection Report and Financial Statements Year Ended 31 December 2008

BALANCE SHEETS

		Group		Charity	
	Note	2008 £000	2007 £000	2008 £000	2007 £000
Fixed assets					
Tangible assets	10	24,929	22,538	24,929	22,538
Investments	11	28,457	43,187	28,457	43,187
		<u>53,386</u>	<u>65,725</u>	<u>53,386</u>	<u>65,725</u>
Current assets					
Stocks	12	179	250	10	113
Debtors	13	853	752	1,067	1,193
Short term deposits		1,108	2,170	1,108	2,170
Cash at bank & in hand		2,185	3,068	2,050	2,826
		<u>4,325</u>	<u>6,240</u>	<u>4,235</u>	<u>6,302</u>
Creditors:					
Amounts falling due in one year	14	2,768	2,284	2,678	2,346
		<u>1,557</u>	<u>3,956</u>	<u>1,557</u>	<u>3,956</u>
Net current assets					
		<u>1,557</u>	<u>3,956</u>	<u>1,557</u>	<u>3,956</u>
Provision for liabilities & charges	15	756	388	756	388
		<u>54,187</u>	<u>69,293</u>	<u>54,187</u>	<u>69,293</u>
Net assets					
		<u>54,187</u>	<u>69,293</u>	<u>54,187</u>	<u>69,293</u>
Funds					
Unrestricted funds					
General funds	16	15,732	19,611	15,732	19,611
Designated funds	16	36,600	48,023	36,600	48,023
Restricted funds	16	1,855	1,659	1,855	1,659
		<u>54,187</u>	<u>69,293</u>	<u>54,187</u>	<u>69,293</u>
Total funds		<u>54,187</u>	<u>69,293</u>	<u>54,187</u>	<u>69,293</u>

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



Ms H McCann
Chairman
17 July 2009

The notes on pages 26 to 39 form part of these accounts.

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

CONSOLIDATED CASHFLOW STATEMENT

	Note (See below)	2008 £000	2007 £000
Net cash inflow from operating activities	a	644	5,241
Return on investments and servicing of finance			
Interest received		1,181	1,314
Dividends received		605	669
Net cash inflow for returns on investments and servicing of finance		1,786	1,983
Capital expenditure & financial investment			
Purchase of tangible fixed assets		(3,637)	(2,240)
Sale of tangible fixed assets		57	31
Purchase of investments		(10,260)	(13,890)
Sale of investments		9,465	8,420
Net cash outflow for capital expenditure and financial investments		(4,375)	(7,679)
(Decrease) in cash and cash equivalents in the year	b	(1,945)	(455)

Notes to consolidated cashflow statement

a) Reconciliation of net incoming resources to net cash inflow from operating activities		2008 £000	2007 £000
Net incoming resources		416	5,088
Investment income receivable		(1,786)	(1,983)
(Profit) on disposal of tangible fixed assets		(38)	(31)
Depreciation charge		1,230	1,173
Decrease / (Increase) in stock		71	(7)
(Increase) in debtors		(101)	(147)
Increase in creditors		484	1,153
Increase / (Decrease) in provisions		368	(5)
Net cash inflow from operating activities		644	5,241
b) Analysis of changes in cash and cash equivalents during the year	At 1 January 2008 £000	Cashflow £000	At 31 December 2008 £000
Short term deposits	2,170	(1,062)	1,108
Cash at bank & in hand	3,068	(883)	2,185
Cash Movement	5,238	(1,945)	3,293

The notes on pages 26 to 39 form part of these accounts.

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in 2005, the Charities Act 1993, and other applicable accounting standards. A summary of the accounting policies, which have been consistently applied, is set out below.

Consolidation

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

The charity has taken advantage of the exemption afforded by paragraph 397 of SORP 2005 not to provide a separate Statement of Financial Activities for the charity.

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 general objectives and which have not been designated for other purposes
- *Designated funds* are funds that have been set aside by the Trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements
- *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. The aim and use of each restricted fund is set out in the notes to the financial statements

The cost of raising and administering such funds are charged against the specific funds.

