



Annual Report
& Accounts
2017



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

Founded in 1927, Cats Protection is the UK's leading feline welfare charity. In 2017, our 90th anniversary year, we helped over 193,000 cats and kittens, including 28,000 feral cats, through our national network of over 250 volunteer-run branches and 34 centres (in 2016 we helped almost 190,000 cats, including 26,000 ferals). That's the equivalent of helping more than 520 cats a day, through homing, neutering and education.

This report covers the period 1 January 2017 to 31 December 2017 and was approved by the Trustee on 12 April 2018.

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

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

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.

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

30 Supporting volunteers and staff. We will value and support our dedicated team to help more cats and kittens.

30 Plans for the future. We will aim to help even more cats in 2018 and beyond.

Chairman's report

An introduction from

Linda Upson, Chairman

2017 was a year of important milestones and achievements for Cats Protection, as we continued to work towards our vision of a world where every cat is treated with kindness and an understanding of its needs.

We marked the charity's 90th anniversary with several wonderful fundraising events, giving us the opportunity to celebrate just how far we have come over those nine decades. From a small group of like-minded cat lovers gathered in a hall in London in 1927, we have grown into a nationwide network of branches, centres and shops and have so far rehomed, neutered and helped over five million cats through our work.

As well as opening several new branches in 2017 and building a new centre, we also welcomed our 10,000th volunteer. Our volunteers make a huge difference in all areas of the charity and it is truly wonderful to see their commitment and extraordinary passion. I had the opportunity to meet many members of our growing cat community at Cats Protection's National Conference in November, which proved to be an excellent way for volunteers and staff to share ideas on how we can all work together to better help cats in the future.

In addition to rehoming thousands of cats, we have continued to promote the importance of neutering in keeping the UK's cat population under control. I have been particularly impressed with the success of our Cat Watch scheme in Bulwell, Nottingham, which has seen us build up strong relationships with the community so that we can support the people and cats that need it.

Of course, none of the incredibly important work we do would be possible without the generosity of our supporters. We are extremely grateful to every single person who enables us to help unwanted cats and kittens, whether they sponsor a cat pen at one of our centres, take part in a fundraising event or leave a gift in their will.

Our network of shops continue to grow and raise funds for our work. In 2017 we were proud to win the Charity Retail Association's prestigious Best Charity Retailer award for the second year running!

2017 was also my first year as Chairman of the charity's Board of Trustees, after I was elected to carry on the amazing work of Heather McCann. Heather did a wonderful job over the last 12 years, leading the charity with great skill and judgement through a period of immense growth and development. I am honoured to succeed as Chairman and continue her fantastic work making a difference to the lives of cats. As a member of Cats Protection for over 30 years, the volunteer coordinator for the Basildon, Brentwood & District Branch for 17 years, and a Trustee for five years, I have a lot of experience within the charity and I am very much looking forward to helping to shape its future in the years to come.

Finally, I would also like to wish Peter Hepburn, our Chief Executive since 2007, a fond farewell as he steps down from his role within the charity. He has made such an incredible contribution to the welfare of cats over the past decade and we will all miss him greatly.



Linda Upson



Interim Chief Executive's report

An introduction from

Dominic Sullivan, Interim CEO

Changes to the law and regulation of fundraising by charities came into effect in 2017 and the political and economic climate remained uncertain. It is a tribute to the strength of the support which Cats Protection enjoys that, despite the challenges, Cats Protection emerged from 2017 in a strong financial position to carry forward its current work and its future plans to help unwanted cats and kittens throughout the UK.

That work, of course, includes the work of the charity's 10,200 volunteers throughout the UK; without their dedication and commitment, the prospects for the hundreds of cats which the charity helps each and every day would be very bleak indeed.

In 2017, Cats Protection looked at ways in which its volunteer-run branches could work together with its staff-run centres to help find homes for the cats in the charity's care; this initiative helped branches to find homes for some of their harder to home cats and also helped to find homes for cats generally. Work will continue on this and other initiatives, including the use of digital technology, to help find homes for as many unwanted cats and kittens as possible.

Sadly, the demand for unwanted cats to be taken into Cats Protection's care continues to outstrip not only the number of pens and foster facilities that the charity has but also the number of homes that can be found for such cats. In 2017, Cats Protection expanded its volunteer branch network and built a new centre in Tyneside; there are plans for further branches and centres in 2018.

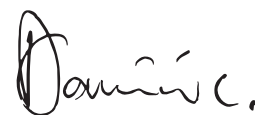
Part of the solution to the problem of the sheer numbers of stray, abandoned and unwanted cats is neutering and in 2017 Cats Protection neutered 153,000 cats through various campaigns which provide those on low incomes with financial assistance to have their cats neutered. Work continues with community neutering programmes and the provision of advice and information on neutering and on cat welfare in general.

Cat welfare is at the heart of everything that Cats Protection does and in 2017 the charity published new guides on welfare and behaviour as part of its strategy to help improve the welfare of all cats.

Cats Protection is working not only on the challenges that digital technology and social media present in terms of unregulated sales of

cats and kittens online but also on the myriad opportunities that technology provides to help home unwanted cats and to provide information and advice about cat welfare.

In 2017, with the help of its many supporters, Cats Protection was instrumental in bringing about a change to the law on the sale of cats and kittens from pet shops, from private homes and over the internet; these sales were previously unregulated and the new regulations, which are due to become law in 2018, will require those selling cats and kittens on a commercial basis to be licensed by local authorities.



Dominic Sullivan



Objectives, activities, achievements and performance

Increasing awareness

As the UK's leading feline welfare charity, we strive to raise awareness of our work so that we are the first organisation people turn to when they wish to rehome a cat or find cat care advice. This year our volunteers and staff have worked hard to engage with the public and gain national and local media coverage for our cat welfare messages.

Celebrity support

In 2017 we teamed up with comedian Bob Mortimer to raise awareness of the charity as well as much-needed funds for cats. Since July, Bob and online gift company Wordynumnum had been donating a portion of the sales of their limited edition art prints featuring funny cat names and had raised over £3,000 for cats in need by the end of the year. They also kindly donated a unique signed print for us to auction, which raised £412 for the kitties. Bob said: "I'm a big cat lover and have always had them in my life so it's great to be supporting Cats Protection, which does so much to help unwanted moggies." Some big names also attended our National Cat Awards in support of our work, including Tim Vincent, John Challis, Peter Egan, Andrew Collins and Anita Dobson.



In the news

In August, we hosted the now-annual National Cat Awards, sponsored by PURINA®, to celebrate extraordinary tales of survival, heroism and companionship in the cat world. The 2017 awards received over 1,300 entries and the star-studded ceremony was attended by 200 cat lovers. The reach of our UK media coverage for the event was greatly increased compared to the previous year (2017 UK circulation: 243 million vs 2016: 203 million) with coverage highlights including *BBC Radio 5 live*, *BBC1 Breakfast TV*, *ITV.com* and *The Mirror*. The awards



◀ National Cat of the Year Genie with owner Evie Henderson and her mum. Photo credit: Fabio De Paola - PA Wire

showcased some truly heart-warming feline tales, including that of 12-year-old Evie Henderson and her cat Genie who was declared National Cat of the Year. Evie was diagnosed with bone cancer in March 2016, but her trusty moggy Genie kept her going through lengthy hospital stays and gruelling chemotherapy. Now on the road to recovery, Evie is thrilled she can spend more time with Genie at home. She says: "I missed her every day when I was in hospital, and my family could tell she missed me. She's my best friend and is always there when I need her."

◀ Bob Mortimer's funny cat names include Sergeant Walnuts, Buttery Ken and Tender Gary

Online activity

Our branch, centre and national websites continue to be an excellent source of cat care and adoption information and combined were visited almost 3.85 million times in 2017 (2016: 3.5 million). Work to

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)

further develop our national website is currently underway and plans to develop the content of our national Meow Blog are in place for 2018.

On social media our following has also continued to grow and by the end of 2017 502,000 people had liked our national Facebook page (2016: 438,000) and 98,000 fans were following our national Twitter account (2016: 86,000). This, in addition to the thousands of followers gathered by the dedicated volunteers running our individual branch and centre social media accounts, allows us to share our cat welfare messages with an even wider audience and make more people aware of the services we offer. Our pages were particularly popular on National Black Cat Day (27 October), our annual day of

► Handsome Joffrey was declared our National Black Cat Day hero



celebration for black and black-and-white cats. #BlackCatDay was once again trending all day on Twitter and the campaign received media coverage from the *Daily Express*, *The People* and *Metro.co.uk*. Our competition to find the UK's black cat hero received over 3,000 entries and the winner was Joffrey, an inspiring moggy owned by Fay Schofield. She said: "Unlike his *Game of Thrones* namesake, Joffrey is definitely one of the most generous and loving individuals you'll ever meet... I'm really privileged that Joffrey and I can lend our voices to the needs of cats around the UK."

Following the success of Black Cat Day, we also launched our inaugural #MatureMoggies Week (13-17 November 2017), dedicated to celebrating the

many older cats who, on average, have to wait twice as long to find their forever homes compared to their younger counterparts. All week we encouraged owners to share stories of their lovable senior citizens and provided advice on caring for older cats on our website, blog and social media channels. The campaign received a high level of public engagement and helped to bring attention to many of the long-stay older cats in our care, including the handsome Kozal who became the star of our Christmas animation.

Engaging with supporters

We transformed our email marketing campaigns in 2017 by optimising their content so that our supporters always receive interesting and engaging information about how they can get involved with the charity. As a result, interaction with our campaigns has increased by 121% from 2016 and we are working hard to grow the number of people signed up to receive our messages. On Facebook, advertising campaigns for our weekly lottery and cat sponsorship programme were seen by over 11 million people, resulting in 8,007 new raffle players and 2,597 new sponsorships.

People looking to adopt a cat

“Interaction with our campaigns has increased by 121% from 2016”

continue to be directed to our online Find-a-cat service, which saw a massive increase in the number



◀ Our heart-warming Christmas animation tells the true story of Kozal the cat, who waited seven months to be homed

of enquiries received (2017: 41,142 vs 2016: 30,550). This is thanks, in part, to our successful advertising campaigns which highlight our rehoming service and encourage people to adopt a cat in need instead of buying from a pet breeder.

For those that have sadly lost their beloved cat, we continue to offer our Paws to Listen grief support service which provides helpful resources and information through our website and a free phone line for those in need of emotional support. In 2017 we began offering a call back option for callers unable to get through to one of our trained volunteers, giving us the opportunity to help more callers as well as maximise the time donated by our dedicated volunteers.

Going viral

On our YouTube channel, we continue to produce engaging videos on a range of cat-related topics, helping to provide cat owners with useful tips on caring for their cats and highlighting the important work we do for the feline population. By the end of 2017 we had 7,500 YouTube subscribers (2016: 4,900) and our videos had been viewed a million

times throughout the year on YouTube alone (2016: 470,000). Two videos that proved particularly popular were an adorable time-lapse of kittens growing up, which has been watched over 120,000 times across YouTube and our social media channels, and our heart-warming Christmas animation about Kozal the cat, which has had over 900,000 views.

“Our videos had been viewed a million times throughout the year”

Out and about

As well as spreading the word online about our work, our volunteers and staff have been engaging with their local communities by running fantastic events such as homing shows, open days, fairs and tea parties, making sure people know to come to us for their cat care needs.

Our staff also worked hard to raise awareness of the charity and its services at 16 large events attended by members of the public around the UK. We beat around 250 stands to win first prize in the Trade Stand Competition at the South of England Show, had a first-time presence at the prestigious Royal Horticultural Society (RHS) Tatton Park Flower Show, supported our advocacy work by encouraging hundreds of stand visitors to sign our air gun petition and won a Three Star Award at RHS Malvern.

