



# ANNUAL REPORT & ACCOUNTS 2022



# CATS PROTECTION IS THE UK'S LEADING CAT WELFARE CHARITY.

Since 1927 we have helped cats across the UK and helped people to better understand their needs. As a community of volunteers, employees, supporters and partners, we've improved the lives of millions of cats and transformed the way millions of people see and care for cats.

As we approach our 100th anniversary, we want to do more. That means helping more cats and having a bigger impact for cats and their owners. It means building on what we have achieved already, making the most of our resources and creating new services that will further protect and enrich the lives of all cats. As part of this new strategy, we have created a new vision, mission and purpose that set out how together, we can change the world for cats.

## OUR VISION

A society where every cat has their best possible life because they are protected, cared for and understood by everyone.

## OUR MISSION

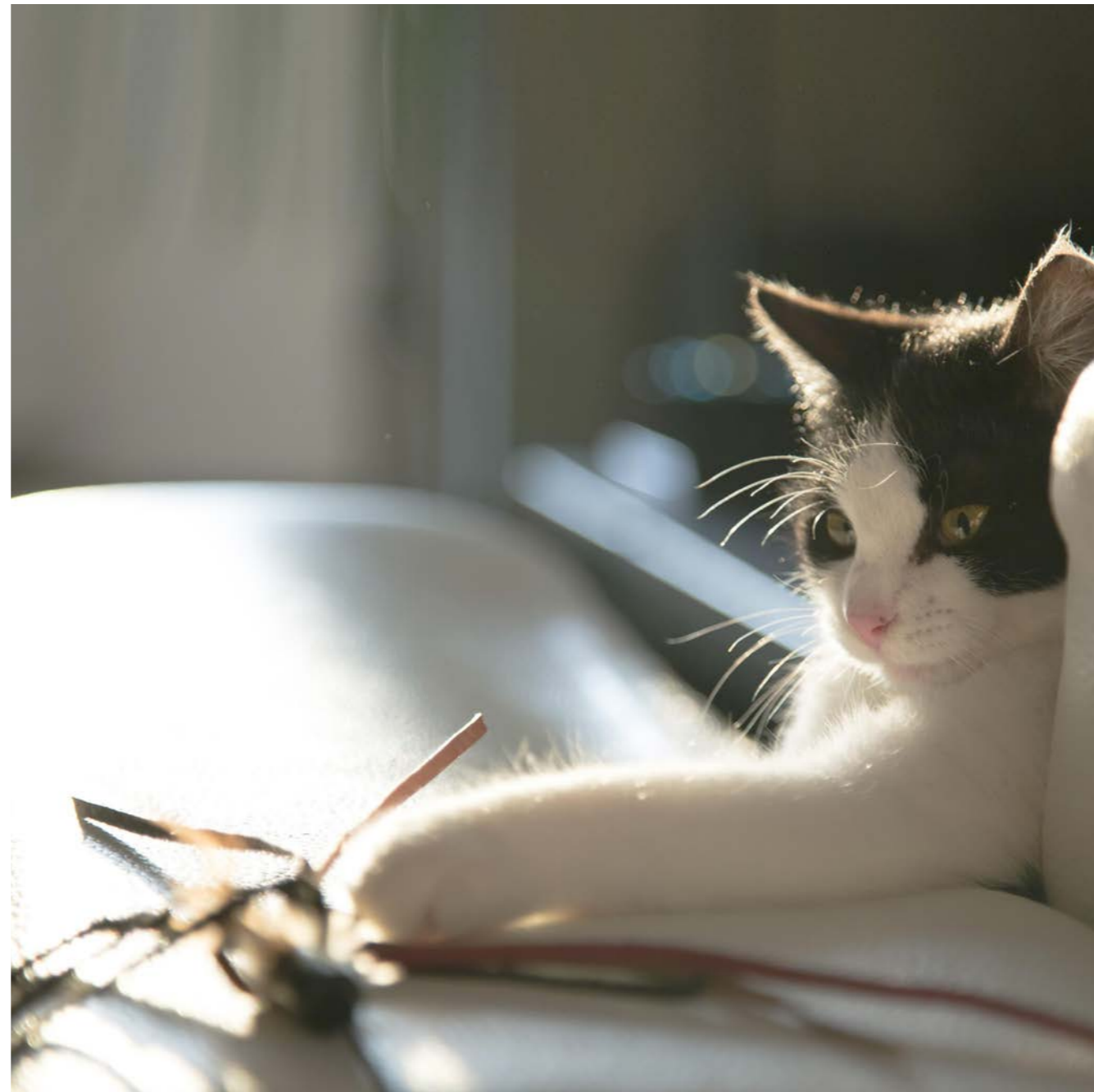
We are a movement of people championing the welfare of cats. We lead society in a richer understanding of all cats and care for those that need our help.

## OUR PURPOSE

To help people see the world through cats' eyes.

## OUR VALUES

- We put cats first
- We work as one
- We are courageous
- We are knowledgeable
- We are compassionate



## WHAT WE DO

- The difference we made in 2022 – page 6
- Improving understanding of cat welfare – page 8
- Creating a balanced cat population – page 12
- Ensuring every cat has the right home – page 14
- Helping cat owners – page 16
- Raising awareness of our work – page 18
- Our impact – page 22

## HELPING US TO GET THERE

- Raising vital funds – page 25
- Speaking up for cats – page 28
- Supporting our people – page 31
- Environmental impact – page 35
- Looking ahead – page 37
- Structure, governance and management – page 38
- Giving with confidence – page 42
- Financial review – page 46

# CHAIR'S REPORT

AN INTRODUCTION FROM DR KIT STURGESS, CHAIR

As we began the 95th year of Cats Protection, we adopted a new strategy to help us adapt and focus our vital work for cats. This sees us working towards a new vision for the future; a society where every cat has their best possible life because they are protected, cared for and understood by everyone.

With millions of cats in the UK, it's an ambitious vision and it won't be easy to achieve, but with the help of our brilliant and dedicated supporters, volunteers and employees, we believe we can make the world a better place for cats and people.

There's no doubt that life has been difficult for many cat owners recently, with the cost-of-living crisis causing many to struggle with looking after their pets. According to our CATS (Cats and Their Stats) Report 2022, 30% of cat owners expressed significant concern over being able to afford bills and other living costs due to price increases, and sadly 3% of cat owners have even considered giving up their cats – that's equivalent to over 300,000 households<sup>1</sup>.

Although this has put a strain on our own services, with the waiting list of cats needing to come into our care growing longer than ever, it has also pushed us to innovate and look at ways of supporting owners to make it possible for them to keep their cats. There continues to be capacity issues within the veterinary profession too, meaning that 37% of cat owners have experienced trouble accessing their vet this year, rising to 58% of new cat owners<sup>1</sup>.

While all of this is worrying, it goes to show that the UK needs Cats Protection more now than ever before. We are endeavouring to work with cat owners and vets to help find solutions to the problems affecting the UK's cats, and we are of course continuing to provide care for as many cats waiting to find new homes as we can.

We couldn't do any of this vital work without our incredible people across the country, who are knowledgeable, compassionate and courageous in their commitment to helping all cats, and of course our kind supporters, who we can rely on even during turbulent times. We are so grateful for all you do for cats.

I would also like to say a big thank you to Angela Swarbrick and Dominic Sullivan who have done a fantastic job in leading us as Chair and Interim Chief Executive through much of 2022, and welcome John May, our new Chief Executive, who brings with him a wealth of charity sector experience and a wonderful passion for cats.



<sup>1</sup> CATS (Cats and Their Stats) 2022 UK. Visit [www.cats.org.uk/stats](http://www.cats.org.uk/stats)

# CHIEF EXECUTIVE'S REPORT

AN INTRODUCTION FROM JOHN MAY, CHIEF EXECUTIVE

I am thrilled to have joined Cats Protection at such an exciting time for the charity, with a new strategy bringing us all together in our mission to champion the welfare of cats.

I would like to thank Dominic Sullivan for guiding the charity so expertly before I came on board and for being so helpful as I have begun this exciting adventure with Cats Protection.

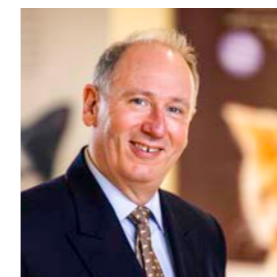
Having shared my home with cats for the whole of my life, I have benefited profoundly from Cats Protection's support to cat owners and am well aware of the impact the charity has in, and on, society. I am driven, intellectually and emotionally, to help develop its long-term goals, and to serve and support the volunteers and employees working to achieve them.

I've been lucky enough to have run a number of voluntary organisations and been a volunteer myself, so I know just how valuable the time and skills people give to worthy causes is. With more than 9,000 dedicated Cats Protection volunteers across the UK, the scale of the impact they have on cats and people is immensely impressive. From fostering cats and caring for them in centres, to running our charity shops and organising fundraising events, their passion is simply unmatched. I will endeavour to make sure they have all the support they need to look out for each other and our feline friends.

It really is the people who make an organisation a success, and having a diverse range of voices is vital to ensuring we can help cats and people in the best way possible. As part of our new strategy, we are striving to celebrate diversity and work towards inclusion as a priority, and will also be monitoring the impact we have on this planet we all call home.

As the cat experts, it's our job to support cats and their owners through the challenging times that lie ahead, as we anticipate that more and more will be needing our help in light of the cost-of-living crisis. We'll continue to speak up for cats with those in power, making sure the government keeps cats on the agenda and listens to our concerns about their welfare.

Together, along with our tremendous supporters, we can change the world for cats. I would like to thank everyone who supports our vision for the future, whether it's through donating their money, time or their voice – you are the champions all cats need and deserve.





# THE DIFFERENCE WE MADE IN 2022

THANKS TO YOUR SUPPORT...

We helped  
**144,000**  
cats and kittens – that's  
**400** a day!