Transfers between funds are shown where funds have been allocated by the Trustee for specific purposes.

Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income, and the amount can be quantified with reasonable accuracy. Specifically policies for certain types of income are as follows:

- For legacies, entitlement is the earlier date of the charity being notified of an impending distribution following settlement of the estate or the legacy being received
- Subscriptions (including lifetime subscriptions) and donations 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

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

- Branch fundraising is the total of all fundraising income from the volunteer-led branches and a few fundraising events held at the National Cat Centre and adoption centres. It includes sale of donated goods through shops and funds raised in one-off events
- Goods donated for resale are included as income when they are sold and the cash received
- Investment income is accounted for when receivable

Resources Expended

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

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

Irrecoverable VAT is included in the relevant expense categories.

Tangible fixed assets & depreciation

Freehold land and buildings are stated at cost less depreciation. Freehold land is not depreciated. Pens and adoption centre equipment have been identified as a separate asset class. Assets under the course of construction are not depreciated. These are transferred to freehold land and buildings on practical completion.

Tangible fixed assets costing more than £1,000, except for branch equipment, are capitalised and included at cost including any incidental expenses of acquisition. Branch equipment is written off in the year of acquisition.

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

Freehold land	Nil
Freehold property	40 years on a straight-line basis
Leasehold property	Depreciated over the term of the lease
Pens and adoption centre equipment	10 years on a straight-line basis
Fixtures, fittings, IT and office equipment	4 years on a straight-line basis
IT software	4 years on a straight-line basis
Motor vehicles	4 years on a straight-line basis

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Year Ended 31 December 2008

Accounting Policies (continued)

Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Gain or loss on disposal of investment assets is calculated as the difference between the historical and market values.

Stocks

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

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 Statement of Financial Activities represents the contribution payable to the scheme in respect of the accounting period.

Finance and Operating Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

Assets held under finance lease and lease purchase agreements are capitalised as fixed assets. Obligations under such agreements are included in creditors.

Taxation

As a registered charity, Cats Protection is exempt from taxation of income and gains to the extent these are applied to the charitable objectives.

Provisions

A provision is made for neutering vouchers. The policy is to provide for neutering vouchers that have been issued in the year but not redeemed. Vouchers issued from earlier years are not provided for, as they have passed their expiry date.

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

2. Legacies

	Unrestricted Funds £000	Restricted Funds £000	Total 2008 £000	Total 2007 £000
Legacies	19,285	1,377	20,662	19,998

The charity is also the residuary beneficiary of several legacies that have not been included in the financial statements. There is a significant degree of uncertainty around these figures, as these cannot be accurately determined nor can receipt be guaranteed. An estimate of the amount involved is £2,761,539 (2007: £2,921,008)

In addition to this, the charity is the residuary beneficiary of several properties without current vacant possession. A sale value cannot be accurately determined for these premises, so for this reason these legacies have not been included in the financial statements.

3. Subscriptions and Donations

	Unrestricted Funds £000	Restricted Funds £000	Total 2008 £000	Total 2007 £000
Subscriptions	861	-	861	888
Donations	7,489	618	8,107	7,761
	<u>8,350</u>	<u>618</u>	<u>8,968</u>	<u>8,649</u>

4. Branch fundraising

	Unrestricted Funds £000	Restricted Funds £000	Total 2008 £000	Total 2007 £000
One-off events	832	-	832	939
Shop sales of donated goods	1,997	-	1,997	1,951
Other	848	-	848	362
	<u>3,677</u>	<u>-</u>	<u>3,677</u>	<u>3,252</u>

5. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2008 £000	Total 2007 £000
Fixed asset investments:				
-UK fixed interest securities	40	-	40	147
-Overseas fixed interest	34	-	34	39
-UK equities	512	-	512	431
-Overseas Equities	28	-	28	19
-Investments and unit trusts	43	-	43	33
-Property	29	-	29	-
-Deposits	860	-	860	1,062
Bank and other interest	76	124	200	228
Rental income	40	-	40	24
	<u>1,662</u>	<u>124</u>	<u>1,786</u>	<u>1,983</u>