Improving understanding of cats' needs

Cats perceive the world in a very different way from we humans, and for that reason can be a difficult species to understand, even for those people who have lived or worked with them for years. This is one of the biggest challenges in feline welfare and we see it as our responsibility to tackle this issue by educating the public and animal welfare workers about the needs of cats. By helping people to understand cats' needs we can improve the lives of many millions of cats across the UK and beyond.

Providing education and advice

In line with our welfare strategy, we launched *The Behaviour Guide* and *The Welfare Guide* to provide information that will help everyone involved with Cats Protection to improve their understanding of cats. This will not only improve the lives of cats in our care but also help us to influence cat owners, veterinary professionals and other animal welfare organisations in their dealings with both owned and unowned cats. Members of the Veterinary team have also been presenting webinars on the topics of cat welfare, behaviour and neutering to further educate volunteers and staff.

► Our guides to cat behaviour and welfare have been developed by staff and volunteers from across the charity



We are continuing to provide cat care advice to the public via a number of different channels, including leaflets, Facebook Q&As, our National Information Line and through contact with our branches and centres. On our website we developed a 'Behaviour hub' devoted to providing cat owners with advice on the complex subject of feline behaviour. This includes the ongoing series of *Simon's Cat Logic* videos which feature Behaviour Manager Nicky Trevor explaining curious cat antics.

The public can also take our Understanding Feline Origins online course, designed to provide an appreciation of the ancestry of cats, how this relates to cats as they are today and how to ensure their specific needs are met. This was accessed by over 12,000 devices in more than 84 countries in 2017.

We have been reaching out to schools and community groups across the UK by giving engaging talks about cat welfare and responsible pet ownership. The Education team has continued to recruit, train and support volunteers

“We have been reaching out to schools and community groups across the UK”

to deliver these talks to people of all ages and has had fantastic success in working with hard-to-reach audiences. In 2017, our Education Officers delivered 1,063 talks to an audience of 31,479 children and adults (2016: 1,337 talks to 41,719 people). The drop



in the number of talks delivered is due to staff changes, which have resulted in us needing to build our network of audiences back up again.

In 2018 we will be introducing revised education talks that continue to meet the needs of the organisations we speak to as well as supporting cat welfare.

One of our volunteer education speakers, Wesley Henderson, has been delivering talks to schools and community groups in Northern Ireland for five years and finds his role incredibly rewarding. He said: "Volunteering allows me to give something back – to contribute to the welfare of cats in some way. It gives me a great sense of fulfilment but I know it also means a great deal to the audience when they learn things they didn't realise

about cats. I always think that if just one person thinks in a more positive light or more kindly about cats after I've left then I'll have done what I set out to do."

Our national Helpline was renamed the Contact Centre to reflect the ongoing growth of the service and continues to handle customer enquiries coming in via the National Information Line, website, email and increasingly our social media channels. With thousands of contacts each month, we are ever more challenged to deliver consistent, reliable and up-to-date information to the public, whether it be cat care advice, adoption information or details of the work we do. We are also continuing to grow our team of home-based volunteers in order to develop the service further and offer a central call handling service to all branches and centres who currently handle all their own customer enquiries.

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

▲ *Cats Protection's education speakers are available to give free talks in schools and community groups across the UK*

on behalf of the sector on strategically important dog and cat health and welfare issues and standards. In 2017, we were involved in reviewing the licensing of animal establishments, particularly commercial boarding catteries and pet vending businesses. We have been working with other members of the Canine and Feline Sector Group to produce a kitten checklist giving guidance to prospective cat owners on what to look for when choosing a kitten.

In May 2017, we organised a feline workshop for members of the Association of Dogs and Cats Homes who carry out cat work. Around 80 delegates from other animal welfare organisations attended to learn about improving standards in cat care and ensuring a good quality of life.

Members of the Cats Protection Veterinary team delivered 45 presentations on cat welfare to 1,863 veterinary and animal welfare professionals, volunteers and members of the public in 2017. They have also been involved in writing and editing the forthcoming *British Small Animal Veterinary Association Manual of Canine and Feline Shelter Medicine*. This is the first book on the subject produced outside the USA and covers all areas of shelter work from a veterinary perspective including shelter design, disease control, behaviour, population control and ethics. It is due to be published in summer 2018.

The Veterinary team grew in 2017 as we welcomed Dr Jenni McDonald as our new in-house feline epidemiologist. Epidemiology is the study of the patterns, causes and effects of health and diseases in populations, and so Jenni will be helping us to increase our knowledge and data on feline health.

Working with vets

We continue to work with the veterinary profession to improve their understanding of cats' needs, particularly in the animal rescue environment. We had stands at the British Small Animal Veterinary Association Congress, British Veterinary Nursing Association Congress and the London Vet Show, and also gave presentations at the VetsSouth and VetsNorth shows, giving us an opportunity to talk to vets and veterinary nurses about how they can work with us.

Our work with veterinary schools is also ongoing as we have been delivering lectures on shelter medicine to vet students and running practical sessions for them at our centres. We also offer vet students in their clinical years a chance to do a placement with us at the National Cat Centre Vet Clinic and hold the annual 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.

“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 give 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 2017 we hosted a meeting of the Animal Shelter Veterinary Platform giving vets from all over Europe the opportunity to come together and discuss shelter issues. We are also active members of Eurogroup for Animals, which campaigns for animal welfare improvements across all European countries. We were especially pleased that several countries were persuaded to agree to the setting up of a specific group to examine the illegal pet trade.

Reducing overpopulation of cats

Cats Protection champions neutering as the only effective way to reduce the number of unwanted cats in the UK. Unplanned litters are often the abandoned pets that come to us for rehoming – for that reason we are absolutely committed to spreading the message about the importance of neutering. In 2017 we neutered 153,000 cats and kittens including 21,000 ferals (2016: 152,000 including 20,000 ferals).

Our Community Neutering Officers continue to engage cat owners about neutering and many of their campaigns in 2017 have focused on building strong relationships with harder-to-reach audiences in areas of social deprivation. Although this requires a higher investment of time from our volunteers and staff, changing human attitudes and behaviour towards feline welfare is vital for keeping the UK cat population under control.

Neutering campaigns

A key part of our neutering work involves offering advice and financial assistance to owners on low incomes to help them get their cats neutered. Cats Protection's Coventry Branch ran a 'Free February' campaign in 2017 in response to rising numbers of unwanted cats in their area. The volunteers worked hard to promote the offer which gave people the chance to get their cats neutered for free throughout the month and managed to convince local vets to perform the operations at a discounted price. As a result, they were able to issue 649 neutering vouchers in just 28 days, making a big difference to the local cat population.

Meanwhile, our Atherton & Wigan Branch ran a successful neutering campaign of their own

in 2017, targeting deprived areas with social media activity and offering assistance with transport to elderly cat owners. They managed to get 3,165 cats neutered throughout the year and have given presentations to five other branches in the North West to help them achieve similarly impressive results.



◀ *Cats Protection recommends neutering cats from four months of age*

Bulwell Cat Watch

One of the biggest obstacles to our neutering work is the fact that there is currently no reliable, scientific evidence-based, estimate of the number of stray cats living in the UK. Knowing these numbers would help us to better target our Trap, Neuter and Return programmes, rehome more stray cats and help the many people who kindly provide food and shelter to 'community cats' in their area.

“We launched a unique cat census project that is the first of its kind in the UK and possibly worldwide”

This is why we launched the Bulwell Cat Watch scheme in September 2016, a unique cat census project that is the first of its kind in the UK and possibly worldwide.



▲ *The Bulwell Cat Watch team has made a huge difference to the local community by helping to keep the cat population under control*

We chose to launch the pilot scheme in Bulwell, Nottingham, as we had already received some reports of stray cats in the area. We also looked at cat data in relation to socioeconomic demographics. An original door-to-door survey of 10% of households in Bulwell was carried out by external behaviour change consultants and this was followed up with more door-to-door work by our community neutering officers. Our team also engaged with over 600 people through community events and encouraged people to report homeless cats through our Cat Watch mobile phone app developed by the University of Edinburgh.

In just three months over 500 stray cats had been reported, allowing us to map 50 'hotspot streets' that we could target with our Trap, Neuter and Return work. In six months, over 100 cats were neutered as part of the project and our Community Neutering Officers started to notice an encouraging change in human attitudes towards the area's strays.

One particular success story was that of Jeffrey, a stray cat that had been pointed out to the team by a group of neighbours who had been feeding him. We were informed that he had been a stray for three years, but no one had thought of contacting an animal welfare charity to find him a home. After providing one of his feeders with a shelter for him and putting him on the Nottingham Adoption Centre's waiting list, it wasn't long before he found his forever home. If it hadn't been for the proactive work of the Cat Watch team, it's likely that Jeffrey would still be living on the streets today.

Our work in Bulwell has also seen us collaborate with public



agencies and other charities for the benefit of the community. For example, in partnership with the Nottingham Probation Trust we have been able to create outdoor shelters for stray and feral cats in the local area.

If you would like to learn more about our inspiring work in Bulwell, you can search for our Community Neutering Officers' documentary on the Cats Protection YouTube channel.

The success of the Bulwell Cat Watch project has prompted us to begin launching similar projects elsewhere in the UK. Our Everton Cat Watch project is already underway and we will begin work in Bradford, Beeston (Notts), Dunstable and Luton in 2018.

Work with others

Collaborating with other charities and local authorities is also a great way for 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.

Educating the public and the veterinary profession about the importance of neutering cats from the age of four months old is another of our key objectives. Many people are not aware that kittens reach sexual maturity at such a young age while others falsely believe that female cats must be allowed to have a litter before they are neutered.

“We work alongside other welfare charities to promote the health benefits of kitten neutering”

As a member of the Cat Population Control Group we work alongside eight other welfare charities to promote the health benefits of kitten neutering and dispel any myths. At the 2017 British Small Animal Veterinary Association Congress, the Cat Population Control Group carried out a survey to find out vets' current views on neutering and our research showed that some lack the confidence to undertake pre-pubertal neutering and would like more support. As a result, we are planning to work with the University of Liverpool to develop a cheap and effective spay simulator for four-month-old kittens to assist training. In 2016 the Cat Population Control Group also launched the Kitten Neutering Database, a resource for vets that supports our recommendation of routinely neutering cats from four months and this now has 1,482 vets as members (2016: 1,422).

▲ *Cats Protection can help owners on low incomes to get their cats neutered*

Rehoming cats

One of the key roles of Cats Protection is finding loving homes for the thousands of cats in our care and in 2017 we achieved this for 43,000 cats in total (2016: 43,000). To help as many cats as possible our branches and centres have been working closely to ensure more cats than ever are finding their forever homes. With branches preparing our harder to home cats for their new homes and then transferring them to our centres, there is increased potential for members of the public to find their new feline friend. Transfers of cats from branches to centres increased in 2017 and we hope these numbers will increase further in the years ahead.

Expanding our network

To enable us to help even more cats in need, we have been growing our network of branches and centres across the UK. Seven new volunteer-run

“We have been growing our network of branches and centres across the UK”

branches were established in 2017 and the first cats arrived at our 35th centre in Tyneside, built in 2017 and to open officially in 2018. We also began work on relocating our centre in Wrexham and redeveloping our Dereham Adoption Centre – both projects are expected to be completed in 2018. Plans are also ongoing for further new centres in North London and Manchester, as well as for the rebuild of our Exeter Adoption Centre.