(2021: 137,000)

We microchipped  
**43,000**  
cats in care and owned  
cats\* and reunited  
**2,000**  
cats\*\* with their owners

\*(2021: 41,000) \*\*(2021: 2,000)

We found new  
homes for  
**30,000**  
cats\* and helped  
**900**  
cats\*\* stay with their owners

\*(2021: 29,000) \*\*(2021: 600)

We neutered  
**132,000**  
cats and kittens including  
**12,000**  
feral cats

(2021: 116,000, including 12,000 ferals)

We handled  
**143,000**  
enquiries from members  
of the public\* and  
**6.3m**  
users visited our website

(\*2021: 123,000)

We gave  
**930**  
cat welfare talks to  
**25,700**  
adults and children in schools  
and community groups

(2021: 1,000 talks to 23,400 people)

**9,200**  
volunteers gave their  
dedication, skills and time  
to help cats across the UK

(2021: 10,000)

## Thank you,

on behalf of the cats, for everything you helped us achieve in 2022!

# IMPROVING UNDERSTANDING OF CAT WELFARE

Cats are complex creatures, and so by sharing our knowledge of cat welfare we are helping people to understand their needs and behaviours. This will ultimately help to prevent cruelty, neglect and mistreatment, reduce the need for rehoming, and make sure people really appreciate cats. As the cat experts, people can come to us for accurate information and advice, and by leading the charity sector in welfare research and impact measurement we will ensure we are delivering the best cat care and influencing others to do the same.



## CATS ON THE CURRICULUM

To help everyone see the world through cats' eyes, we deliver virtual and face-to-face cat welfare talks to schools and community groups across the UK. Our free, interactive sessions can be tailored for people of all ages, and we saw a 22% increase in the delivery of our college lectures in 2022. We also refreshed the education hub on our website to include engaging games, activities and lesson plans for everyone. We're currently reviewing our education resources to help us have an even bigger impact on cat welfare.

## HELP FOR UKRAINIAN CATS AND REFUGEES

As a result of the war in Ukraine, thousands of refugees have settled with host families in the UK, many bringing their beloved cats with them. To help them overcome the language barrier and settle their cats into a new environment, we produced a series of cat care guides in both Ukrainian and English, in collaboration with veterinary surgeon Bruce Fogle MBE.

We also have neutering vouchers readily available and will provide other cat care resources where necessary. In 2023 we will be providing a grant for FOUR PAWS, an organisation delivering a front-line programme in Ukraine vaccinating, microchipping and neutering cats of displaced families.

## STATS ON THE UK'S CATS

The third annual CATS (Cats and Their Stats) Report provides fascinating insight into the lives of the UK's cats now that their owners have been returning to the workplace after the pandemic and starting to feel the effects of the rising cost of living. More cat owners this year have reported that they have found cat ownership to be a substantial commitment for them and so understanding the challenges facing them and their cats is helping us to better tailor the support we provide.

Read the report at [www.cats.org.uk/stats](http://www.cats.org.uk/stats)

## FELINE RESEARCH

To help us, and others, better understand cats and their care, we are conducting our own feline welfare research. We are developing tools to help us undertake veterinary shelter medicine studies from the clinical records of the cats in our care so we can improve the way we look after them, and tools to enable cat owners and carers to holistically assess the welfare of cats in different environments. We are also continuing to study cat populations across the UK and provide support to the Bristol Cat Study, which collects data about owned cats to better understand feline health and welfare issues.



## WORKING WITH VETS

### A CAT BEHAVIOUR CONFERENCE

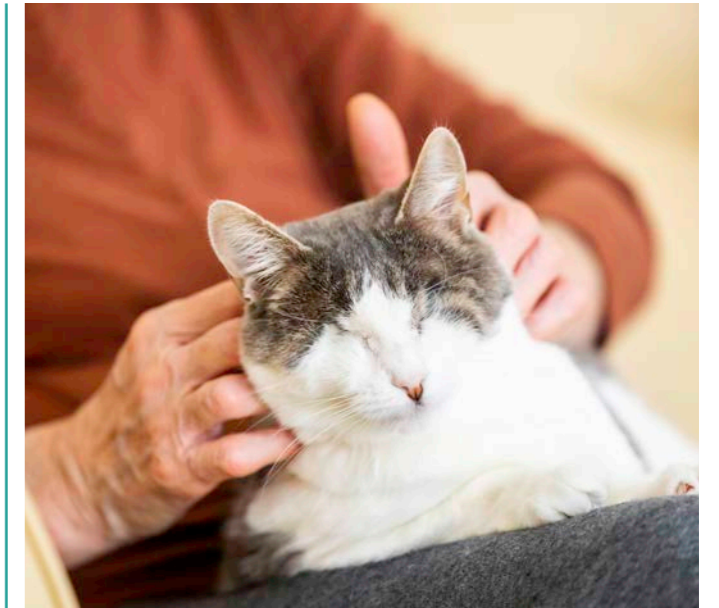
We held our third annual cat behaviour conference in September, bringing together members of the veterinary profession and other people who work with cats for a day of inspiring virtual talks about feline behaviour. The theme of this year's conference was 'Happy cat, happy owner – purrfect problem solving' and over 700 people attended from 16 countries around the world.

### ADDRESSING VETERINARY CAPACITY ISSUES

Veterinary practices across the UK continue to experience capacity issues as a result of the pandemic, staffing issues and burnout, which is of course having an impact on our own work, and cat owners in general. 37% of cat owners have experienced trouble accessing their vet in 2022, rising to 58% of those who acquired a cat that year<sup>1</sup>. We have been working with the veterinary profession to find out how we can help find solutions to this problem to lessen the impact on all cats.

### CAT WELFARE AMBASSADORS

We regularly work with veterinary professionals and other animal welfare organisations to share our knowledge of cat welfare and shelter medicine, helping to improve the care that all cats receive. We have delivered over 100 hours of talks to vets and vet nurse students, and have 11 Cats Protection student ambassadors at all but one of the UK's vet schools. We also attended the Association of Dogs and Cats Homes conference with our own sponsored room and several Cats Protection speakers.



### Puss's story

Poor Puss was suffering with a painful eye condition called keratitis when she arrived at our Bridgend Adoption Centre. As a result, the 10-year-old moggy had almost completely lost her sight and was experiencing severe discomfort. After trying several treatments to manage her condition, none of which worked, the centre team made the difficult decision to get both of her eyes removed, hoping that it would improve her quality of life. It turned out to be the best thing for Puss, as she quickly recovered and is now living happily in her new forever home with Jo. "When it came time to adopt a new family friend, our family was open-minded about taking in a cat which may be older, or have extra needs, as these cats are often harder to rehome," said Jo. "Puss just felt right – she was extremely loving, and the family house was suitable for a blind cat, with a lot of downstairs space. Since she's come home, Puss has been an irreplaceable part of the family. She is lap cat through and through, and on one of us morning, afternoon and night."

<sup>1</sup> CATS (Cats and Their Stats) 2022 UK. Visit [www.cats.org.uk/stats](http://www.cats.org.uk/stats)



# CREATING A BALANCED CAT POPULATION

For every cat to live a happy life where all of their needs are met, we need to ensure the UK has a balanced cat population. Currently there are more cats than there are suitable environments for them to live in, so it's important that we continue to develop our neutering programme and raise awareness of this important part of good cat welfare. Despite the continuing capacity issues within the veterinary profession, we still managed to neuter more cats this year than in 2021, but we are still not back to our pre-pandemic neutering levels. We are working with vets and other organisations to help improve access to neutering and continue to provide advice and support to the public to help them avoid unwanted kittens being born.

## SUBSIDISED NEUTERING

Our National Neutering Helpline has been receiving double the number of daily calls handled before the pandemic due to the cost-of-living crisis and the reduced number of neutering surgeries done during the pandemic which resulted in more kittens being born. The team has been expanded to meet the demand and we have also increased the value of our neutering vouchers to support owners affected by the cost-of-living crisis. Due to the capacity issues within the veterinary profession, we have been offering advice on securing neutering appointments and how to care for cats waiting to be neutered, in addition to issuing neutering vouchers. To help us improve our subsidised neutering campaigns for owned cats we conducted a consultation with the veterinary profession to find out how to increase their participation in the scheme. We will be acting on these findings so we can get even more cats neutered and return to the levels we achieved pre-pandemic.

## KITTEN NEUTERING

As part of a group of charities called Cat-Kind, we are trying to make neutering kittens at four months of age the norm, as this is when they are old enough to reproduce. We currently have 550 vets on our database of those willing to neuter at four months. This year we launched a YouTube campaign encouraging more vets to take up early neutering and undertook a study demonstrating the positive impact of video intervention, which was published in the *PLoS One* scientific journal.

Find out more at [www.kind.cats.org.uk](http://www.kind.cats.org.uk)

## COMMUNITY OUTREACH

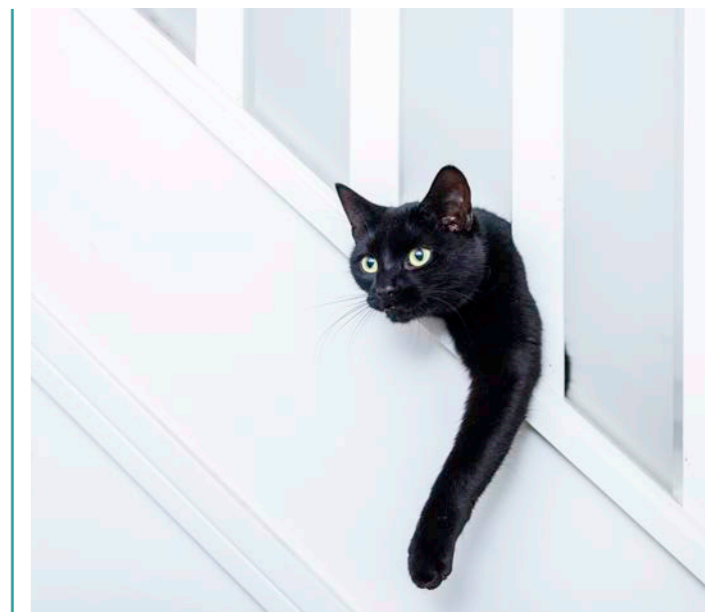
Our Cat Watch and Community Neutering teams build relationships with local communities and engage with local stakeholders to help in areas struggling with large populations of unowned cats. After launching around five years ago, the Cat Watch teams in Nottingham, Everton and Luton are moving into new areas of their cities, having established thriving community hubs that provide ongoing support for cat welfare.