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

6. Other incoming resources

	Unrestricted Funds £000	Restricted Funds £000	Total 2008 £000	Total 2007 £000
Credit card commission	55	-	55	56
Surplus on disposal of tangible fixed assets	38	-	38	31
Miscellaneous income	6	-	6	21
	<u>99</u>	<u>-</u>	<u>99</u>	<u>108</u>

7. Resources expended

	Direct Staff Costs £000	Other Direct Costs £000	Indirect Costs £000	Total 2008 £000	Total 2007 £000
Cost of generating funds					
Cost of generating voluntary Income	1,154	2,645	428	4,227	3,684
Branch fundraising	652	1,321	-	1,973	1,456
Trading company	-	1,178	-	1,178	1,193
Investment management fee	-	106	-	106	104
	<u>1,806</u>	<u>5,250</u>	<u>428</u>	<u>7,484</u>	<u>6,437</u>
Charitable expenditure (unrestricted)					
Rescue & rehoming	5,445	12,510	1,179	19,134	16,519
Neutering schemes	167	4,582	85	4,834	3,441
Information & education	822	1,436	154	2,412	1,863
	<u>6,434</u>	<u>18,528</u>	<u>1,418</u>	<u>26,380</u>	<u>21,823</u>
Charitable expenditure (restricted)					
Rescue & rehoming	-	1,671	-	1,671	1,484
Neutering schemes	-	252	-	252	206
	<u>-</u>	<u>1,923</u>	<u>-</u>	<u>1,923</u>	<u>1,690</u>
Governance costs	-	99	176	275	268
Total resources expended	<u>8,240</u>	<u>25,800</u>	<u>2,022</u>	<u>36,062</u>	<u>30,218</u>

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

	Fundraising £000	Rescue & rehoming £000	Neutering schemes £000	Information & Education £000	Governance £000	Total indirect costs £000
Salary & related costs	297	816	61	109	125	1,408
Depreciation	32	80	4	9	10	135
Other indirect costs	99	283	20	36	41	479
	<u>428</u>	<u>1,179</u>	<u>85</u>	<u>154</u>	<u>176</u>	<u>2,022</u>

The indirect costs are allocated in proportion to the time the indirect headcount spent on these activities.

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

8. Net incoming resources

	2008 £000	2007 £000
Net incoming resources for the year is stated after charging:		
Auditors' remuneration (audit)	50	47
Auditors' remuneration (other services)	-	9
Depreciation of tangible fixed assets	1,230	1,173
(Profit) on sale of tangible fixed assets	(38)	(31)
Operating lease rentals	432	346

9. Staff and Trustee Costs

Employment Costs

	2008 £000	2007 £000
Wages and salaries	7,705	6,758
Social security costs	657	568
Pension costs	129	107
Agency staff	370	110
	8,861	7,543

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.

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

	2008 Average	2007 Average	2008 FTE	2007 FTE
Generating funds	95	90	85	81
Charitable Activities	421	380	360	320
Governance	4	3	4	3
	520	473	449	404

Employee Emoluments

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

	2008 No.	2007 No.
£60,001 - £70,000	4	1
£70,001 - £80,000	-	1
£90,000 - £100,000	1	-

The higher paid staff are members of defined contribution schemes the charity paid £21,147 (2007: £7,957) to the scheme on their behalf.

Trustee Remuneration

Travelling and subsistence expenses were reimbursed to six trustees and amounted to £5,828 (2007: £11,188). This reflects the fact that Cats Protection is a UK-wide charity and so Trustees sometimes need to travel long distances to branches, adoption centres and the National Cat Centre, Chelwood Gate in Sussex.