Pets at Home has partnered with us to provide a new Cats Protection Homing & Information Centre within their Cardiff Newport Road store. Planned to open in early 2018, it presents us with a fantastic opportunity to reach a wider audience with advice about responsible cat ownership and it will help encourage more people to consider adopting a cat in our care. We have also implemented a new strategy for improving and better integrating our activity in London. We will be investing in new branches and increasing the number of centres in the capital city from two to four, as well as finding ways we can work more collaboratively with other charities and organisations in the city.

► *If you adopt a cat from Cats Protection you can be sure they're happy, healthy and neutered*

“A local supporter unexpectedly handed the staff a cheque for £60,000”

Work to develop our existing branches is ongoing and more volunteers are recognising the benefits of using our Cat-a-Log cat management system, a database that contains details of cats in our care, enabling us to help each cat more effectively. Our centres are also continuously improving, with our Mansfield Adoption Centre currently planning to build a new isolation unit for sick cats after an incredibly generous surprise donation. A local supporter unexpectedly handed the staff a cheque for £60,000 to build their new unit as a thank you for the care and kindness they gave him and his partner when they visited the centre. This wonderful gesture shows just how valued our presence is in local communities across the UK.



Going digital

In 2017, we looked at new ways that digital technology can help us find forever homes for the cats in our care. Our Touchscreen Homing Hubs, digital screens which enable people to search for cats in need of homes in their area, have been set up in seven garden centres across the country. They enable us to take advantage of an estimated annual footfall of 9.1 million in



these businesses, making even more people aware that they can adopt from us and encouraging them to consider giving a cat a home. A total of 79 enquiries were generated through the touchscreens since the first displays were installed in July 2017, leading to at least 11 cats being rehomed as a direct result.

Providing peace of mind

We also continue to find homes for cats whose owners have sadly passed away. Our free Cat Guardians scheme gives people the peace of mind that their cat will be well cared for after they're gone.

As well as rehoming cats, we now also provide a temporary fostering service for cats whose owners are fleeing domestic

"We now provide a temporary fostering service for cats whose owners are fleeing domestic abuse"

abuse. For many victims of abusive relationships, leaving home is made impossible because they do not want to lose their pets or put them at risk. Our Paws Protect scheme, which launched in London, Hertfordshire and Essex in January 2017, offers much-needed support which enables victims to escape to safety. In the first 12 months we cared for 52 cats, helping a total of 28 families in their time of need. One cat owner who used Paws Protect said: "The service allowed me to start a new life and know that the most important things to me were safe and taken care of. I couldn't have progressed as far as I have now without the help of Paws Protect." The scheme will be expanding into Kent, Sussex and Surrey in 2018.



Homing successes

Our Hornchurch & District Branch had success in homing 15 tiny kittens after they were found crammed into a suitcase and dumped on a street in Dagenham, Essex. The heart-breaking story of their ordeal attracted widespread attention and was featured on *BBC* and *ITV News*, helping to raise awareness of the vital work of our volunteers. A Text to Donate appeal set up to raise funds for the kittens' care generated over £1,000 with donations from as far away as America.

◀ *Our Touchscreen Homing Hubs make it easy to search for your new feline friend*

◀ *The 'suitcase kittens' were thought to be between three and five weeks old, far too young to be away from their mothers*



▲ *Willow is safe and happy in her new home after surviving a long and traumatic journey*

Another of the many cats we were able to help in 2017 was Willow, a tiny black kitten found hiding in the back of a lorry. After discovering the poor stowaway while stopped in Bridgend, the driver took her to the local Cats Protection centre for help. It is thought the kitten had sneaked onboard the vehicle in the Bristol area and she was left with hypothermia and a brain injury after her long journey. She collapsed within minutes of arriving at the Bridgend Adoption Centre and the volunteers and staff there didn't expect her to make it through the night. However, with the help of some expert care from the local vets, Willow made a remarkable recovery and, when an existing owner could not be found, she was given a new home by Allison Felton.

Allison said: "We decided to adopt Willow because her story was so heart-wrenching. She is so gentle and playful and has settled in very well. She enjoys nothing more than chasing her favourite toy, sliding across the wooden flooring. She is very clever, outwitting our existing cat easily, and clearly has not sustained any lasting brain injury. At the end of a 'hard day' she likes nothing better than to curl up on her cushion on a rocking chair. We couldn't have chosen a better companion!"



In Belfast, our adoption centre agreed to take in 140 cats from a former animal testing facility in the Republic of Ireland. The cats were transferred to the centre in small groups by the Irish Society for the Prevention of Cruelty to Animals (ISPICA) and by the end of 2017 60 had already been successfully rehomed. Dogs Trust Ireland also rehomed dogs from the same facility, demonstrating an excellent example of animal welfare charities working together. Barry Platt, whose family adopted one of the cats, said: "Holly was always going to be ours from the second we found out she had never had a proper home. Cats Protection were very insistent on warning us that there may be issues as everything in a home and garden would be brand new to Holly. However, the wee cat established herself very quickly in our home. She is brilliant with our four-year-old daughter and the pair have become best friends. Her whole demeanour would make you think she was making up for lost time."

Promoting microchipping

Reuniting lost cats with their owners is another important part of our work and in 2017 we were able to return 3,000 cats to their homes (2016: 3,000). We continue to promote microchipping as the most effective way of identifying lost pets so

▲ *Holly finally has a loving family to care for her after being transferred from a former animal testing facility*

"We continue to promote microchipping as the most effective way of identifying lost pets"

they can be returned home as quickly as possible. In August we launched our first Snip & Chip campaign in Edinburgh and Lothian in Scotland, offering discounted microchipping to owners on low incomes who are already eligible for neutering vouchers. Christine Grahame MSP, who chairs the Cross Party Group on Animal Welfare, tabled a motion in the Scottish Parliament to support the campaign and encouraged fellow MSPs to sign up. We plan to roll out this scheme more widely in 2018.



▲ *Ringo is back home with his relieved owner thanks to his microchip*

Thanks to microchipping, we were able to reunite gorgeous ginger puss Ringo with his owner after he had spent five long years living as a stray. He first went missing from his home in Bradninch, Devon in 2012, but when a farmer brought him into our Exeter Axhayes Adoption Centre in 2017, the staff were able to use the details on his microchip to trace his owner. Carolyn Daniels and her family were living just a few miles away from the centre and were stunned to get the call that

their beloved cat had been found after such a long time. Carolyn said: "I never gave up hope; I knew that if he was ever scanned for a microchip I would get a call, but as the years passed it seemed less and less likely we would ever see him again. And then it happened! If he hadn't been microchipped we would never have got him back."

Helping us to get there

Growing income and managing funds

Cats Protection's fundraising vision is to make supporting our charity the natural thing for a cat lover to do, allowing us to help the many cats and kittens who are in need of our care. As a charity that receives no government funding, we rely on voluntary support to carry out our

“As a charity that receives no government funding, we rely on voluntary support to carry out our vital work”

vital work and so we're incredibly grateful to our supporters who have been so generous during 2017. It is thanks to them that Cats Protection remains in a strong financial position.

Kind donations

The number of people donating to us regularly by Direct Debit increased to 146,000 in 2017 (2016: 125,000), of which 49,000 sponsor cat pens (2016: 47,000) through our cat sponsorship programme and 51,000 play our weekly lottery (2016: 30,000). This kind of support is particularly valuable as it helps us plan for the future with the confidence that we have a predictable source of funds for

the coming years. Our cat sponsorship programme generated £5,340,000 in 2017 (2016: £4,600,000) and our lottery raised £2,880,000 of funds (2016: £1,798,000) for our cat care work. We have found that both the lottery and cat sponsorship have proved very popular with people using social media, with almost 12,000 new monthly givers recruited through digital marketing.

In 2017, 1,264 people included a gift to Cats Protection in their will (2016: 1,235). These special gifts are vital for continuing our work to help unwanted cats and kittens.



◀ *Kayleigh Crittenden became a Cat Champion by running the London Marathon to raise cash for the kitties*

Fundraising Cat Champions

From local fairs and quizzes to marathons and skydives, our supporters hosted and took part in many exciting events to raise money for Cats Protection in 2017. After adopting her cat Koko from our Bredhurst Adoption Centre in Kent, Kayleigh Crittenden decided to run the 2017 London Marathon to raise money for the other cats in their care. She said: “It took me nearly six hours to complete and a lot of sweat and tears during my training months, but it was totally worth it and an experience I will never forget! I decided that raising funds for a charity very close to my heart would help me with my training and give me the determination to finish 26.2 miles! I am extremely proud of my achievement and so pleased that all of the money raised will be used for fantastic causes. It has also inspired me to get more involved with Cats Protection and I am now volunteering my time to



▲ *The Himalayan Trek team took part in conservation work to help big cats at the Kanha National Park in India*

the Friends of Bredhurst Adoption Centre to help raise even more awareness and funds!”

In October 2017, 21 adventure-seeking cat lovers took part in a four-day trek across the Lesser Himalayan Range in India to raise money for unwanted cats and kittens. By walking for up to 14 kilometres a day and camping in the wilderness each night, the team raised over £61,000 for Cats Protection.

“By walking for up to 14 kilometres a day and camping in the wilderness each night, the team raised over £61,000”

We have also launched our first-ever mass participation event, Pawsome Afternoon Tea, which proved to be a huge success in its first year. Over 2,000 cat lovers signed up to host tea parties across the country, raising an incredible £40,000 for cats in need, and we hope to build on this success in 2018.

To help our Cat Champions with their fundraising efforts, we developed an online portal for supporter fundraising resources, enabling them to personalise their own posters, event tickets, social media images

and more. This not only helps them effectively publicise their events and challenges to attract as many donations as possible, but also helps us to raise awareness of the Cats Protection brand.

Encouraging new supporters

We place great emphasis on encouraging our supporters to get involved with the charity and hear and see first-hand the difference that their support is making. To this end we held 10 supporter days at Cats Protection adoption centres across the country, which were very well attended and received great feedback. We will be increasing this programme as a result.

Our high value supporters were particularly generous in 2017 and our Black Cat Society, a group of cat lovers prepared to support the charity with a gift of at least £3,000 a year, grew to 23 members.

A number of activities were put in place to celebrate the charity's 90th anniversary. Initiatives included a special mailing to legacy enquirers, our biggest ever raffle with a £90,000 prize fund and an art exhibition held at the National Cat Centre, which was organised with our friends the Society of Feline Artists.



Our charity shops

The planned expansion of our chain of charity shops is continuing successfully and we had 121 shops open by the end of the year (2016: 110). Our new shops in Plymouth, Mumbles, Midsomer Norton, Westbury-on-Trym, Bridlington and Skegness are proving to be very profitable. In Scotland sales have increased by 30% thanks in part to our new Supawstore in Glasgow, which serves as a distribution hub for the region, and a Cattitude Boutique near Stockbridge, Edinburgh.

Our strategy of opening shops in clusters so they can support each other by sharing resources is paying dividends and is helping us to strengthen the awareness of our brand in these areas. A particularly successful example of this is our cluster of four shops in Bristol, each one situated in a different suburb of the city. This has increased our ability to serve different communities as we were able to design our new shop on Gloucester

Road, Bishopstown, with a more cutting edge, urban feel to appeal to the local student population.

Award-winning fundraising

We were delighted to be recognised again for the excellence of our fundraising. At the Institute of Fundraising Awards, our Direct Marketing Officer Emma Smith won the Best Fundraising Newcomer award and Cats Protection was shortlisted for Fundraising Charity of the Year. Meanwhile, our

▲ *Our new store on Gloucester Road in Bristol is encouraging young people to shop secondhand and raise money for cats*

“Our Retail team won the prestigious Best Charity Retailer award for the second year running at the Charity Retail Association awards”

Retail team won the prestigious Best Charity Retailer award for the second year running at the Charity Retail Association awards.