In response to vet capacity issues, the teams in Luton and Liverpool have worked with vets and advocate organisations to set up regular mass neutering events to get more cats neutered. This year the Luton Cat Watch team were invited to a ceremony at the Luton Town Hall where the Mayor celebrated their community engagement in the area. In Northern Ireland and Scotland, we are beginning to use the Cat Watch model in rural communities to help us learn more about the unowned cat populations in these areas and the attitudes towards them.

Find out more at [www.cats.org.uk/cat-watch](http://www.cats.org.uk/cat-watch)

## HELPING FERAL CATS

The kindest and most appropriate way to help feral cats is to get them neutered and vaccinated and then return them to their original territory, or find them appropriate new outdoor homes, as they are not suited to living in a domestic environment. Our teams continue to trap, neuter and return (TNR) feral cats across the UK and we also offer TNR training to other organisations so they can help feral cat populations too.



## Elsie's story

When our Honiton Branch was called to a farm outside Monkton to help with a colony of feral cats, the volunteers had a big job on their hands. They eventually managed to trap and neuter six feral cats before returning them to their territory, but some of the female cats were also heavily pregnant. This resulted in 10 kittens being born and arriving in the branch's care, ready to be cared for and socialised by the dedicated volunteers. The kittens were eventually neutered and rehomed, including Elsie who was adopted by Pamela Martin. "Elsie has a very sweet, energetic personality," said Pamela. "She loves a lap to sit on in the evenings. I work from home and she often sits on my desk, or generally causes as much trouble as possible."



# ENSURING EVERY CAT HAS THE RIGHT HOME

As long as there are cats needing new homes, we will be there to take care of them and find them their perfect family. Following the pandemic surge in pet ownership, the cost-of-living crisis has unfortunately had an impact on rehoming. The waiting list of cats needing to come into our care has grown by 45%, with a 55% increase in people citing 'financial reasons' when they rehomed their cat with us. This has meant that the number of cats we rehomed this year remained similar to 2021, and has not yet returned to pre-pandemic levels. We will continue to look after cats for as long as it takes to find them new homes, and support cat owners to keep their cats during difficult times.

## DEVELOPING OUR SITES

Our Chelmsford Adoption Centre is now open after a rebuild, with additional isolation facilities for sick cats and dedicated pens for our Paws Protect service. Construction of our new Exeter Axhayes Adoption Centre is underway, due to be completed in 2023, and we began building our new homing centre in Glasgow in January 2023.

## ANIMAL WELFARE INSPECTIONS

Since animal welfare establishment legislation was introduced in Scotland in 2021, we have been reviewing all of our branches and centres in Scotland to ensure they are compliant. We have passed the first inspections to a high standard and going through this process will prepare us for when legislation is introduced across the UK.

## EXPANDING OUR COVERAGE

To fill the gaps in our services in areas where we do not have branches, we have set up Cat Action Teams of volunteers to conduct neutering work and other activities to help local cats. Our four pilot teams have proved successful and we intend to expand this scheme into new areas.

## REHOMING METHODS

During the pandemic, having fewer people moving through our centres appeared to reduce the stress for the cats in our care, so we are continuing to match cats with their new owners online. However, with the cost-of-living crisis causing a reduction in rehoming, we are also trialling different options for reopening our centres to the public so that we can encourage more cat adoptions while maintaining high standards of cat welfare. We will review these options in 2023 to decide on an approach.

## HOME TO HOME

With increasing demand for us to take cats into our care, we are trialling a new direct homing method where we help transfer cats from their existing homes to new homes without them needing to come into one of our branches or centres. We are experimenting with different ways of doing this with a small group of our adoption centres and will evaluate our findings in 2023.

## HAPPY REUNIONS

We continue to promote microchipping as the best way of helping us reunite lost cats with their owners. To help cat owners get their cats microchipped we offer discounted microchipping at the same time as neutering in some parts of the UK for owners on low income. With compulsory microchipping set to be introduced in England in 2024, we are planning how we can offer free microchipping, at the same time as neutering, more widely to help owners on low incomes comply with the new legislation.



## Freddie's story

Sad-eyed Freddie arrived at our Mitcham Homing Centre when his elderly owner became unable to care for him. Aged 15, he was very frightened and confused with his sudden change of environment, so the team did everything they could to help him feel safe and calm. They put out several appeals to find this mature moggy a home, but after 200 days he was still in care, and his sad demeanour hadn't improved. They decided to move him into the care of volunteer fosterer Linda Hamer, and in the comfort of her home he was able to relax, turning into a friendly and affectionate boy. He was soon adopted by Shuo Zhag. "It has been so wonderful to welcome Freddie into our home," said Shuo. "I was looking for an older cat and noticed that Freddie seemed to remain on the website when other cats had been taken so I wanted to give him a good 'retirement home'. Freddie has turned out to be quite a musical cat and seems to like joining in with singing the high notes. He has brought me lots of joy and I now can't imagine the house without him."





# HELPING CAT OWNERS

## PAWS PROTECT – A PET FOSTERING SERVICE FOR FAMILIES FLEEING DOMESTIC ABUSE

Demand for our Paws Protect service in London and the Home Counties has continued to grow in 2022, with more incoming referrals and foster placements than ever. In total we helped 101 families (2021: 88) flee domestic abuse by temporarily caring for their cats and then returning them safely. We are in the process of expanding this confidential, specialist service into Yorkshire, East Anglia and the Midlands, with plans for Scotland and Wales in 2024 so we can help even more cats and their owners. We are grateful to the Pets at Home Foundation for generously supporting Paws Protect this year.

For more information, visit [www.cats.org.uk/paws-protect](http://www.cats.org.uk/paws-protect)

## CAT GUARDIANS – A PROMISE TO LOOK AFTER AND REHOME YOUR CAT SHOULD YOU PASS AWAY

Planning for the future is important, and if you're a cat owner this involves thinking about what will happen to your cat if you're no longer around to look after them. For people signed up to our Cat Guardians service, we promise to take in their cat in the event of their death, and find them a loving new home that suits all their needs. In 2022 Cat Guardians took in and rehomed 157 cats, helping 161 supporters (2021: 175 cats, from 116 supporters).

For more information, visit [www.cats.org.uk/catguardians](http://www.cats.org.uk/catguardians)

## PAWS TO LISTEN – A GRIEF SUPPORT SERVICE TO HELP YOU DEAL WITH THE LOSS OF YOUR CAT

Our Paws to Listen volunteer team continues to provide compassionate emotional support and practical information for those grieving the loss of their cats. We have been there for those who have suffered pet loss, who are faced with the difficult decision of euthanasia, or have had to give up their cat due to the current cost-of-living crisis. We are continuing to raise awareness of pet bereavement in new and innovative ways and will be growing our dedicated team and adapting our training course on pet bereavement for a wider audience. When promoting her book *Cat Lady*, which covers the topic of pet bereavement, bestselling author Dawn O'Porter shared information about Paws to Listen with her social media followers.

For more information, visit [www.cats.org.uk/grief](http://www.cats.org.uk/grief)

## COMMUNITY KITTY – A HELPING HAND FOR THOSE STRUGGLING TO LOOK AFTER THEIR PETS

Some of our branches and centres have been linking up with their local human welfare organisations that provide food for people in need, to donate cat food for cat owners who are struggling to afford to feed their pets. This Community Kitty initiative helps owners avoid the heartbreaking decision of having to give up their cats for financial reasons, and ensures that their cats don't go hungry. By the end of 2022 we had introduced this scheme at over 30 of our adoption centres across the UK and in 2023 we will also be exploring other ways to provide financial support to help cats stay with their owners.

## RESPIRE FOSTER CARE – A TEMPORARY HOME FOR CATS WHOSE OWNERS ARE IN HOSPITAL

Following frequent requests for this type of service, we are trialling a new scheme that provides short-term foster care for cats whose owners need a planned hospital stay. For people who are otherwise unable to find care for their cat while they are in hospital and may be facing the possibility of permanently rehoming them, our dedicated fosterers will look after their cat for up to 12 weeks so that they can be reunited. A pilot is underway in a few locations across the UK and then we will evaluate its success.



## Marmalade's story

With his occasional lip curl and charming character, Marmalade became known for his uncanny likeness to Elvis Presley during his stay at our National Cat Adoption Centre in Sussex. The team couldn't help falling in love with his superstar nature, and it wasn't long before he got new owner Justine Crookall all shook up too. "Marmalade has settled in perfectly," said Justine. "He is a lovely little character with lots of quirks. He does a great impression of Elvis and pedals when he is happy. He has the loudest mew for such a little cat and loves to be centre of attention. His favourite place is sleeping on the sofa and playing with his fishing rod toy. He is such a lovable, cute little chap and has had several visitors since he's been with us and although nervous to start with he is getting more and more confident as the weeks go on."

# RAISING AWARENESS OF OUR WORK



To have an even bigger impact for cats and their owners, we need to reach more people to help them see the world through cats' eyes. We do this by creating engaging and informative content online, encouraging cat-loving celebrities to spread our welfare messages, and this year we got back to hosting and attending events in person too.

**6.3m**  
users visited  
our website

**1m**  
YouTube  
views

(2021: 1.5 million)

**1m**  
Meow Blog  
visits

(2021: 798,000)

**Over  
1m**  
followers of our  
regional social  
media channels

**618,000**  
Facebook followers

(2021: 608,000)

**304,000**  
links clicked in our email  
communications

**146,000**  
Instagram followers

(2021: 130,000)

**126,000**  
Twitter followers

(2021: 124,000)

**23,000**  
TikTok followers

(2021: 8,000)

**10,000**  
media articles mentioning  
Cats Protection

(2021: 10,000)





#### CELEBS AT OUR CENTRES

Pop duo Max & Harvey had a tour of our Harrow Homing Centre, and *The Only Way Is Essex* star Gemma Collins attended the opening of our rebuilt Chelmsford Adoption Centre, documenting their visits with their followers on social media to highlight the work we do.

#### NEW-LOOK WEBSITES

We have begun to launch our new redesigned websites for our branches and centres across the UK. These sites are updated by dedicated volunteers and raise awareness of our work to help people and cats in local communities.

#### THE PURRFECT HOME

To help cat owners understand what resources their cats need to feel happy and safe, we continued our #ThePurrfectHome campaign, first launched in 2021. With the cost-of-living crisis just beginning, we put an emphasis on money-saving tips, such as how to make cat beds and toys from items you have at home, and how to care for cats on a budget. Our advertising and social media content for the campaign was seen over 15 million times, with our DIY videos proving particularly popular on Instagram and TikTok.