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

10. Tangible Assets (Group and Charity)

	Freehold Land & Buildings £000	Assets under the course of construction £000	Pens & Adoption Centre Equipment £000	Fixtures, Fittings, IT & Office Equipment £000	Motor Vehicles £000	Total £000
Cost						
At 1 January 2008	27,059	78	2,837	1,193	2,139	33,306
Additions	1,344	1,749	35	30	479	3,637
Transfers	25	(50)	-	4	21	-
Disposals	-	-	-	-	(180)	(180)
At 31 December 2008	<u>28,428</u>	<u>1,777</u>	<u>2,872</u>	<u>1,227</u>	<u>2,459</u>	<u>36,763</u>
Depreciation						
At 1 January 2008	6,103	-	2,346	804	1,515	10,768
Charge for the year	633	-	88	150	359	1,230
Disposals	-	-	-	-	(164)	(164)
At 31 December 2008	<u>6,736</u>	<u>-</u>	<u>2,434</u>	<u>954</u>	<u>1,710</u>	<u>11,834</u>
Net Book Value						
At 31 December 2008	<u>21,692</u>	<u>1,777</u>	<u>438</u>	<u>273</u>	<u>749</u>	<u>24,929</u>
At 31 December 2007	<u>20,956</u>	<u>78</u>	<u>491</u>	<u>389</u>	<u>624</u>	<u>22,538</u>

Freehold land and buildings includes freehold land with a value of £1,839,404 that is not depreciated. All assets are held for charitable purposes.

11. Fixed asset investments (Group and Charity)

	2008 £000	2007 £000
Market value at 1 January 2008	43,187	38,102
Additions	10,260	13,890
Disposals	(9,645)	(8,331)
Net Loss on Revaluation	(6,216)	(474)
Impairment to Value	(9,129)	-
Market value at 31 December 2008	<u>28,457</u>	<u>43,187</u>
Historical Cost at 31 December 2008	<u>33,184</u>	<u>42,416</u>

The £9,129k impairment charge is the diminution in value of the cash deposits held at Kaupthing Singer & Friedlander. The deposit has been written down by 80 per cent as a result of the bank going into administration. The administrators have stated that 20p in £1 will be distributed in July 2009. As further distributions are announced the impairment will be reversed.

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Year Ended 31 December 2008

11. Fixed asset investments (continued)

(Group and Charity)

	2008 £000	2007 £000
Represented By:		
Fixed interest securities	6,844	3,293
Equities (excluding investment trusts)	9,169	12,923
Investment and unit trusts	3,131	482
Overseas investments and unit trusts	1,774	4,396
Property funds	930	1,413
Hedge funds	654	1,799
Deposits	5,955	18,881
	28,457	43,187

At 31 December 2008 the charity held the following investments which were in excess of 5 per cent of total market value:

	2008 £000	2007 £000
Deposits:		
Co-operative Bank	1,612	5,324
Kaupthing Singer & Friedlander	2,273	10,908

The charity is not aware of any material restrictions which might affect the realisation of any of its listed securities.

The charity holds the following investments in subsidiary undertakings:

	2008 £	2007 £
CPL Enterprises Limited	2	2
CPL (Nominees) Limited	100	100

12. Stock

	Group		Charity	
	2008 £000	2007 £000	2008 £000	2007 £000
Goods for resale	169	137	-	-
Other consumables	10	113	10	113
	179	250	10	113

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

13. Debtors

	Group		Charity	
	2008 £000	2007 £000	2008 £000	2007 £000
Amounts falling due within one year				
Legacies	5	32	5	32
Other debtors	120	224	69	118
Amounts owed by subsidiary undertakings	-	-	100	351
Prepayments	728	496	683	482
	853	752	857	983
Amounts falling due after one year				
Amounts owed by subsidiary undertakings	-	-	210	210
	-	-	210	210
	853	752	1,067	1,193

Included in 'Amounts falling due after one year' is a £210,000 loan to CPL Enterprises Limited. This represents a long-term loan from Cats Protection to provide working capital. It is secured by a debenture, covering both a fixed and floating charge over all property and assets of the company and is repayable on demand. Interest is payable on the loan at a rate of 1 per cent over Barclays Bank PLC base lending rate.