How we ensure we fundraise responsibly

Cats Protection receives no 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 recruit new donors and develop relationships with them
- we raise money from trusts, foundations, companies and major donors
- we raise money through our network of shops, which sell mainly donated goods and we raise money from the sale of new goods through our website and catalogue
- we raise money through local community fundraising carried out by our volunteers
- we ask our supporters and potential supporters to consider including a gift to the charity in their will

“Working with fundraising agencies helps us to recruit cat lovers to become sponsors or take part in our weekly lottery”

Working with agencies

In 2017, 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 are 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 help 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, enabling us to plan for the future. Working with fundraising agencies helps us to recruit cat lovers to become sponsors or take part in our weekly lottery.

► *Cats Protection relies on the kindness of the public to enable us to care for cats and kittens*

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. All three agencies passed the new Institute of Fundraising accreditation and are now certified members.

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

Cats Protection is registered with the Fundraising Regulator and adheres to the regulation scheme it has established. 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 There have been no reported breaches of these standards.



We also survey our supporters annually and act on the feedback that we receive. In 2017 we asked supporters some specific questions designed to help us understand their feelings on a range of data processing issues and to help us prepare for the implementation of the General Data Protection Regulation in May 2018.

“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 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 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 also. Despite these controls, complaints will be received from time to time. In 2017, we received a total of 86 complaints about our fundraising, a reduction of 17% compared to 2016, and aim to reduce this further in 2018.

The number of complaints is monitored and we keep a close eye on the pattern of complaints so re-training 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

Ensuring best practice

We encourage and financially support members of our Fundraising team to achieve Institute of Fundraising qualifications which help to consolidate our team’s understanding and interpretation of the legal issues involved in fundraising, and we champion best practice. As a demonstration of this, we were one of the charities who supported the work of the Commission for the Donor Experience think tank, and we organised a very useful workshop which helped us to consider how our fundraising could improve further, ensuring that donors’ needs are met.



In December, our lottery and raffle programmes were reviewed by the Gambling Commission and we were judged to have complied with their requirements.

◀ *The Cats Protection Weekly Lottery is a great way to show your support for cats for as little as £1 a week*

► *Madison Rogers,
Jacqui Cuff,
Richard Clare and
Briony Billingham
speak up for cats
as our Advocacy
& Government
Relations team*



Speaking up for cats

To reflect the important work we do in influencing both national and local government on feline welfare issues, our Advocacy team has now become the Advocacy & Government Relations team and has added two new members.

The true cost of kittens

The year began with fantastic success in our 'True cost of kittens' campaign, which proposed a change in the law to protect cats and kittens bred for sale. After we delivered 47,000 letters and postcards signed by our supporters to MPs and the Department for Environment, Food and Rural Affairs, the Government announced a proposal to end the sale of kittens under eight weeks old and plans to close the loophole in the law that allows people to run unlicensed pet shops from home by breeding their own cats. Once these regulations take effect, anyone selling kittens as a business will need to apply for an animal activities licence and be subject to inspections. Following this announcement, Lord Gardiner, the Minister with responsibility for animal welfare at the Department for Environment, Food and Rural Affairs, visited our Mitcham Homing Centre to learn more about our cat care and advocacy work.

2022 Agenda for Cats

2017 also saw a snap general election which led to the launch of our 2022 Agenda for Cats. This highlighted three priority agendas we want

Parliament to support by 2022: the creation of enhanced border checks for cats entering the UK; the licensing of air guns in England and Wales and the introduction of responsible and reasonable pet policies from housing providers to allow cats.

Our campaign on border checks and tick & tapeworm treatment for cats entering the UK was referred to in both the House of Commons and the House of Lords on the same day.

In an attempt to encourage housing providers to have better pet policies, we are launching our Purrfect Landlords campaign. Three quarters of the Cats Protection branches and centres that responded to our housing survey reported frequently taking in cats due to owners having problems with their landlord's pet policy. In response, we are conducting a UK-wide survey of tenants and housing providers to find out more about the problem. In 2018 we plan to attend housing conferences across the UK to highlight the benefits of responsible and reasonable pet policies to landlords.



Air gun licensing

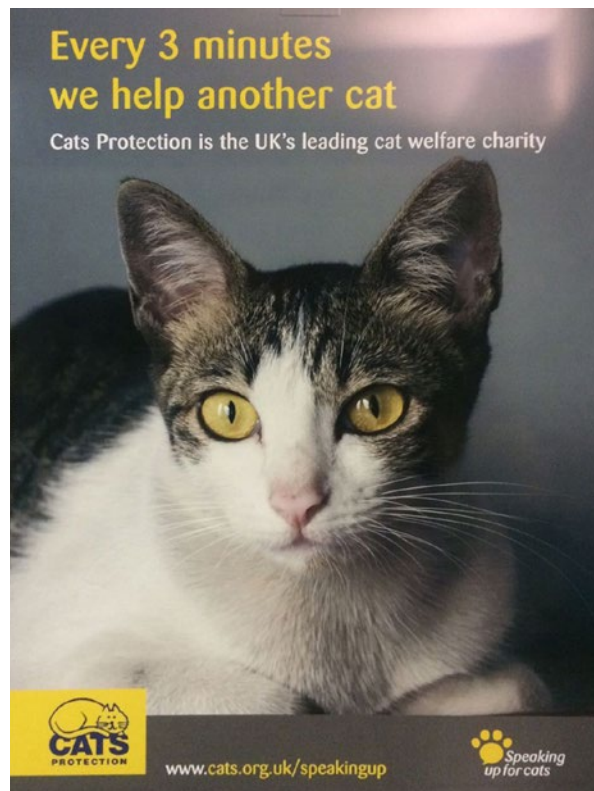
We launched a petition to put pressure on the Government to update the licensing laws on air guns to protect cats. By working together to get this important message out to as many people as possible, our Advocacy & Government Relations and Fundraising teams encouraged more than 90,000 people to sign the petition either online or on paper and raised over £186,000 to help us care and campaign for cats who are victims of cruel air gun attacks. In October we were delighted to hear that the Government now plans to

review air gun licensing in England and Wales and we will continue to campaign on this issue during 2018.

Jalapeno is one of the many innocent victims of air gun attacks that we have helped. When she was brought to our adoption centre in Bridgend, the staff could tell she was in serious pain. She had not only lost an eye but also had a second pellet lodged in her shoulder. The pain caused by the pellet wedged against bone must have been almost unbearable and Jalapeno had become incredibly shy and withdrawn around people. The vet operated on Jalapeno straight away, removing the pellet that was causing her such pain. With plenty of rest and time to recover she started to come out of her shell, blossoming into the friendly, playful cat she would have been before being attacked.

▲ *Jalapeno is just one of the many innocent victims of air gun attacks and was incredibly lucky to survive her ordeal*

► Westminster tube station was taken over by posters of fabulous felines



► Cats Protection is helping to remove the financial barriers preventing owners from getting their cats snipped and chipped

Mind the cat!

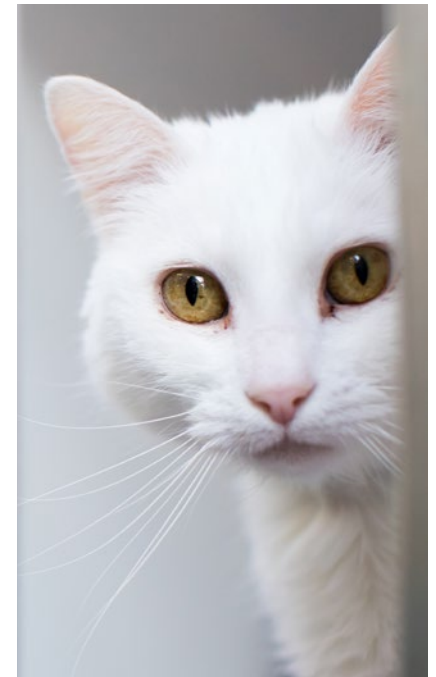
In September, we grabbed the attention of political decision makers as they travelled to and from the Houses of Parliament with posters of marvellous moggies at Westminster tube station. The adverts were used to encourage parliamentarians to 'Speak up for cats' and were accompanied by a glossy wrap featured on 5,000 copies of the *Metro* newspaper. We received positive feedback on the campaign, with over half of MPs recalling communication from Cats Protection, and we welcomed 52 MPs and nine Peers to our annual Christmas parliamentary reception.

“Our campaigns received significant media coverage in both the local and national press”

Throughout the year our campaigns received significant media coverage in both the local and national press, including an appearance by Jacqui Cuff, Head of Advocacy & Government Relations, on the BBC's *Fake Britain* programme to talk about the problem of non-pedigree cats being sold as pedigree cats.

Snip & Chip campaign

In June we launched our Snip & Chip campaign in Edinburgh and Lothian, offering subsidised microchipping to those already receiving neutering vouchers. Five MSPs and six local councillors publicised the scheme on their websites and social media pages, helping to support microchipping in Scotland and promote it as a safe and permanent way to identify pet cats. There was also a motion tabled in Scottish Parliament supporting the campaign. In October, Roseanna Cunningham, the Scottish Cabinet Secretary responsible for animal welfare visited our Glasgow Adoption Centre to find out more about our work.



The year ahead

In 2018, we plan to work collaboratively with other charities to raise the profile of cats in Parliament and the devolved administrations. As well as carrying out further work on our Purrfect Landlords campaign to persuade landlords to have responsible pet policies and continuing to lobby Government for a review of air gun licensing in England and Wales, we will also be doing more work to strengthen pet travel regulations.

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 2017.

Pets at Home and Support Adoption For Pets

Our fifth three-day fundraising weekend with Support Adoption For Pets took place across all 430+ Pets at Home stores in March 2017 and raised over £53,000 from in-store fundraising mechanisms and branch fundraising activities. This took the total proceeds raised from these events to over £218,000. During 2017, we received £23,500 in grants for branch development projects from Support Adoption For Pets, for which we are very grateful. Our branches and centres also received over £52,300 in donations from bi-annual fundraising drives. We'd also like to thank Pets at Home's Very Important Pets (VIP) Club whose continued support has to date raised over £324,000 for us.

Petplan®

We work in close partnership with Petplan®, 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 £500,000 through this partnership, which has generated over £5 million in commission for Cats Protection since 2001. Petplan® also helped to promote our charity by sharing our messages through their communications throughout 2017.

**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 their continued support. Purina® has partnered with Cats Protection for more than 35 years and supports a variety of our initiatives and campaigns. In 2017 we launched a joint campaign called Every Cat Deserves to help raise awareness of pet adoption and our partnership. As part of the campaign, Purina® provided a million meals for cats in our care. Our thanks also go to them for being the official sponsor of the

“Purina® provided a million meals for cats in our care”

National Cat Awards for the sixth time. As sponsor, Purina® sent communications to their customers to encourage submissions and increase awareness of the awards and extend their reach. Purina® also provides subsidised food for the cats in our care, often donates free food and items for our shops and helps to communicate our key messages and campaigns to promote responsible pet ownership.