#### MATURE MOGGIES DAY

Older cats in our care still take three times longer than kittens to find their forever homes, so we held our second annual #MatureMoggiesDay on 16 June. We shared stories of older cats waiting for new homes and advice on how to care for them, and encouraged the public to celebrate their own senior 'kitizens'. We reached 911k people on social media and the campaign received coverage in 45 media outlets including *The Sun* and *Your Cat*.

#### BIG KITTEN CON

To raise awareness about the rising trend of kittens being sold online when they are too young, we created a documentary narrated by actress Caroline Quentin and featuring Dr Fabian Rivers, BVA Young Vet of the Year and star of *The Pets Factor*, and Cats Protection experts, alongside cats and their owners who have been the victims of kitten mis-selling. The documentary has been watched 94k times and 38k people signed our petition calling for cat breeding to be regulated in the UK. The #BigKittenCon campaign was seen over 12.6 million times thanks to our advertising and social media content and was featured by over 280 media outlets, including the BBC's *Rip Off Britain*. In partnership with our media partner John Ayling & Associates the campaign won Best Not for Profit campaign in the Drum Awards for Search for the way it drove people to our website to find out more.



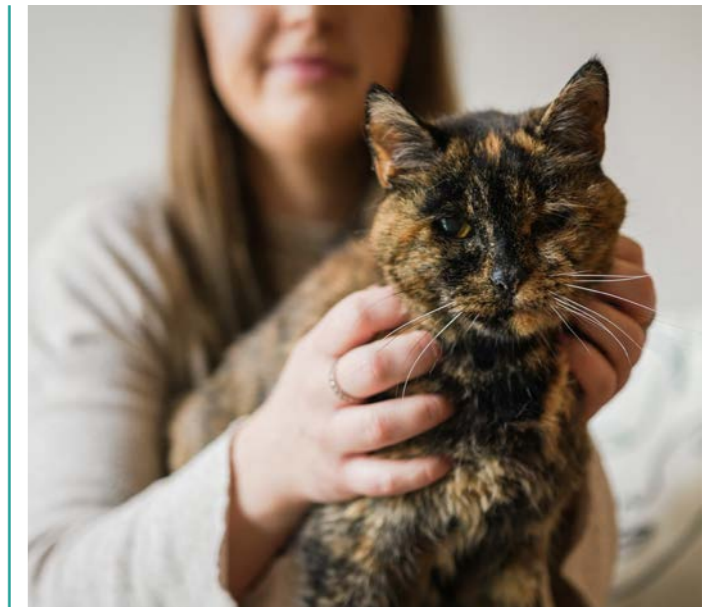
#### NATIONAL CAT AWARDS

After two years of holding the awards online due to the pandemic, we were finally able to host the National Cat Awards at London's Savoy hotel again, with cat owners and celebrity supporters in attendance. The celebrity judges included Deborah Meaden, Bob Mortimer, Max & Harvey and David and Frankie Seaman and the National Cats of the Year title was awarded to Jasper and Willow, who bring much-needed comfort to patients and staff at St Peter and St James Hospice in West Sussex. Coverage of the awards reached 1.4 million on social media and was featured in over 700 media articles, including on *BBC Breakfast*.



#### FEELS LIKE HOME

As the cost-of-living crisis took hold, the waiting list of cats needing to come into our care grew longer than ever. To raise awareness of this crisis and raise money to help us make sure our centres and branches felt as much like home as possible for the cats, we launched the #FeelsLikeHome campaign. This included a TV advert; an appeal for donations and more volunteer cat fosterers; and an online quiz of cat names on our waiting list. We also received t-shirts donated by celebrity supporters such as Holly Willoughby, Jo Brand and McFly that people could win and turn into cosy cat beds. Our Feels Like Home adverts and social media content were seen over 325 million times, and the campaign was featured in *The Independent* and *The Sun* and raised £572k.



#### Flossie's story

When Flossie arrived in the care of our Tunbridge Wells, Crowborough & District Branch, the team were shocked when her vet records revealed her to be 26 years old (120 in human years), making her the oldest cat they'd ever met. We contacted the Guinness World Records™ about her impressive age, and they confirmed she is the world's oldest living cat. Flossie, now aged 27, has been happily homed with Vicki Green in Orpington. "I knew from the start that Flossie was a special cat, but I didn't imagine I'd be sharing my home with a world record holder," said Vicki. "She's so affectionate, playful and sweet, especially when you remember how old she is. I'm immensely proud that Cats Protection matched me with such an amazing cat." Flossie's story made news headlines around the world and reached thousands of people on social media.



# OUR IMPACT

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 around **180,000** 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 around **650,000** cats, preventing millions of unwanted litters
- Our information work aims to have the long-term impact of changing attitudes and behaviours within society so that people take a more responsible view of cat ownership and welfare. In the last five years, our websites have been visited over **27 million times** and we currently have a combined total of over **913,000** followers on social media

## PUBLIC BENEFIT

We believe that our vision of a society where every cat has their best possible life because they are protected, cared for and understood by everyone benefits society as a whole. Cats play a huge part in the lives of millions of people in the UK. According to our research, 26% of UK households have at least one pet cat, with an estimated owned cat population of 11 million cats<sup>1</sup>. By supporting cats, we are providing a benefit to owners, carers and other people who come into contact with cats.

## WE PROVIDE PUBLIC BENEFIT BY:

- helping to control the incidence and spread of disease and suffering in cat populations through vaccination, neutering, and education, benefitting both human and animal health
- assisting those on low incomes with the cost of neutering and microchipping through our voucher scheme and community work
- assisting local housing authorities and local communities by taking in and rehoming stray, lost or abandoned cats, cats from multi-cat households and by controlling feral populations
- 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
- giving vet students practical experience as part of and beyond their formal training
- commissioning, undertaking and disseminating research into matters affecting cats and the human population
- providing information to the public and animal professionals to increase awareness of cat welfare. Find out more on page 8
- providing our Paws Protect, Paws to Listen and Cat Guardians services. Find out more on page 16
- providing advice to governments on animal welfare legislation. Find out more on page 28
- providing volunteering opportunities for those who wish to support our work, including through the Duke of Edinburgh programme

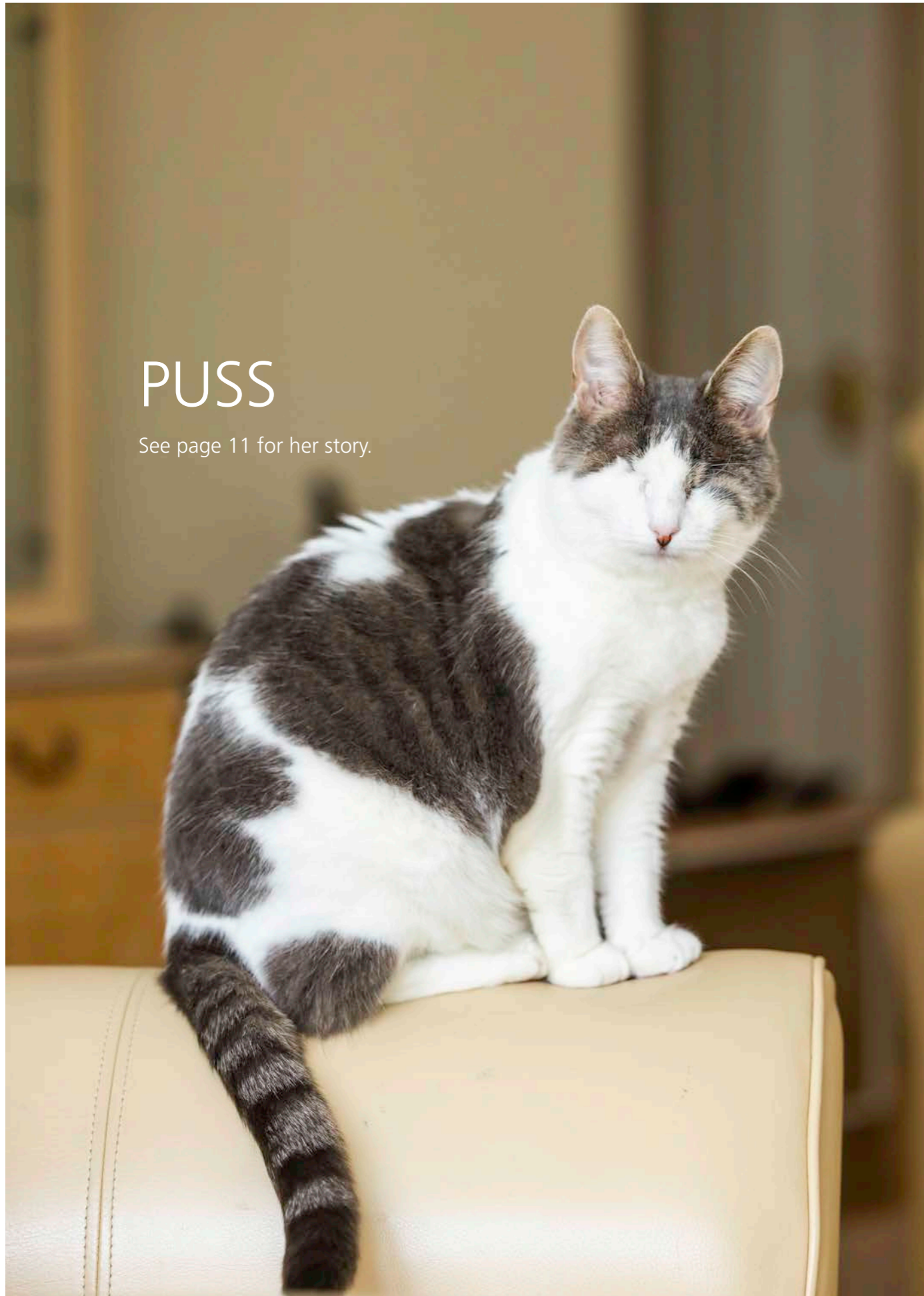
The Trustees of Cats Protection have given careful consideration to, and complied with, the Charity Commission's guidance on public benefit. This is reflected in the review of the activities undertaken by the charity contained in this report.