14. Creditors: amounts falling due within one year

	Group		Charity	
	2008 £000	2007 £000	2008 £000	2007 £000
Trade creditors	1,588	1,499	1,560	1,659
Taxation and social security	204	210	204	182
Other creditors	341	24	341	24
Accruals	635	551	573	481
	2,768	2,284	2,678	2,346

15. Provisions for Liabilities and Charges (Group and Charity)

	2008 £000	2007 £000
At 1 January 2008	388	393
Utilised during the year	(388)	(316)
Charge to the SOFA in the year	756	388
Amounts released unused	-	(77)
At 31 December 2008	756	388

The provision is provided for neutering vouchers issued during 2008 but not returned.

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

16. Statement of Funds

	Balance at 1 January 2008 £000	Incoming Resources £000	Expenditure £000	Investment gains / losses £000	Transfers £000	Balance at 31 December 2008 £000
Unrestricted Funds						
General funds	19,611	34,359	(32,770)	(15,522)	10,054	15,732
Designated Funds						
Fixed assets	22,538	-	2,391	-	-	24,929
Repairs & maintenance	840	-	(349)	-	-	491
Site acqn.& development	23,070	-	(3,094)	-	(10,054)	9,922
Special projects	1,575	-	(317)	-	-	1,258
Total Unrestricted Funds	67,634	34,359	(34,139)	(15,522)	-	52,332
Restricted Funds						
By Area						
Falmouth	450	17	(46)	-	-	421
Bournemouth	369	34	(403)	-	-	-
Trafford	188	7	(32)	-	-	163
Midlands	177	7	(32)	-	-	152
London	-	568	(88)	-	-	480
Leeds	-	189	-	-	-	189
By Branch or Adoption Centre						
Stranraer	174	7	(26)	-	-	155
East Croydon	123	5	-	-	-	128
Wrexham	-	79	(40)	-	-	39
Callington	-	73	(46)	-	-	27
Worthing	-	60	(60)	-	-	-
Harrogate	-	52	(34)	-	-	18
Other branches	178	279	(380)	-	-	77
By Neutering						
Neutering	-	114	(114)	-	-	-
By Appeal						
Total Appeals	-	628	(622)	-	-	6
Total Restricted funds	1,659	2,119	(1,923)	-	-	1,855
Total funds	69,293	36,478	(36,062)	(15,522)	-	54,187

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

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; smaller funds are consolidated as 'other branches'.

The values of designated funds are estimates of future spend for particular projects for a three year time period from 31 December 2008.

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16. Statement of Funds (Continued)

Designated funds have been established for the following purposes:

- *Fixed Assets* – The net book value of fixed assets in use by the charity.
- *Repairs and Maintenance Fund* – Represents the funds to meet major repair and maintenance projects for the properties of the charity
- *Site Acquisition and Development Fund* – Represents the funds to meet the cost of new sites or major refurbishment projects for the properties of the charity.
- *Special Projects Fund* – Represents money which has been earmarked as ongoing expenditure for special projects

17. Analysis of Net Assets between Funds (Group and Charity)

	General Funds £000	Designated Funds £000	Restricted Funds £000	2008 Total £000	2007 Total £000
Balance at 1 January 2008	19,611	48,023	1,659	69,293	64,590
Net movement in funds	(3,879)	(11,423)	196	(15,106)	4,703
Balance at 31 December 2008	15,732	36,600	1,855	54,187	69,293

Represented by:

	General Funds £000	Designated Funds £000	Restricted Funds £000	2008 Total £000	2007 Total £000
Tangible fixed assets	-	24,929	-	24,929	22,538
Investments	14,931	11,671	1,855	28,457	43,187
Net current assets	1,557	-	-	1,557	3,956
Provisions	(756)	-	-	(756)	(388)
Total net assets	15,732	36,600	1,855	54,187	69,293