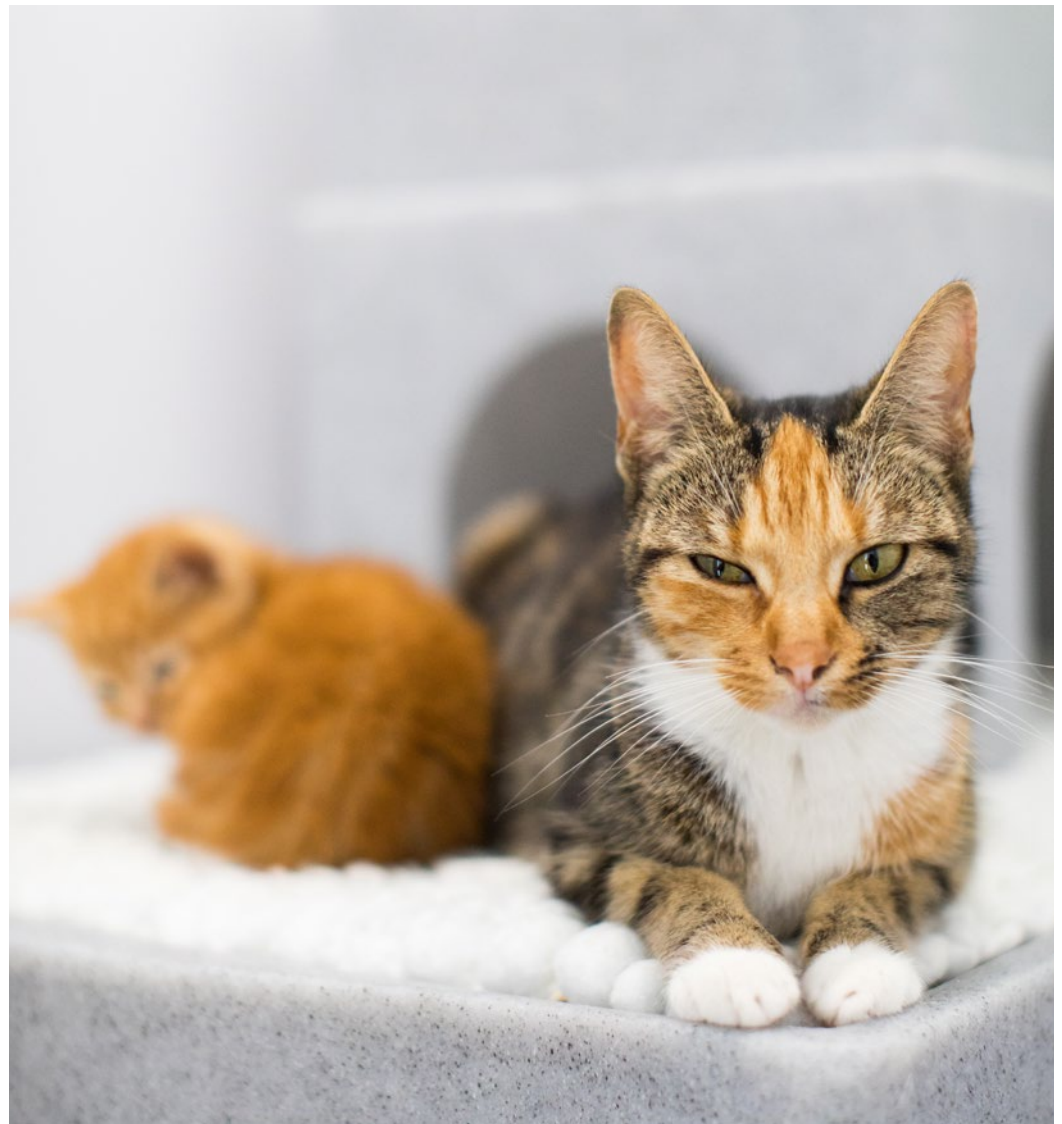


Simon's Cat

Thank you to *Simon's Cat* for their continued support in 2017 and for kindly granting us use of a *Simon's Cat* design for the pin badge at the Pets at Home fundraising weekend and two designs for our Christmas card range. We also worked with them to produce nine *Simon's Cat Logic* videos explaining feline welfare and behaviour, which have received over five million views to date and they have also helped us to promote key messages and our Cat Sponsorship programme.

◀ *Simon's Cat has teamed up with Cats Protection to help promote our cat welfare messages*

► *Corporate partnerships help us to spread our key cat welfare messages to a wider audience and raise funds for the cats in our care*



Other corporate partners

Thank you to Ceva, who continue to support us through sales of their Feliway® diffuser and helped us to produce *The Behaviour Guide*, Sure Petcare for sponsoring our Cat Sponsor newsletter and marketing agency DMS who sponsored our Christmas parliamentary reception. Weekly magazine *The People's Friend* once again supported us through their annual Love Darg charity appeal in late 2017, which saw their supporters make and donate knitted gifts for the cats in our care. They have chosen to partner with us again in 2018. We also launched a partnership with TrustedHousesitters in 2017.

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 RSPCA, Battersea Dogs & Cats Home, Dogs Trust, Blue Cross, PDSA, International Cat Care and others who help us achieve our objectives in improving animal welfare.

Supporting volunteers and staff

Without the commitment, skills, and enthusiasm of our dedicated volunteers and staff we would not be able to care for so many cats and kittens every year.

In 2017, our volunteer numbers reached and exceeded 10,000 and we expanded our resources to support our growing team. We also revitalised our volunteer recruitment resources to attract more people to Cats Protection and continued to support our people in providing an impactful and positive volunteering experience.

To thank all of the people who donate their time, knowledge and experience to make the world a better place for cats, we continue to run our Volunteer STARS (Special Thanks and Recognition Scheme) that honours both groups and individuals. We also have a Star Team Award at the National Cat Awards, which in 2017 went to our Deeside Branch for their heroic efforts in rescuing cats during Storm Frank.

In addition to our charity-wide regional conference programme, we also held a national conference to bring volunteers and staff together. This proved to be an excellent opportunity to discuss best practice and share ideas of how we can improve the work we do for cats.

Learning and development

We invest significantly in learning and development to support our volunteers and staff with the knowledge, skills and understanding they need to carry out their roles.

In 2017 approximately 1,400 volunteers and staff attended cat welfare training workshops across the UK. These covered a range of topics including feline wellbeing, end of life care, feline infectious diseases and feline interactions including handling and medicating.



◀ *Our volunteers and staff make a real difference to the lives of cats, kittens and people across the UK*

Throughout the year, over 3,100 online courses were completed by around 1,500 of our volunteers and staff. They included cat welfare courses and an induction specifically designed for our fosterers to give them the best start in their role. We also started a programme of webinars which were watched over 700 times.

Plans for the future

In 2018, we plan to undertake the following activities in order to achieve our strategic aims:

- we will evaluate the results from our community neutering projects and plan for further work
- we will transfer more harder-to-home cats from branches to centres to improve their chances of being rehomed
- we will introduce a new strategy for improving and better integrating our activity in London
- we will expand Paws Protect, our temporary pet fostering service for those fleeing domestic abuse, into Kent, Sussex and Surrey
- we will roll out our Snip & Chip campaign, offering discounted microchipping to owners on low incomes
- we plan to open new centres and shops and refurbish some of our existing sites
- we will continue to look for opportunities for partnerships to help our homing work and get our cats seen by more potential adopters
- our Contact Centre team will continue to expand to help members of the public with all their enquiries about the charity and good cat welfare
- our Advocacy & Government Relations team will continue to lobby government on issues such as air gun licensing, pet friendly housing policies and cats entering the UK
- we will review our strategy on feral cats
- we will review our strategic aims to help us help more cats

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 233,000 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 785,000 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 4,600 educational talks.

► *Cats Protection has rehomed, neutered and helped over five million cats over the past 90 years*



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.

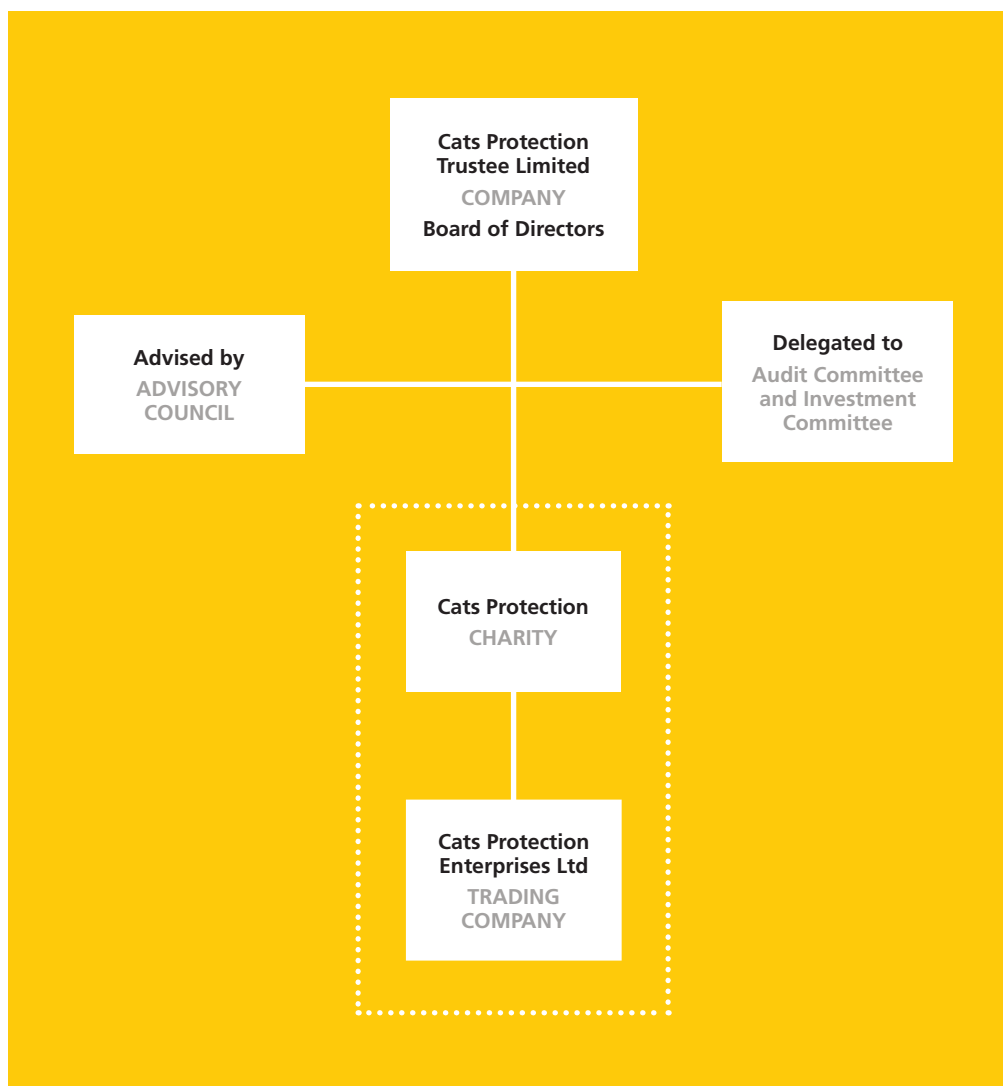
We believe that our vision of a world in which every cat is treated with kindness and an understanding of its needs benefits society as a whole. Cats play a huge part in the lives of millions of people in the UK. According to research, a quarter of UK households has at least one pet cat, with an estimated owned cat population of 10.3 million cats (Source: PDSA, 2017). 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 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.

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. 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 seven times in the year to administer the affairs of the charity, set strategies and policies and approve all major expenditure programmes. Advisory Council met four times in 2017. 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 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 2017, the Committee met three times with the investment managers, advisors and relevant staff. A standing item on the agenda is the performance of our investment portfolio. In 2017, the Committee also completed a comprehensive evaluation of the performance of our fund managers, and reviewed the implementation of the charity's revised ethical policy in relation to investments.