## Beans' story

Beans caused a real stir when they arrived at our Warrington Adoption Centre, as it was discovered they were neither male nor female. While hermaphrodite cats – which are also extremely rare – have both male and female sex organs, Beans has neither externally nor internally. This condition is so rare that there isn't a commonly used term for it, but it is effectively 'sexual organ agenesis' (where agenesis is the lack or failure of development in relation to body organs). The team were stunned, as they'd never come across a cat like this before, and so monitored Beans closely to make sure they could go to the toilet comfortably. When they were considered happy and healthy, our Tyneside Adoption Centre helped to find them a home. Beans' story made the national news and they were soon adopted by Jessi Bennett, who says: "Beans is the most confident cat I've known."

<sup>1</sup> CATS (Cats and Their Stats) 2022 UK. Visit [www.cats.org.uk/stats](http://www.cats.org.uk/stats)



# PUSS

See page 11 for her story.

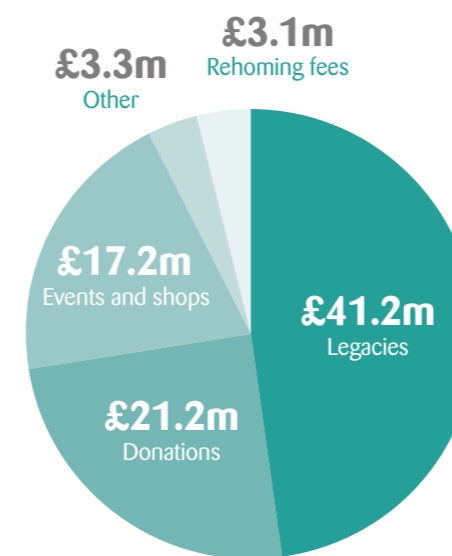
# RAISING VITAL FUNDS

Following two years of disruption to fundraising caused by the pandemic, we were thrilled to finally be able to return to in-person fundraising, as well as continue the many ways people can support us online. As we launch our new 10-strategy we need to be able to ensure long-term financial sustainability so that we can help even more cats into the future. Thanks to our inspiring supporters we are in a strong financial position to continue our work and promise to use our funds efficiently and effectively to help as many cats as possible.

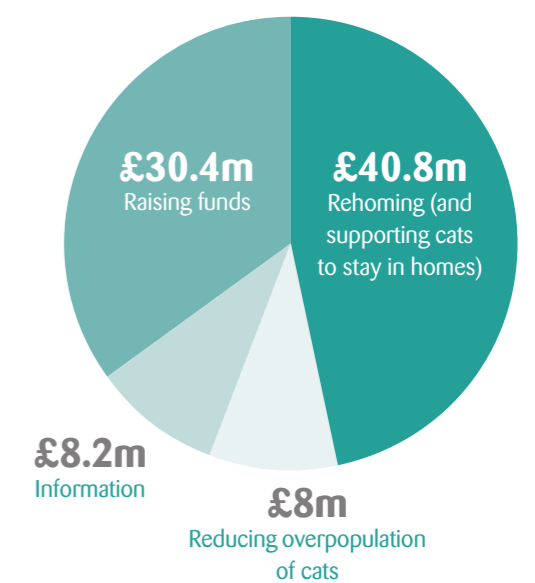
Total income  
**£86m**  
(2021: £78.2 million)

Total expenditure  
**£87.4m**  
(2021: £70.7 million)

## Where our funds came from



## How we spent our funds



These figures are based on those in the full, audited and unqualified accounts for the year ended 31 December 2022. For further details of these figures, turn to the financial review section starting on page 46.



## LEAVING A LEGACY

Every year we are touched and moved by the generosity of individuals remembering us in their Wills or giving in memory of a loved one. In 2022 we were poignantly informed of more legacy gifts than ever, with nearly half the cats and kittens we help being cared for thanks to these incredible supporters. We are forever grateful to all those who helped us raise £41.2 million through these special gifts (2021: £36.2 million).

We also saw a significant increase in the number of people donating and raising money in loving memory and celebration of people and cats, with over £615k raised in 2022 (2021: £453k). Our most heartfelt thanks to these supporters, and our sincere thoughts are with everyone who has been affected by the loss of a loved one in 2022.

## REGULAR SUPPORT

Consistent support is vital for helping us plan for the future and continue helping cats for years to come. This year, Cats Protection Members, Sponsors, Weekly Lottery players and other regular givers raised £16.9 million (2021: £14.9 million). In return for their support they receive regular updates about the cats they've helped along with several other exciting benefits.

- Sponsorship raised £5.4 million (2021: £5.6 million)
- 23,500 Members (2021: 23,000)
- Weekly Lottery raised £6.2 million (2021: £6.2 million)

## KIND DONATIONS

Many cat lovers prefer the flexibility of supporting our work with one-off gifts in response to our appeals, raffles and other activity, helping to boost the kitty so we can care for more cats.

- Over 42,000 supporters contributed to our appeals, raising £1.6 million (2021: 39,000 supporters, raising £1.5 million)
- Cat Lovers Raffles raised £2.1 million (2021: £2.2 million)

## SPECIAL FRIENDS

We are incredibly grateful for the ongoing support of our major donors and funders who continue to make a significant difference to the lives of many cats and kittens. Through their generosity of £52,000 they have helped fund an additional 18 much-needed cat pens through a specific appeal, as well as supported our work in communities across the country and helped to strengthen our campaigns and brought further awareness to what we are trying to achieve for cats.

## FABULOUS FUNDRAISERS

With more in-person fundraising events returning across the UK and internationally following the pandemic, our fantastic Cat Champions have trekked the three peaks, run the London Marathon, canoed the Zambezi river and jumped out of planes all in aid of cats and kittens. They've also taken part in our Craft for Cats craftalongs, raising £225,000 in 2022, and hosted online gaming streams as Pawsome Players. People have also been attending the wonderful community fundraising events organised by our local teams and participating in local appeals and competitions online too. The creative fundraising ideas of our cat-loving supporters always amazes us and is crucial in helping us continue our work.



## CRAFTY CATS

Emma Garnett (pictured above with her tuxedo moggy Kimmy and her crafts) has taken part in three of our Craft for Cats events and said: "I was searching for a new arts and crafts hobby when I came across Craft for Cats. I was more than happy to get a beginner's trial in a new type of craft while donating to a worthwhile cause and I really enjoyed myself! I'm not sure if my finished results look display-worthy but I'm proud of myself for giving them a go. It was a good challenge for my inner perfectionist to just focus on enjoying the fun of the process rather than trying to achieve the perfect result. It's also been lovely to see the community that's been created on the Craft for Cats Facebook group – there's never a bad word said about anyone's creations and people have shared a lot of great crafting advice."



## BACK ON THE HIGH STREET

Our charity shops finally had their first full year of trading since 2019, following the lifting of pandemic restrictions, and the teams were grateful to see shoppers returning to purchase and donate items to raise money for the cats in our care. Our 97 shops generated an incredible £9.1 million in 2022 (2021: 107 shops raised £8.3 million), with the single highest donation of £10k made to our Plymouth Shop. Shops also help raise awareness of our work, provide the public with cat care advice and this year supported our big campaigns such as the Big Kitten Con and Feels Like Home with displays and information for customers.

## ONLINE SHOPPING

As well as selling cat-themed goodies on our own online shop, and designing clothing that cat-lovers can purchase via Teemill, we have also launched our own Thriftify store, enabling customers to shop online for pre-loved items that have been donated to us. All profits from the sale of these items go towards funding our work for cats.

## A FELINE FILM STAR

To celebrate the release of the Sky Original film *The Amazing Maurice* in December, we created an exclusive range of Maurice merchandise which could be purchased from our charity shops and online store to raise funds for the cats in our care.

## PEOPLE'S POSTCODE LOTTERY SUPPORT

Thanks to players of People's Postcode Lottery, we have received an amazing £7.3 million since 2018. During 2022 we were awarded £2.5 million by Postcode Animal Trust which helped to cover the cat care costs in our centres as well as support our Behaviour team, Paws to Listen grief support service and our advocacy work speaking up for cats. Funding also helped us monitor performance and drive improvement throughout Cats Protection, ultimately enabling us to have greater impact for cats and people. We are incredibly grateful to players of People's Postcode Lottery for their support, which will make a huge difference for both cats and the people who love them.

## THANKS TO OUR PARTNERS

Funds and support from our corporate partners are incredibly important in helping us make a difference to the lives of cats and kittens across the UK and so we are hugely grateful for the generous support we have received.

Thank you to the following companies that support our work along with many others:

- Carpetright
- Ceva (makers of FELIWAY®)
- Petplan®
- Pets at Home and The Pets at Home Foundation
- Purina® Petcare
- Shark®
- Simon's Cat
- Sure Petcare

For more information about our partners, please visit [www.cats.org.uk/corporatepartners](http://www.cats.org.uk/corporatepartners)



# SPEAKING UP FOR CATS

In a year which has seen a challenging political landscape, with three different Secretaries of State for Environment, Food and Rural Affairs, we have continued to campaign for cat welfare and influence key decision makers to change the world for cats. We are incredibly grateful to all the dedicated supporters who get behind our campaigns and help us champion good cat welfare.

## A MICROCHIPPING MILESTONE

Following our successful campaigning for compulsory microchipping for owned cats, the government has announced a change in the law. From 10 June 2024, all pet cats in England must be microchipped from 20 weeks of age, making it much easier to reunite lost or stolen cats with their owners. We continue to campaign for compulsory microchipping in Scotland, Wales and Northern Ireland.

## BREEDING REGULATIONS

When Defra launched a consultation on whether cat breeding should be regulated across the UK, as it already is in Scotland, we highlighted how the market for cat sales has changed in recent years, particularly with the rise in popularity in certain purebred cats with known extreme conformations or genetic diseases. We set out that regulation of cat breeding is the only way to protect the welfare of cats and their kittens. Over 38,000 people have signed our petition calling for the regulation of cat breeding and we will continue to campaign on this into 2023.

## TACKLING PET SMUGGLING

The government's Animal Welfare (Kept Animals) Bill proposes to create new regulations that would aim to tackle pet smuggling. However, the government has indicated that these regulations would only apply to puppies and dogs. We are calling on the government to ensure cats and kittens are given equivalent protections. Nearly 17,000 Cats Protection supporters have so far emailed their MP to ask them to stop the kitten smuggling scandal.