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Year Ended 31 December 2008

18. Note of historical net incoming resources

	2008 £000	2007 £000
Net incoming resources for the year	416	5,088
Realisation of previous years' revaluation (losses) /surpluses on fixed asset investments	(871)	514
Historical cost net (outgoing)/incoming resources	(455)	5,602

19. Operating lease Commitments (Group and Charity)

At 31 December 2008 the charity was committed to making the following payments under operating leases:

	2008 £000	2007 £000
Within one year	104	82
Within two to five years	263	217
Over five years	55	58
	422	357

20. Subsidiaries

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

		Issued Share Capital
CPL Enterprises Limited	Trading subsidiary	£2
CPL (Nominees) Limited	Nominee company for Cats Protection investment portfolio	£100

The results of both these subsidiaries have been fully consolidated into the results of the group.

CPL Enterprises Limited

Profit and loss account	Year Ended 31 December 2008 £000	Year Ended 31 December 2007 £000
Turnover	1,286	1,316
Cost of sales	(888)	(973)
Gross profit	398	343
Administrative expenditure	(290)	(220)
Net operating profit	108	123
Gift aid	(113)	(128)
Other Interest receivable and similar income	5	5
Profit on ordinary activities before taxation	-	-
Taxation	-	-
Profit on ordinary activities after taxation for the year	-	-

Cats Protection Report and Financial Statements

Year Ended 31 December 2008

20. Subsidiaries (continued)

Balance Sheet	Year Ended 31 December 2008 £000	Year Ended 31 December 2007 £000
Current assets:		
Stock	169	136
Debtors	121	120
Cash at bank and in hand	134	242
	<u>424</u>	<u>498</u>
Creditors: amounts falling due within one year	(214)	(288)
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 (£)	£2	£2

The working capital of CPL Enterprises Ltd is financed by a loan from the charity secured by a debenture covering all the company's assets and is repayable on demand. At the end of the year, the loan amounted to £210,000. Interest on the loan is payable at the rate of 1 per cent above Barclays Bank plc base lending rate. The profits for the year, amounting to £113,095 (2007: £127,702), will be donated to the charity under Gift Aid.

CPL (Nominees) Limited

The charity's other wholly owned subsidiary, CPL (Nominees) Ltd, which holds investments on behalf of the charity, acts only as a legal entity for investment trades.

21. Capital commitments

At the end of the year the charity had two contracts where capital commitments existed. These were for extending the Belfast Adoption Centre and the preliminary construction work for the new homing centre at Ferndown, Bournemouth.

The balances on these contracts outstanding at 31 December 2008 were:

	2008
	£000
Belfast Adoption Centre	585
Ferndown	83
	<u>668</u>

Cats Protection Report and Financial Statements Year Ended 31 December 2008

22. Related Parties

No disclosure has been made of transactions between the parent and subsidiary undertaking in accordance with the exemptions allowed by Financial Reporting Standard (FRS) 8.

The charity has controls in place to ensure that a trustee cannot participate in any decisions where they may have a vested interest.

There were no other transactions with related parties during the current year.

23. Custodian Trust

Cats Protection completes all administration for the Earnshaw Trust. The assets of the Trust will eventually revert to the charity.

The trust is held by the charity as a custodian trust and thus there is no current entitlement to either capital or income.

	2008 £000	2007 £000
Market value at 1 January 2008	243	236
Net movements	(55)	7
Market value at 31 December 2008	188	243
Historic cost at 31 December 2008	20	20

OUR TOTAL
INCOME IN 2008
WAS £36.4M





Bad
luck-
Stick to
old path

WE NEUTERED
150,843
CATS AND
KITTENS

Chase ball
+ 2 spaces

74 PER CENT OF
OUR WORK WITH
CATS IS CARRIED
OUT BY OUR
VOLUNTEERS

Cats Protection, National Cat Centre,
Chelwood Gate, Haywards Heath RH17 7TT
Helpline: 03000 12 12 12
Fax: 08707 708 265
Email: cp@cats.org.uk
Web: www.cats.org.uk

Reg Charity 203644 (England and Wales) and SC037711 (Scotland)