The Audit Committee provides assurance to the Board that effective systems of internal control are in place to safeguard the charity's assets including anti-fraud processes. It also monitors the performance of the charity's appointed internal and external auditors. The Committee consists of three Directors and up to four independent advisors. During 2017, the Committee met three times. 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 2017, the Audit Committee approved the plans of both internal and external audit and received reports on findings from their respective audit reviews. It also monitored the progress made by management on implementing audit recommendations and reviewed the charity's risk management processes. The Committee regularly considers developments in laws and regulations governing charities and how Cats Protection ensures it meets these requirements. For example,

in 2017, the Committee received an update on work within the charity to ensure compliance with the General Data Protection Regulation (GDPR) which comes into force in May 2018. During the year, the Committee commissioned an internal audit of the charity's governance arrangements, considered potential internal controls that could be applied to PayPal accounts and recommended arrangements for ensuring effective controls are in place throughout the chain of charity shops. The Committee also conducted a review of its effectiveness, identifying only minor areas for improvement.

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

Management

The implementation of the strategy and day-to-day operations are the responsibility of the Chief Executive, who is assisted by an Executive Management Team. We began restructuring and strengthening the Executive Management Team in 2016 and have since welcomed three new directors who bring a wealth of new skills and knowledge to the charity.

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 review

Financial performance in 2017

The charity has had another very successful year. Our total income in 2017 was £62.9m, which is an increase of £7.3m (13%) from 2016. The key drivers of the increase in income are:

- legacy income, which increased by £3.9m (15%) compared to 2016. This reflects an increase in the number of notifications as well as an increase in the average value of notifications.
- shop income, which increased by £2.1m (44%) as a result of the on-going expansion of our retail chain – a net total of 11 new shops were opened in 2017.
- fundraising events income, which increased by £1.1m (29%) primarily due to recruiting new lottery players and our 90th anniversary raffle.

The growth in income experienced in this and recent years has enabled us to direct more funds to our charitable activities. Operating expenditure on rehoming has increased by £2.3m (9%). We have built and staffed a new adoption centre in Tyneside that will be opened formally in early 2018 and established a number of new branches. We spent an additional £0.8m (19%) on our education and information work, which includes investing in our social media presence and expanding our advocacy work. Further details of these activities are provided in the Annual Report.

Expenditure on fundraising grew by £3.9m (21%) to help generate sustainable income for the charity so that we can continue to help cats into the future. This includes investment in our chain of charity shops and promoting fundraising

events, the impact of which can be seen in the increase in income from these activities as set out above.

“We could not achieve all that we do without the valued input and support from our 10,200 volunteers”

We could not achieve all that we do without the valued input and support from our 10,200 volunteers (2016: 9,800 volunteers). While the financial benefit of volunteers is not recorded in the financial statements, in 2017, it is estimated that they contributed 5.5 million hours of work to the charity (2016: 5 million hours). Based on data from the National Statistics Office on average UK earnings, this is equivalent to a salary cost of £75.7m (2016: £67.4m). 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 £1.7m (2016: £1.7m). The surplus will be used to fund our capital programme and other work. In 2017, the stock market continued to experience a good level of growth and as at year end, our investments had increased by £3.7m (2016: £3.7m). Taking the gains on investments into account (some of which are unrealised), the outturn for 2017 was £5.5m (2016: £5.4m) and the net assets recorded on our balance sheet are now £100.6m (2016: £95.1m).

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 19. The profit on ordinary activities for the year ended 31 December 2017 amounted to £1,312k (2016: £862k). Turnover in 2017, at £2,402k, represents an increase of £451k (23%) compared to the previous year (2016: £1,951k). Cost of sales in 2017 was 33% of turnover (2016: 41%). Administrative expenditure was £290k for 2017, which is consistent with last year (2016: £297k). The full profit of £1,312k will be paid to the charity in 2018 as a Gift Aid payment.

Profit has increased due to the cumulative effect of cat adopters utilising Petplan® pet insurance. The Company receives commission every time a new policy is purchased or an existing policy is renewed. Two enhanced commission payments were also received in 2017 due to the total number of policies purchased/renewed. In addition, Purina® donated funds to supply a million meals for cats in our care.

“Purina® donated funds to supply a million meals for cats in our care”

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 7 day LIBID.

We also hold a portfolio of equities, bonds, unit trusts and other investments. These investments are long-term in nature and support the structural development of the charity, such as the future funding of major property works. Funds are invested in line with our ethical policy with the aim of securing long-term growth in values without exposing the charity to undue risk. We have appointed two professional fund managers to manage the portfolio, Rathbones and Sarasin & Partners. The portfolio is allocated almost equally

between them. The charity does not hold any mixed motive investments. Mixed motive investments have the joint purpose of providing a financial return while delivering directly the aims of the charity.

Ethical policy

Cats Protection operates an Ethical Policy, which was reviewed and revised during 2017. 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 agreed that a minimum level of unrestricted general funds of £12m is appropriate given the risks faced by the charity and the security of income from different sources. Unrestricted general funds as at 31 December 2017 were £26.5m (2016: £17.2m), which is £14.5m above the minimum required by our current reserves policy. This is due to the surpluses generated in 2017 and earlier years, which have been underpinned by gains on investments. While the free reserves

are currently above the minimum level specified in our policy, this does provide assurance that our expenditure plans and capital programme will not be curtailed by a fall in the value of our investment portfolio.

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 £37.8m at 31 December 2017
- the capital development fund exists to support the charity’s 10-year capital plan, which is budgeted to cost £35m. Expenditure of £3.5m on capital projects included in the capital plan during 2017 has been charged to this fund. The main items of expenditure were building the new adoption centre in Tyneside and fitting out newly leased charity shops. The balance on this fund at 31 December 2017 was £31.1m

At 31 December 2017, the charity held £5.2m (2016: £5.9m) restricted funds. These are funds that were raised or donated for a specified purpose, either for a geographic area, a particular centre or to support our neutering work. 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 16 to the financial statements. Given the level of reserves and the budgeted surplus for 2018, 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 Audit Committee then uses the Charity Risk Register to inform the work of internal audit and to consider other sources of assurance that the actions taken to address the identified risks are having the desired impact.

The principal risks that Cats Protection has faced in the year include managing personal data to ensure compliance with fundraising regulations and the pending GDPR, implementing effective planning and performance management structures to support the delivery of the strategy, and ensuring that we attract and retain the right number of appropriately skilled volunteers on which our work depends. These are considered in more detail below.

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

“There have been a number of developments in the legal and regulatory environment concerning the use and retention of personal data”

information on this topic is included in the section How we ensure we fundraise responsibly. The requirements of GDPR are evolving and we have taken early action to ensure the charity is prepared when the legislation comes into effect in May 2018. Failure to comply with the requirements can lead to significant financial penalties as well as reputational damage. The biggest challenge for the charity is the data held within our devolved branch structure. Going forward, this data needs to be centralised to ensure we meet our legal obligations. We have established a project, named Data Ready, to manage this process and work has already been completed to understand what data is held locally and in which format. We have also obtained specialist legal advice to ensure that our plans will be compliant. The Data Ready project is the biggest project in terms of organisational coverage and impact that we have undertaken in recent years. It is therefore one of the charity's principal risks.

“During 2017, work started on a detailed review of our strategy to better define our strategic priorities”

We launched our current strategy at the end of 2015. During 2017, work started on a detailed review of our strategy to better define our strategic priorities and how our work across the charity delivers our priorities. This is the starting point for developing a more robust planning and performance management framework. Ensuring we have the right data to monitor and evaluate the delivery of our strategy will be key, as will tighter links between business and financial planning. As part of the Executive Management Team restructure in 2016, a new post of Director of Finance & Strategy was created and a support role dedicated to supporting strategy development, business planning and performance review will be recruited in 2018. This work is currently ongoing. Once embedded, the framework will enable the charity to better

evaluate the impact of its work and to allocate resources more effectively.

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. As part of the Executive Management Team restructure, we also created the post of Director of Volunteering & Corporate Services to ensure that the challenges faced are addressed appropriately. New roles dedicated to recruiting, supporting and retaining our volunteers are now in place in several of our adoption centres. The Board acknowledges that we need to continue evolving our practices and employ innovative methods to ensure that the volunteer support on which we depend is sustainable.

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 15% and 20% of its welfare work in Scotland. The work is delivered through two staffed adoption centres (2016: one), two branch volunteer-run centres (2016: three), 43 branches (2016: 46) and 15 shops (2016: 13), involving around 1,260 volunteers (2016: 1,380) and around 30 staff (2016: 30).

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.

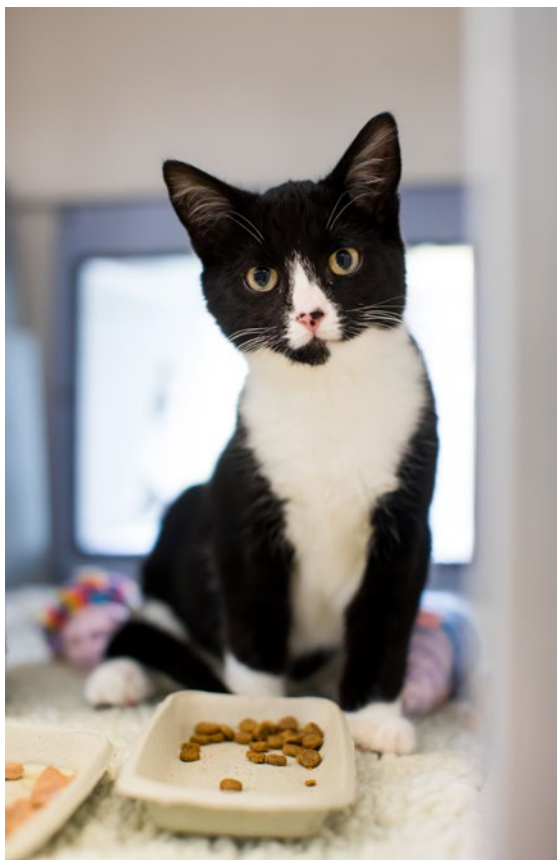
In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- 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.