## CAT WELFARE IN WESTMINSTER

76 MPs and Lords attended our Christmas reception at Westminster, giving them the opportunity to learn about our key advocacy campaigns as well as cat behaviour, neutering, Paws to Listen and how to scan a cat microchip.

## AROUND THE UK

### Wales

Having campaigned on this issue for many years, we are delighted that the Welsh Government has committed to banning the use of snares and glue traps in the Welsh Agricultural Bill, which is a major step forward for feline welfare, as well as other species, in Wales.

### Scotland

19% of all MSPs attended our event at Holyrood to find out about our cat welfare action plan for the Scottish Government, including compulsory microchipping and the effective implementation of laws on kitten sales and breeding. We encouraged 1,390 of our supporters to respond to a consultation on allowing responsible renters to keep pets in Scotland and our supporters sent nearly 3,000 emails to MSPs calling for compulsory microchipping of pet cats to be introduced in Scotland, as it will be in England.

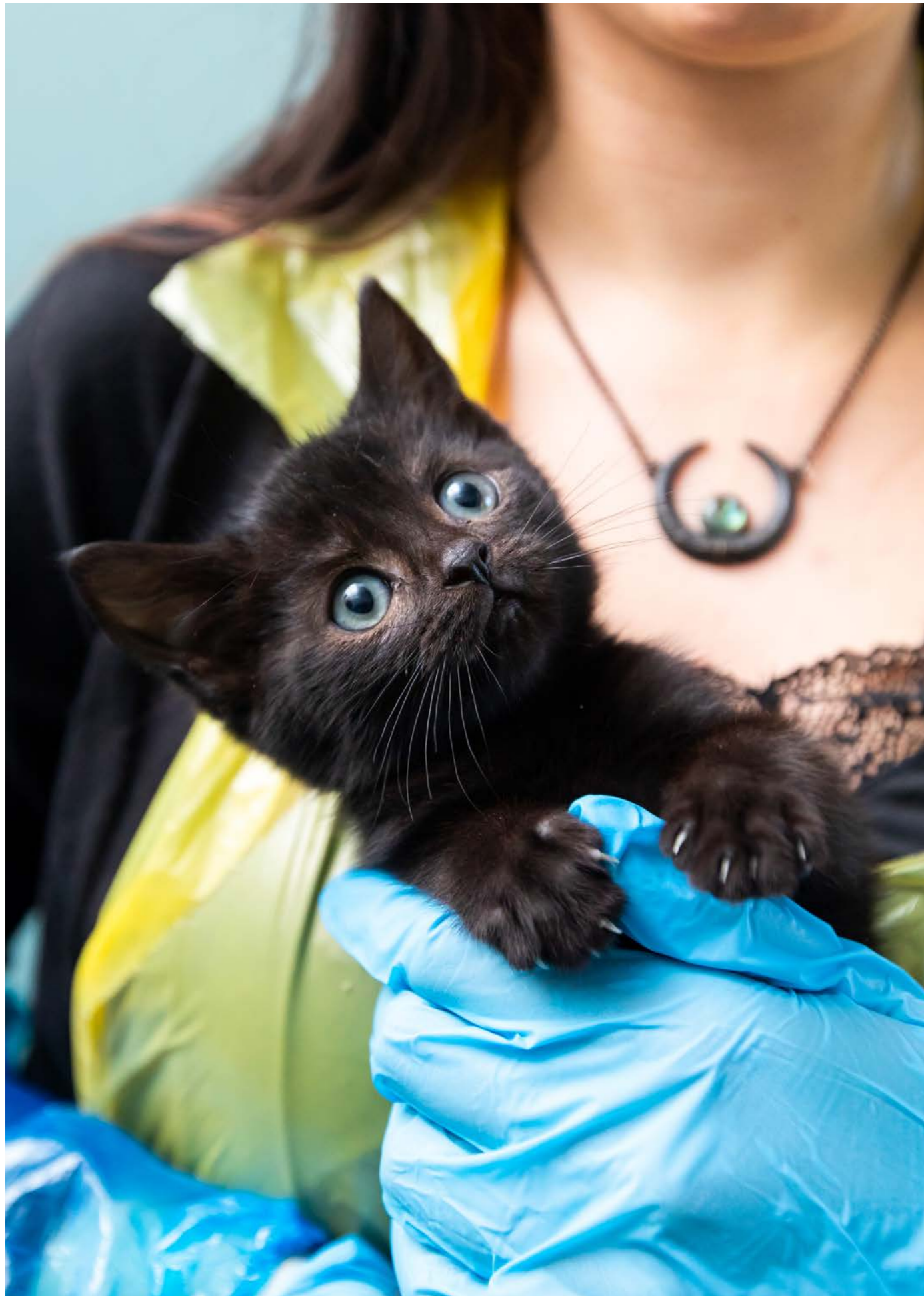
### Northern Ireland

As a member of the Northern Ireland Companion Animal Welfare Group we held virtual hustings with spokespeople from five of the main political parties to discuss companion animal welfare issues in Northern Ireland ahead of the May 2022 election. We also met with the Vice Chair of the all-party parliamentary group on animal welfare in Northern Ireland and took them on a tour of our Belfast Centre.



## Molly's story

During her stay at our Derby Adoption Centre, 19-year-old Molly was the oldest cat in our care. Coincidentally Mature Moggies Day was approaching on 16 June, and so the centre put out an appeal on a local radio station to find this senior 'kitzen' a home. Luckily, Robyn Bednall heard the appeal while out driving and was moved by Molly's story. "When I heard about Molly I thought that her story was sad, then I saw the Facebook post with her photo and couldn't resist her little face," said Robyn. "Molly has been settling in really well since I adopted her. She does have some quirks which come with being an elderly lady, she often wonders where I am at night and will shout for me but I just check on her and she's always ok. I adopted her as I wanted her to live out her retirement in comfort and I'm really hoping that she feels like she is, it's really rewarding seeing her happy little face every day."



## SUPPORTING OUR PEOPLE

Cats Protection is a movement of people working together to improve the lives of cats across the UK, and so by supporting the work and wellbeing of our people, we can empower them to help even more cats and have an even greater impact on cat welfare. As part of our new strategy, we have outlined the values and behaviours that underpin our culture and will use these to inform our development, building on what already makes Cats Protection a great place to work and volunteer.

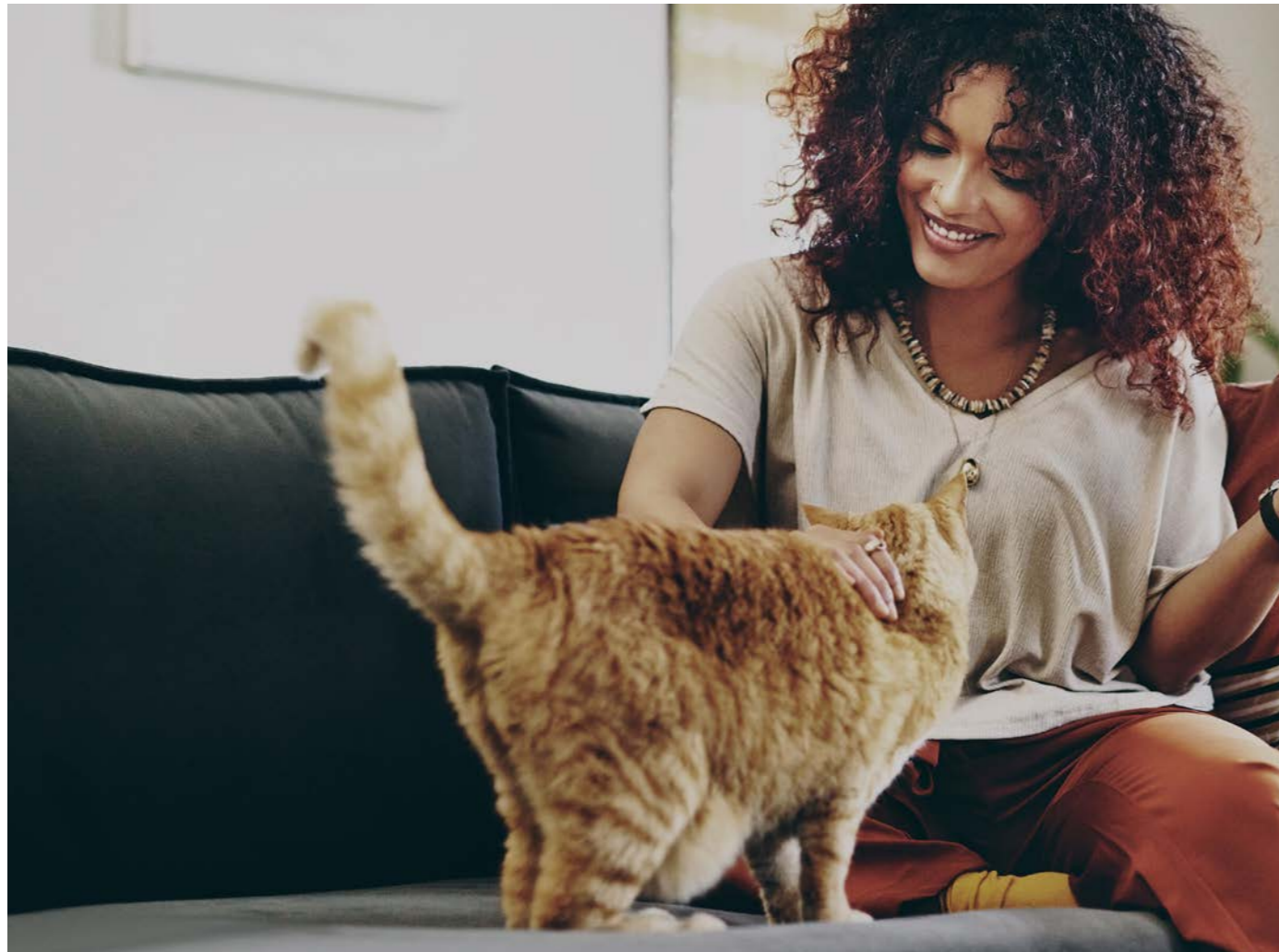
### SAFEGUARDING

Our new safeguarding strategy has been fundamental in ensuring our people are safe and secure in their work and know how to raise any safeguarding and whistleblowing concerns. We have delivered over 180 safeguarding training sessions and our safeguarding course has been completed over 3,500 times by people throughout the organisation, including Trustees, directors, volunteers and employees. We have implemented DBS checking for appropriate job roles and have ensured safeguarding is included in recruitment, job descriptions, induction, training and ongoing governance.