Reference and administrative details

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 (to May 2017)	—————	Ms H McCann <i>BA (Hons)</i>
Chairman (from May 2017)	—————	Ms L Upson <i>DipLGD</i>
Deputy Chairman	—————	Professor T Gruffydd-Jones <i>BVetMed (Lond), PhD (Bristol), DipECVIM MRCVS</i> Ms W Bosler <i>BA (Hons)</i> Dr I Campbell Mr T Jones <i>MA(Cantab), FInstF, FIDM</i> Mrs M Price <i>Freeman of the Worshipful Company of International Bankers,</i> <i>Freeman of the City of London</i> Mrs A Ryan <i>BA (Hons)</i> Dr A Swarbrick <i>ACA</i>

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

Mr J Barnett <i>(to May 2017)</i>	Mrs G McMullen <i>(to May 2017)</i>
Mrs N Butcher	Mr M Ridgway <i>HNC, IEE, BIFM</i>
Mr N Clements	Mrs L Robinson
Mrs T Cooper	Mrs J Rouse
Mrs G Davies	Mr B Till
Ms D Hingley <i>(to May 2017)</i>	Mrs L Potheary <i>(from May 2017)</i>
Ms B Kubler	Mrs K Stapleford <i>(from May 2017)</i>
Mr D Manners	Mrs M Young <i>(from May 2017)</i>

Investment Committee:

Mrs A Ryan *BA (Hons) (Chair)*
Professor T Gruffydd-Jones *BVetMed (Lond), PhD (Bristol), MRCVS DipECVIM (to November 2017)*
Dr I Campbell *(from February 2017)*
Mr T Jones *MA (Cantab), FInstF, FIDM*
Mrs A Gregory-Jones *BSc, FCA, TEP (advisor) (to February 2017)*
Mr S Kumar *LLB (Hons), MCSI (advisor)*
Ms G Woodward *(advisor)*
Mr Ian Enslin *(advisor) (from October 2017)*

Audit Committee:

Ms W Bosler *BA (Hons) (Chair)*
Dr A Swarbrick *ACA*
Ms L Upson *DipLGD*
Mrs K Elis-Williams *BA(Hons), ACA (advisor)*
Mr A Rummins *(advisor) MSc*
Mrs J Armstrong *(advisor) (from April 2017)*
Mrs L Payne *(advisor) (from April 2017)*

Chief Executive and Executive Management Team

Chief Executive

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

Executive Management Team

Mr L Coghlin <i>BA (Hons), MinstF(Dip)</i>	—————	Director of Fundraising
Mr N Edmans <i>BA (Hons), CPE (Law)</i>	—————	Director of Communications
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 from February 2018, Interim Chief Executive)</i>
Mr M Beazley	—————	Director of Operations <i>(from January 2017)</i>
Ms S Field <i>BA (Hons)</i>	—————	Director of Volunteering & Corporate Services <i>(from February 2017)</i>

External auditor:

KPMG LLP
15 Canada Square
London
E14 5GL

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	Sarasin & Partners LLP	Royal London
8 Finsbury Circus	Juxon House	55 Gracechurch Street
London	100 St Paul's Churchyard	London
EC2M 7AZ	London	EC3V OUF
	EC4M 8BU	



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

12 April 2018

Independent auditor's report to the Trustee of Cats Protection

Opinion

We have audited the group and charity financial statements of Cats Protection ("the charity") for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 December 2017 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with the regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and

are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The trustee is responsible for the other information, which comprises the Trustee's Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustee's Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- the charity has not kept sufficient and proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustee's responsibilities

As explained more fully in the statement set out on page 38, the trustee is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the 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 trustee either intends to liquidate the group or the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustee as a body, in accordance with both section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Pennington
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL
12 April 2018
*KPMG LLP is eligible to act as an auditor
in terms of section 1212 of the Companies
Act 2006*

Consolidated statement of financial activities (SOFA)

Year ended 31 December 2017

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

	Note	Unrestricted funds	Restricted funds	Total 2017	Total 2016 Restated
		£'000	£'000	£'000	£'000
Income					
Legacies	4	27,849	2,152	30,001	26,129
Donations	5	15,258	30	15,288	15,367
Income from charitable activities:					
– Rehoming fees		1,983	-	1,983	1,974
Income from other trading activities:					
– Shops	6	6,934	-	6,934	4,798
– Fundraising events		5,039	-	5,039	3,916
– Commercial trading operations		2,402	-	2,402	1,951
Investment income	7	1,099	-	1,099	1,294
Other income	8	118	9	127	117
Total income		60,682	2,191	62,873	55,546
Expenditure					
<i>Costs of raising funds:</i>					
– Seeking donations and legacies	9	8,228	-	8,228	8,594
– Shops	9	7,332	-	7,332	5,147
– Fundraising events	9	6,062	-	6,062	3,949
– Commercial trading operations	9	1,077	-	1,077	1,076
– Investment management	9	199	-	199	207
<i>Costs of charitable activities:</i>					
– Rehoming	9	25,148	2,911	28,059	25,710
– Neutering	9	5,815	11	5,826	5,635
– Education and information	9	4,352	-	4,352	3,512
Total expenditure		58,213	2,922	61,135	53,830
Net income/(expenditure) before gains/ (losses) on investments					
		2,469	(731)	1,738	1,716
Gains/(losses) on investments		3,749	-	3,749	3,720
Net movement in funds		6,218	(731)	5,487	5,436
Reconciliation of funds					
Total funds brought forward at 1 January					
		89,168	5,941	95,109	89,673
Total funds carried forward at 31 December					
		95,386	5,210	100,596	95,109

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 19.

The notes on pages 47 to 60 form part of these accounts.

Consolidated balance sheet

As at 31 December 2017

	Note	Charity		Group	
		2017	2016	2017	2016
		£'000	£'000	£'000	Restated £'000
Fixed assets					
Tangible assets	12	37,790	35,504	37,790	35,504
Investments	13	52,377	50,707	52,377	50,707
Total fixed assets		90,167	86,211	90,167	86,211
Current assets					
Stocks		-	-	63	11
Debtors	14	6,267	4,947	5,063	3,978
Cash at bank and in hand		7,921	8,149	8,763	8,551
Total current assets		14,188	13,096	13,889	12,540
Liabilities					
Creditors: amounts falling due in one year	15	(3,759)	(4,198)	(3,460)	(3,642)
Net current assets		10,429	8,898	10,429	8,898
Total net assets		100,596	95,109	100,596	95,109
Funds					
Unrestricted funds:					
- General funds	16	26,498	17,164	26,498	17,164
- Designated funds	16	68,888	72,004	68,888	72,004
Restricted funds	16	5,210	5,941	5,210	5,941
Total funds		100,596	95,109	100,596	95,109

The results of the Subsidiary only are set out in Note 19.

The notes on pages 47 to 60 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

12 April 2018

Consolidated cash flow statement

Year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Cash flows operating activities			
Net cash provided by operating activities	a	1,740	2,390
Cash flows from investing activities			
Dividends, interest and rents from investments		1,099	1,292
Proceeds from the sale of property, plant and equipment		24	33
Purchase of property, plant and equipment		(4,906)	(4,510)
Proceeds from sale of investments		13,841	11,368
Purchase of investments		(11,586)	(12,216)
Net cash used in investing activities		(1,528)	(4,033)
Change in cash and cash equivalents in the year	b	212	(1,643)
Cash and cash equivalents at 1 January		8,551	10,194
Cash and cash equivalents at 31 December		8,763	8,551

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

Net movement in funds for the reporting period		5,487	5,436
Adjustments for:			
Depreciation charges		2,606	1,995
(Gains)/losses on investments		(3,925)	(3,720)
Dividends, interest and rents from investments		(1,099)	(1,292)
Loss/(profit) on the sale and write-off of fixed assets		(10)	455
(Increase)/decrease in stocks		(52)	(6)
(Increase)/decrease in debtors		(1,085)	(78)
Increase/(decrease) in creditors		(182)	(300)
Increase/(decrease) in provisions		-	(100)
Net cash provided by operating activities		1,740	2,390

b) Analysis of cash and cash equivalents

Cash at bank and in hand		8,763	8,551
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The notes on pages 47 to 60 form part of these accounts.

Year ended 31 December 2017

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.

The 2016 SOFA has been restated to ensure Shop income is disclosed consistently between 2017 and 2016. The restatement impacts on the 2016 income allocated to other Income lines in the SOFA. The supporting notes have also been restated.

The 2016 Balance Sheet has been restated to combine Short term deposits and Cash at bank and in hand. This reclassification reflects the day-to-



day operation of the related bank accounts.

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 19.

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 16
- 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 16

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
- subscriptions, 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 number of staff and volunteers engaged in the respective charitable and fundraising activities. As we are primarily a volunteer-based organisation with a significant proportion of our activity delivered by volunteers, this method of allocating support costs provides a 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. Investments that are expected to be drawn down and utilised within the year are disclosed as a short term deposit on the Balance Sheet.

H. Stocks

Stocks are valued at the lower of cost to the 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, but the amount and/or timing of the settlement is uncertain. The Group held no provisions at 31 December 2017.

2. Prior year comparatives for the SOFA

	2016 Comparatives (Restated)		
	Unrestricted	Restricted	Total
	funds £'000	funds £'000	
Income			
Legacies	24,202	1,927	26,129
Donations	15,300	67	15,367
Income from charitable activities:			
– Rehoming fees	1,974	-	1,974
Income from other trading activities:			
– Shops	4,798	-	4,798
– Fundraising events	3,916	-	3,916
– Commercial trading operations	1,951	-	1,951
Investment income	1,294	-	1,294
Other income	94	23	117
Total income	<u>53,529</u>	<u>2,017</u>	<u>55,546</u>
Expenditure			
Costs of raising funds:			
– Seeking donations and legacies	8,594	-	8,594
– Shops	5,147	-	5,147
– Fundraising events	3,949	-	3,949
– Commercial trading operations	1,076	-	1,076
– Investment management	207	-	207
Costs of charitable activities:			
– Rehoming	23,302	2,408	25,710
– Neutering	5,620	15	5,635
– Education and information	3,512	-	3,512
Total expenditure	<u>51,407</u>	<u>2,423</u>	<u>53,830</u>
Net income/(expenditure) before gains on investments	2,122	(406)	1,716
Gains on investments	3,720	-	3,720
Net movement in funds	<u>5,842</u>	<u>(406)</u>	<u>5,436</u>
Reconciliation of funds			
Total funds brought forward at 1 January 2016	83,326	6,347	89,673
Total funds carried forward at 31 December 2016	<u>89,168</u>	<u>5,941</u>	<u>95,109</u>

3. Summary financial performance of the Charity only

	2017	2016
		Restated
	£'000	£'000
Income and expenditure		
Income	61,796	54,553
Expenditure	(60,058)	(52,837)
Net operating income	1,738	1,716
Gains on investments	3,749	3,720
Net income	5,487	5,436
Total funds brought forward	95,109	89,673
Total funds carried forward	100,596	95,109

4. Contingent legacy income

In addition to the legacy income recognised in the SOFA of £30,001k (2016: £26,129k), the Charity had been notified of 385 residuary legacies (2016: 373 residuary legacies) with a total estimated value of £18,804k (2016: £15,196k). 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	2017 £'000	2016 Restated £'000
Donations	14,715	30	14,745	14,813
Subscriptions	543	-	543	554
Total	15,258	30	15,288	15,367

Subscriptions include the membership fees paid to Cats Protection and our local branches. In 2016, Donation income of £67k was restricted. This is included in the 2016 total £14,659K above.

6. Shop income

Shop income of £6,934k (2016: £4,798k) 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 £158k (2016: £134k) were received in our shops and these are included in Donations income in the SOFA. Our shops also sold £504k (2016: £377k) of new goods that generated a gross profit of £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.