### EQUITY, DIVERSITY AND INCLUSION

Our commitment to improve our equity, diversity and inclusion remains strong but we still have much to do so we are reviewing our priorities and will be launching a new plan in 2023. Meanwhile, we have already improved bias-free recruitment, changed our language to be more inclusive, engaged life groups in reviewing policies, boosted our reach with our Pride Network and actively participated in Pride events. We have a new maternity policy and benefits which improves our statutory position, and we have surveyed our managers and people in how best they want to work following the pandemic.





## LEARNING AND DEVELOPMENT

We continue to be leaders in cat welfare learning and provide high-quality courses to bring the best learning to our people. We are working with professionals within our organisation to expand our learning opportunities with planned programmes that align with our strategy and deliver proven impact for cats. We have delivered over 11,000 learning interventions online to our people providing flexible and inclusive ways to improve their knowledge and develop.

## WELLBEING

We're proud that:

- 88% of our volunteers and employees feel proud to volunteer/work at Cats Protection
- 86% of our volunteers would recommend Cats Protection as a good place to volunteer
- 80% of our employees feel that they are treated with fairness and respect

The results from our 2022 people survey also demonstrated areas for improvement and so we are focusing on engaging and empowering our managers to create bespoke improvements for their teams. Many have already had meaningful discussions on integrating wellbeing into their day-to-day activities and finding more time for reflection, learning and better understanding the work of the whole organisation. We hope to hold our next people survey in 2023.

## REWARD AND RECOGNITION

We launched a review of our reward and recognition provision, and from this improved our governance and process around job evaluation and our engagement around our benefits so we are more appealing to future and existing employees. We delivered an early cost-of-living award to recognise the impact the cost-of-living crisis is having on our people, and levied the award, paying those on the lowest pay a higher percentage and those on higher pay a smaller percentage. Further work is planned for 2023 as we will continue to champion our benefits and focus on the wellbeing of our people.

## VOLUNTEER SUPPORT

Our volunteers continue to be the lifeblood of our organisation and we have been restructuring the support we provide so they can deliver our services even more effectively and efficiently to help more cats. We also continue to work collaboratively with our volunteer consultative body, Connect, helping us to understand the perspectives of our volunteers in all parts of our work for cats and engaging them in our strategy and behaviours. While we have seen a decline in active volunteer participation in 2022, this is largely down to more accurate assessments of our volunteer numbers and also a number of volunteers having not returned following the pandemic or retired from active participation.



## Fergie's story

As helicopter engineer Adam Hughes was returning from work at the Royal Navy's helicopter base near Helston, he saw what he believed was a piece of cardboard on the inner perimeter road of the airfield. Only when it moved did he realise it was a small, injured kitten dragging her back leg behind her as she ran. She quickly limped under a parked car, before climbing into its engine chamber. Adam got permission from the car's owner to dismantle it, and with the help of a passing lorry driver, managed to get the poor kitten out. He called our Cornwall Adoption Centre who rushed her to the vets for emergency surgery to amputate her leg. Once she recovered, Adam and his family gave little Fergie a home. "She really isn't wary of new people, proven last week when she fully 'assisted' the chimney sweep throughout his efforts including the attempted completion of the paperwork!" said Adam. "Needless to say her tripod condition certainly doesn't stop her turbo turn of speed. She is certainly proving to be a very loving, affectionate and chatty furball."





## ENVIRONMENTAL IMPACT

Along with every organisation, we have a responsibility to reduce our carbon footprint and increase our environmental sustainability. That's why we have started a programme focusing on how we can reduce our impact on the environment.

As a first step we are looking at how we move to a greener fleet. We have started work to install electric vehicle charging points at our centres, to allow us to begin replacing our vans with electric vehicles in early 2023. Moving to an electric fleet will bring a range of benefits, not least that electric vehicles are cheaper to run (up to 60% cheaper than the diesel or petrol equivalent over a year) and the money we save will allow us to help more cats. The transition to electric vehicles also means as an organisation we are following the UK's Net Zero Strategy to reach net zero emissions by 2050. This means moving to clean power and reducing the reliance on fossil fuels and the emission of greenhouse gases.

We are also looking to partner with climate specialists who will help us quantify our emissions so we can understand them better. Once we have this, we will be able to baseline our emissions and create targets for ourselves.

Reviewing our property is also a key action and we will be reviewing ways that we can reduce our property's energy usage which will bring not just an emissions reduction benefit, but a financial one.

Throughout 2023 and beyond we will also be looking at other ways to better understand, and reduce, our environmental impact across all our work.





## LOOKING AHEAD

While we achieved a lot for cats in 2022, there is still much more to do, so we have robust plans in place to help us work towards our vision of a society where every cat has their best possible life because they are protected, cared for and understood by everyone.

### IMPROVING THE WELFARE OF ALL CATS

We aim to improve the lives of all cats, whether they are owned, in shelter care or feral. To do this we are:

- developing a set of tools that our people will use to deliver consistent standards of welfare for the cats in our care
- making our subsidised neutering process for owned cats simpler for the public to access and the veterinary profession to deliver
- improving the help we give to the most vulnerable cats and cat owners in society and finding ways cats can stay in suitable homes. This includes recruiting more volunteer fosterers and expanding our Paws Protect service into new areas of the country to help even more families fleeing domestic abuse

### WORKING TOGETHER AS ONE

To achieve our long-term goal of a healthy, balanced cat population in the UK, resulting in fewer cats needing new homes, we will work together to get more cats neutered and promote the health benefits of neutering. We will do this through educating the public about neutering and reaching new audiences to spread this message further; influencing key decision makers about good cat welfare; and empowering our people to neuter more cats in their communities.

### RAISING FUNDS SUSTAINABLY

We will work to improve how we understand cat lovers and develop new ways for them to support us, both as donors and with their time. We will do this by creating new ways to fundraise for us, and new volunteer opportunities that can be flexible and rewarding. A new finance system will give us greater insight into how we're raising money, and how we're spending it. This will help us build a sustainable income and focus on activities that deliver best outcomes for cats.

### BEING MORE EFFICIENT AND EFFECTIVE

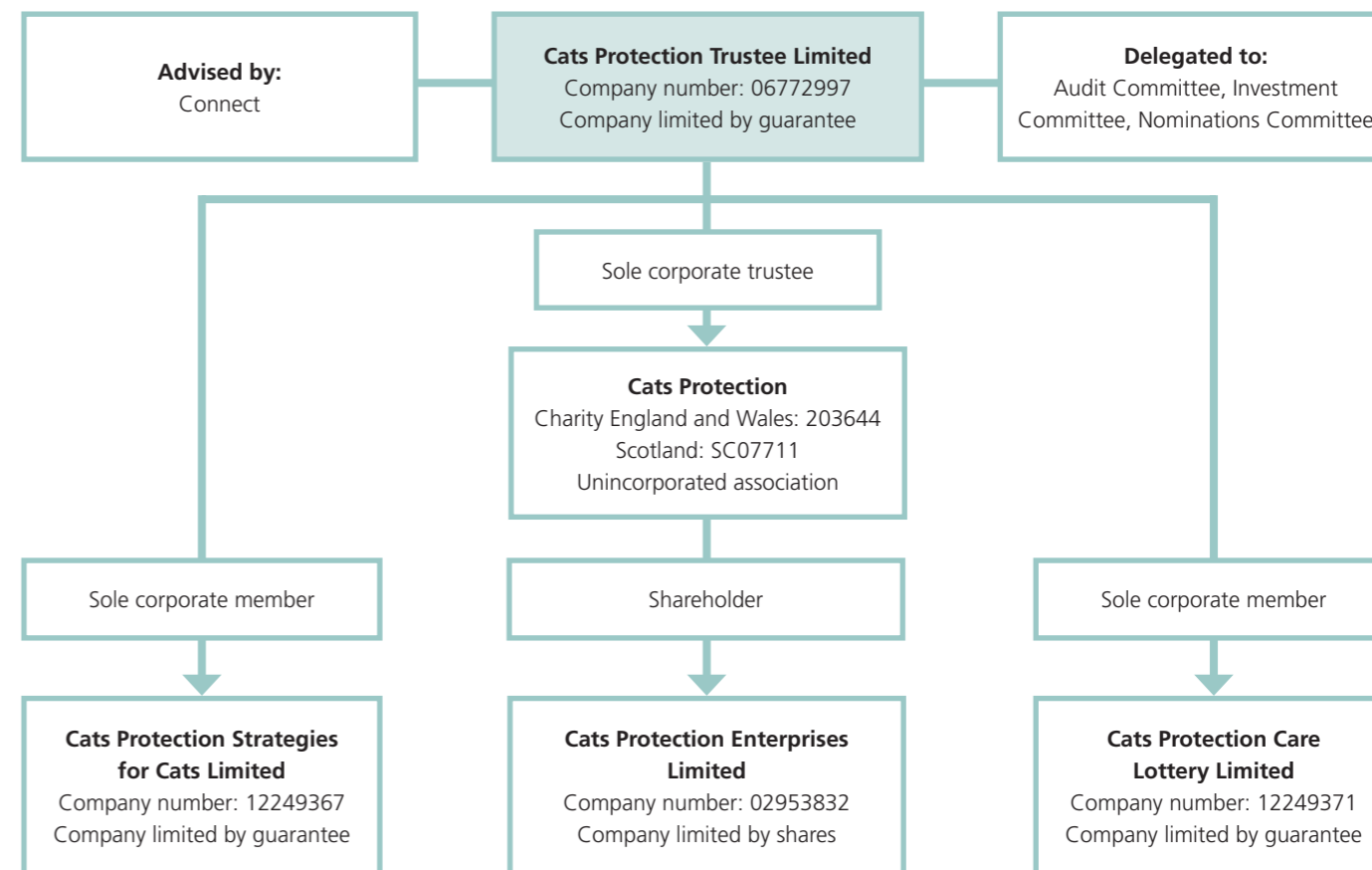
- Technology can make our work easier and more impactful. We will continue to invest in technology and strengthen our cyber security, as well as exploring how our people can use their own digital devices to carry out our work
- We are developing evaluation tools to continually improve our activities to make them more effective, so we can help more cats and people

### GROWING SAFELY

As we progress with our new 10-year strategy, we will continue to evolve our charity governance so that we can grow safely and thrive. With support from our external auditor, we will continue to review and improve our internal governance processes, including our approach to risk management, committee structures and impact reporting.