7. Investment income

	2017	2016
		Restated
	£'000	£'000
Income from listed investments	1,090	1,233
Bank and other interest	9	61
Total	1,099	1,294

8. Other income

	2017	2016
	£'000	£'000
Surplus on disposal of tangible fixed assets	10	19
Rental income	77	63
Restricted grant income to support neutering work	9	23
Miscellaneous income	31	12
Total	127	117

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

9. Analysis of expenditure

	2017 £'000			2016 £'000		
	Direct costs	Allocated support costs	Total	Direct costs	Allocated support costs	Total
Costs of raising funds						
Seeking donations and legacies	8,004	224	8,228	8,383	211	8,594
Shops	5,975	1,357	7,332	3,994	1,153	5,147
Fundraising events	5,804	258	6,062	3,694	255	3,949
Commercial trading operations	1,077	-	1,077	1,076	-	1,076
Investment management	199	-	199	207	-	207
Total cost of raising funds	21,059	1,839	22,898	17,354	1,619	18,973
Costs of charitable activities (unrestricted)						
Rehoming	20,330	4,818	25,148	18,951	4,351	23,302
Neutering	5,490	325	5,815	5,333	287	5,620
Education and information	3,894	458	4,352	3,137	375	3,512
Total cost of charitable activities (unrestricted)	29,714	5,601	35,315	27,421	5,013	32,434
Costs of charitable activities (restricted)						
Rehoming	2,911	-	2,911	2,408	-	2,408
Neutering	11	-	11	15	-	15
Total cost of charitable activities (restricted)	2,922	-	2,922	2,423	-	2,423
Total expenditure	53,695	7,440	61,135	47,198	6,632	53,830

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

	2017 £'000					Total indirect costs
	People costs	Corporate resources	IT	Facilities	Governance	
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	1,311	1,566	1,294	488	159	4,818
Neutering	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

	2016 £'000					Total indirect costs
	People costs	Corporate resources	IT	Facilities	Governance	
Seeking donations and legacies	57	72	56	21	5	211
Shops	313	394	304	113	29	1,153
Fundraising events	69	87	67	25	7	255
Rehoming	1,180	1,486	1,148	426	111	4,351
Neutering	78	98	76	28	7	287
Education and information	101	128	99	37	10	375
Total	1,798	2,265	1,750	650	169	6,632

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

10. Additional analysis of expenditure

	2017 £'000	2016 £'000
Auditor's remuneration – statutory audit of Group accounts	31	30
Auditor's remuneration – statutory audit of subsidiary accounts	6	6
Auditor's remuneration – assurance, tax or other financial services	-	-
Depreciation of tangible fixed assets	2,606	1,995
Operating lease rentals	1,558	1,058

11. Staff costs

Employment costs

	2017 £'000	2016 £'000
Wages and salaries	17,189	14,360
Social security costs	1,560	1,279
Employer's contribution to the defined contribution pension scheme	512	426
Employee benefits – private medical insurance	120	60
Apprenticeship Levy	66	-
Agency staff	173	160
Total	19,620	16,285

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.

In 2017, the Charity paid a total of £10,420 (2016: £85,600) in redundancy and termination payments in respect of five employees (2016: eight employees). All payments were monetary. 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 (2016: £3,000).

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

	2017 Average	2016 Average	2017 FTE	2016 FTE
Charitable activities	490	453	392	360
Generating funds	302	225	235	180
Total	792	678	627	540

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:

	2017 Number	2016 Number
£60,001 - £70,000	7	6
£70,001 - £80,000	2	2
£80,001 - £90,000	5	3
£120,001 - £130,000	1	1

Emoluments include salary and allowances, benefits in kind (company car and medical insurance) and exit costs. All 15 of the higher paid staff are members of defined contribution schemes (2016:12) and in 2017 the Charity paid £61,692 (2016: £42,981) to the scheme on their behalf. These costs are excluded when calculating emoluments. No pension contributions were accrued at year end. The total amount of employee salary and benefits, including employer's pension contributions, received by key management personnel (defined internally as the Chief Executive and members of the Executive Management Team as set out on page 40) during 2017 was £724,634 (2016: £613,101).

Trustee expenses

Travel and subsistence expenses amounting to £9,080 (2016: £13,091) were reimbursed directly to five Directors of Cats Protection Trustee Ltd (2016: seven Directors). A further £3,963 of payments (2016: £1,380) were paid directly to suppliers for travel and overnight hotel accommodation in respect of seven Directors (2016: two 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. Four Directors of Cats Protection Trustee Ltd did not claim for reimbursable expenses in 2017 (2016: three) and two Directors (2016: eight Directors) had no payments made directly to suppliers on their behalf. None of the Directors has been paid any remuneration or received other benefits from an employment with the Charity or a related entity (2016: none).

12. Tangible fixed assets

	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	43,449	207	6,248	6,919	4,629	61,452
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	13,142	-	3,764	3,299	3,457	23,662
Net book value						
At 31 December 2017	30,307	207	2,484	3,620	1,172	37,790
At 31 December 2016	29,554	617	2,235	2,149	949	35,504

Freehold land and buildings includes freehold land with a value of £3,054k (2016: £3,054k) that is not depreciated. All assets are held for charitable purposes.

13. Fixed asset investments

	2017 £'000	2016 £'000
Market value at 1 January	50,707	46,139
Additions	11,586	12,216
Disposals	(13,841)	(11,368)
Net gain on revaluation	3,782	3,520
Proceeds from administration	143	200
Market value at 31 December	<u>52,377</u>	<u>50,707</u>
Historical cost at 31 December	<u>44,540</u>	<u>44,344</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 2017, these distributions totalled £9.7m. Taking into account the first distribution, we have now received 85.5 pence in £1. Two distributions totalling £0.1m were received in 2017 (2016: £0.2m).

Analysis of investments held at 31 December

	2017 £'000	2016 £'000
Represented by:		
Fixed interest securities	6,032	6,072
UK equities	14,725	14,750
Overseas equities	14,591	15,148
Alternatives	5,204	4,876
Cash and cash equivalents	10,835	8,871
Investment property	990	990
	<u>52,377</u>	<u>50,707</u>

Alternatives include Property and Infrastructure funds and commodities. As at 31 December 2017, the Charity held no single investment which was in excess of 5% of total market value of the portfolio. The Charity is not aware of any material restrictions which might affect the realisation of any of its listed securities.

14. Debtors: amounts falling due within one year

	2017 £'000	2016 £'000
Prepayments and accrued income	4,976	3,930
Other debtors	87	48
	<u>5,063</u>	<u>3,978</u>

15. Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	2,386	1,879
Taxation and social security	25	471
Accruals	624	856
Other creditors	425	436
	<u>3,460</u>	<u>3,642</u>

16. Statement of funds

	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Investment gains/ (losses) £'000	Transfers £'000	Balance at 31 December 2017 £'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 adoption centres and fitting out new charity shops, as well as refurbishing our existing sites. In 2017, we expended £3,502k on projects in the capital plan. The equivalent amount has therefore been transferred into general funds to finance this expenditure
- 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 has been released back into general funds

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.

17. Analysis of net assets between funds

	General funds £'000	Designated funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Balance at 1 January 2017	17,164	72,004	5,941	95,109	89,673
Net movement in funds	9,334	(3,116)	(731)	5,487	5,436
Balance at 31 December 2017	26,498	68,888	5,210	100,596	95,109
Represented by:					
Tangible fixed assets	-	37,790	-	37,790	35,504
Investments	16,069	31,098	5,210	52,377	50,707
Net current assets	10,429	-	-	10,429	8,898
Total net assets	26,498	68,888	5,210	100,596	95,109

18. Operating lease commitments

At 31 December 2017, the Group was committed to making the following payments under operating leases:

	2017 £'000	2016 £'000
Within one year	1,384	1,045
Within two to five years	2,912	2,026
Over five years	3	1
	4,299	3,072

19. Subsidiary

At 31 December 2017, the Charity held 100% of the issued share capital of the following company, which is registered in England:

	Issued share capital £2
Cats Protection Enterprises Limited Trading subsidiary	

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

Cats Protection Enterprises Limited Profit and Loss Account

	2017 £'000	2016 £'000 Restated
Turnover	2,402	1,951
Cost of sales	(800)	(792)
Gross profit	1,602	1,159
Administrative expenditure	(290)	(297)
Profit on ordinary activities before taxation		862
Taxation on current year profits	-	-
Profit on ordinary activities after taxation for the year	1,312	862
<i>Changes in equity:</i>		
Equity brought forward	-	769
Profit for the year	1,312	862
Gift Aid Payment	(1,312)	(1,631)
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 2017 £'000	31 December 2016 £'000
Current assets:		
Stock	63	11
Debtors	742	837
Cash at bank and in hand	842	403
	1,647	1,251
Creditors: amounts falling due within one year	(1,437)	(1,041)
Net current assets	210	210
Creditors: amounts falling due after one year	(210)	(210)
Net assets	-	-
Funded by:		
Called up share capital	-	-
Retained earnings	-	-

The Charity has provided a long-term loan of £210k (2016: £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 £1,312k (2016: £862k) will be donated to the Charity under Gift Aid as a distribution from Cats Protection Enterprises Limited in 2018.

20. Capital commitments

At 31 December 2017, the Charity had no significant (over £100k in value) capital commitments (2016: two contractual commitments totaling £429k).

21. Related parties

As at the Balance Sheet date, a total of £424,202 was owing from Cats Protection to Cats Protection Enterprises Ltd (2016: £735,086) for income collected through the Charity on behalf of Cats Protection Enterprises Ltd, and a total of £210,000 (2016: £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 11 and 19, there were no transactions with related parties during 2017 (2016: none).

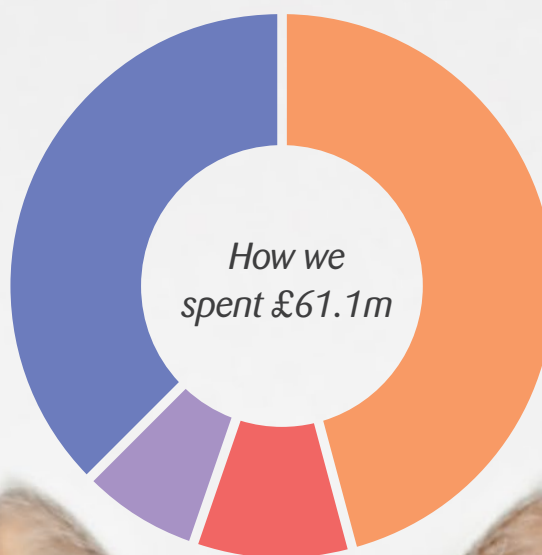
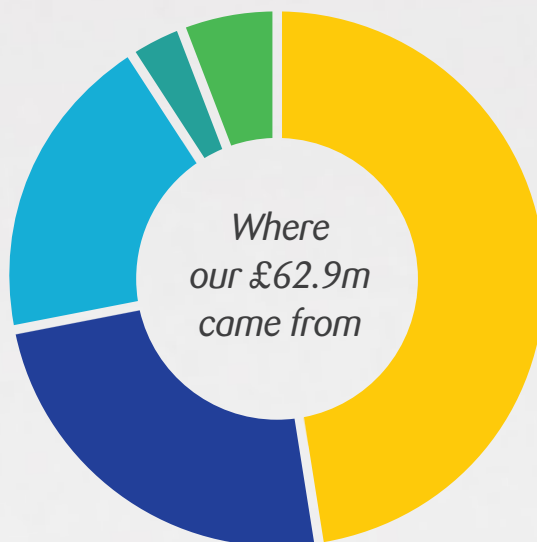
In 2017, the Directors of the Corporate Trustee made personal donations totalling £703 to the Charity (2016: £624).

Financial summary

2017 was another very successful year for the charity. Our total income was £62.9m, an increase of £7.3m from 2016. We saw an increase in all our major sources of income; shop income increased by £2.1m as a result of the expansion of our retail chain; fundraising events income increased by £1.1m mainly due to recruiting new lottery and raffle players; and legacy income increased by £3.9m.

These additional funds have enabled us to increase our expenditure from £53.8m in 2016 to £61.1m in 2017. We spent £2.3m more on rehoming, expanding our network of branches and building a new adoption centre to be opened in 2018. We invested a further £0.8m in our education and information work, which included increasing spending on our social media presence and expanding our advocacy work. Spending on our fundraising activities grew by £3.9m, which included investment in our charity shops, helping us to generate sustainable income for the charity's future.

A summary of our income and expenditure for 2017 is presented in the charts opposite. Further details of these figures can be found in the financial review section of the Annual Report & Accounts, starting on page 34.





Annual Report & Accounts 2017

Our network

- Over 250 volunteer-run branches
- 34 centres
- 121 shops
- 10,200 volunteers

Support us

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

Contact us by phoning our 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!

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





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