# 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. 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.

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 three sub-committees being the Audit Committee, the Investment Committee and the Nominations Committee.

All Directors on the Board of the Corporate Trustee are recruited through an open, competitive process. This involves interviews with the Nominations Committee. Appointment of Directors is the responsibility of the Board. Board Directors are recruited according to a skills and background matrix and to ensure that the voices of at least four Cats Protection volunteers continue to be heard around the Board table.

A volunteer consultative body, Connect, helps to ensure that volunteer voices inform the development of the charity's strategy and direction. It comprises up to 20 Cats Protection volunteers from a variety of roles. Directors may not be members of Connect but meetings are chaired by a Director.

Cats Protection Enterprises Limited is the trading arm of the charity and is a wholly owned subsidiary.

In 2019, two subsidiaries were established to run lotteries and raffles for Cats Protection – Cats Protection Strategies for Cats Limited and Cats Protection Care Lottery Limited. The companies are limited by guarantee and do not have share capital. On winding up of the companies, the charity guarantees to provide such an amount as may be required but not exceeding £1. In 2020 the Gambling Commission increased the cap on income charities can raise through lotteries and raffles to £50m a year. As a result of this increase the original purpose of the two companies was removed. Neither company has traded and both are considered dormant.

## GOVERNANCE

The Board of Directors met seven times during the year in person. Connect met four times during 2022 both in-person and virtually. Members met at the Annual General Meeting which was held virtually.

Three new Directors were appointed during 2022 and two resigned having reached the end of their term. The induction programme has consisted of familiarisation with the workings of the charity and its policies through visits to branches and centres, and meetings with the Chair, other Board Directors and members of the Executive Management Team. Ongoing training and support for all Directors is provided through formal and informal briefings from the Chief Executive, Executive Management Team, third-party specialists or external courses as appropriate.

The Audit Committee provides assurance to the Board that effective systems of internal control are in place to safeguard the charity's assets. It also monitors the performance of the charity's appointed internal and external auditors. The Committee consists of no fewer than three Directors and at least one external, independent member, with no more than eight members in total.

During 2022, the Committee met three times for Committee business. External and internal auditors are invited to attend meetings and private sessions are also held with the auditors without the presence of employees. Management and other employees also attend the meetings where relevant, except during the private sessions with the auditors.

In 2022, the Audit & Risk Committee approved the plans of both internal and external audit and received reports on findings from their respective audit reviews. Terms of reference for individual audit reviews were also approved by the Committee. Reports by internal audit on the following areas were received during the year: cyber-security, response data, governance, safeguarding. The term of contract for the internal auditors came to an end during the year, and following a full tender process new internal auditors were appointed in December 2022.

The Committee also reviewed and advised on the charity's risk management processes. The Committee regularly considered developments in laws and regulations governing charities and how these impact on Cats Protection.

The Investment Committee assists the Board in safeguarding the charity's financial assets and in determining the investment policy. It has no fewer than two Directors and up to four independent advisors, but no more than seven members in total. During 2022, the Committee met twice with the investment managers, advisors and relevant employees. At each meeting, it considered the current financial performance of the charity and the performance of the portfolio, including whether funds were invested in accordance with the asset allocation strategy set out in the Statement of Investment Principles.

The Nominations Committee normally meets twice in the year, however this year met six times to support the recruitment of new Directors and members of Connect.

The Board reviews the work of the three Committees throughout the year. Appointments to all three Committees are made by the Board.

## THE CHARITY GOVERNANCE CODE

The Charity Governance Code was published in 2017 and updated in December 2020. The code sets out seven principles of good governance and encourages charities to review their governance structures and processes against the code to ensure that they are fit for purpose and operate efficiently. Cats Protection regards the code as a valuable tool to support continuous improvement of its governance arrangements and believes that the charity is best placed to achieve its ambitions and aims if it has effective governance.

Cats Protection completed a governance review in 2019 and in doing so, applied the principles set out in the code, in particular, those relating to a Nominations Committee, succession planning and Board effectiveness. The code also explains that compliance with the law is an integral part of good governance. With this in mind, the charity carried out a comprehensive compliance review in 2020 and adopts an approach of continuous improvement to strengthen processes and controls, applying the code principles relating to decision making, risk and control.

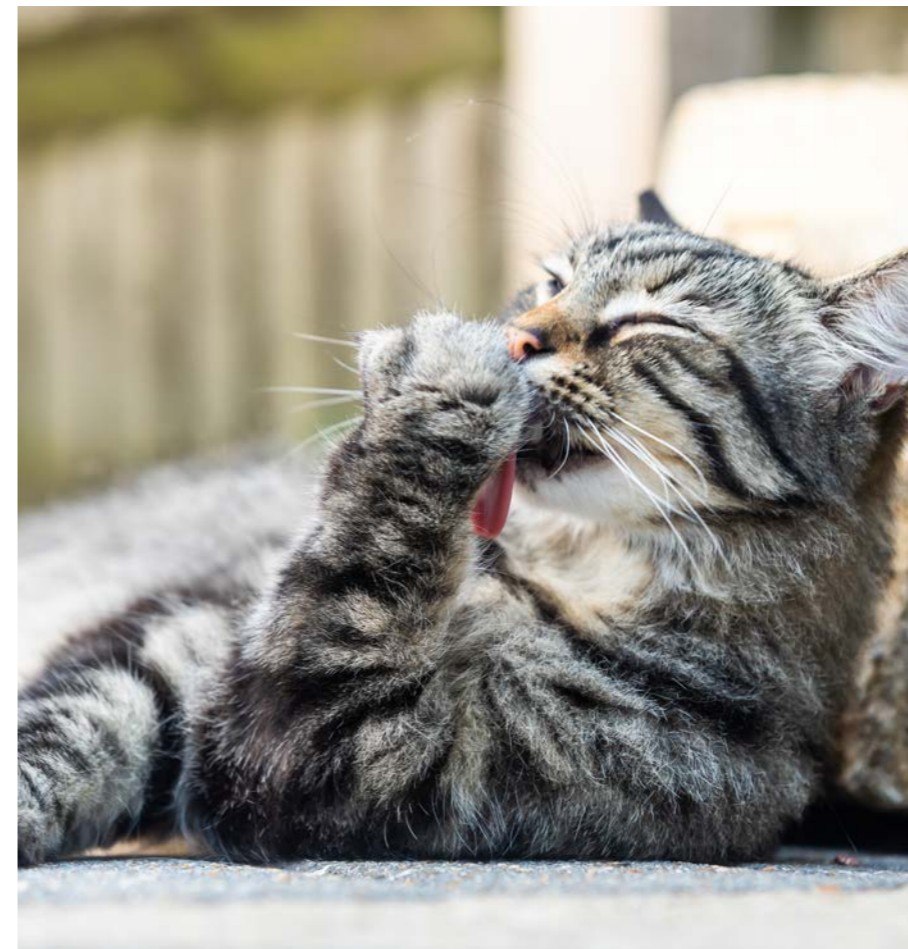
The Board commissioned an external review of its governance arrangements to be carried out by the National Council for Voluntary Organisations (NCVO). The report was presented to the Board in December 2022.

## MANAGEMENT

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

For operational effectiveness, the UK is split into regions. Regional employees are responsible for developing the activities of volunteer-run branches and our centres, as well as promoting community neutering and education, and locally-based fundraising activities. As part of our commitment to supporting local activities, much 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.





# BEANS

See page 23 for their story.



## HOW WE ENSURE YOU CAN GIVE WITH CONFIDENCE

Cats Protection ensures that our values are reflected in all our fundraising activities. We never have, nor will, condone unreasonable intrusion or undue pressure being placed on anyone, with particular safeguards, training and guidelines in place to protect vulnerable people.

To generate the funds Cats Protection needs to continue the support we are giving to cats and kittens across the UK, we fundraise in a variety of different ways. We ask people to donate to the charity via one-off or regular donations or become members of Cats Protection. We encourage supporters to sponsor cat pens or play our lottery or raffle. Cats Protection is also fortunate to have many thousands of volunteers and supporters who raise funds in the community for the charity through events, treks, challenges, crafting, online gaming and social media tools. We also raise funds from trusts, foundations, companies and major donors who have an affinity with our work and with whom we have partnerships such as the People's Postcode Lottery.

We raise money through our network of shops selling mainly donated goods. We also sell new goods through our website and catalogue. Since May 2022, we have been working with a third party to create an online sales platform for the future, one that allows Cats Protection to grow our online retail income. Finally, we ask our supporters and potential supporters to consider including a gift to the charity in their Will.

In 2022, we promoted our fundraising and donation options in various ways. We advertised on television, the internet and on social media. We sent postal and electronic mailings to people on our database and members of the general public who we thought would be interested in and may support our work.

We also partnered with face-to-face agencies to recruit new monthly supporters for the charity at 'private site' venues, such as shopping centres, workplaces and shows across the UK. This activity has yet to return to pre-pandemic levels but we are getting there slowly as the world continues to open back up. 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.

### BUILDING PUBLIC TRUST

We are long-term members of the Institute of Fundraising, the Direct Marketing Association and the Lotteries Council. We are registered with the Fundraising Regulator and the Fundraising Preference Service and have paid the annual levy since its inception. We are licensed by the Gambling Commission for our lottery and raffles. Employees, volunteers and all our partner agencies follow the Code of Fundraising Practice, which can be found at [bit.ly/Code-of-Fundraising-Practice](https://bit.ly/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 [bit.ly/CIF-standards](https://bit.ly/CIF-standards).

We have several controls in place to ensure that the trust and confidence of the public and potential donors is maintained. All contracts we enter into with third parties include clauses that insist on meeting the requirements of the Charities Act, Fundraising Code, Gambling Act and Data Protection legislation, and compliance with our vulnerable persons policy. Professional fundraising agencies must have clear, transparent and up to date policies in place to protect vulnerable people and other members of the public from unreasonable behaviour.

We call new donors 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 discontinue their donation if they so wish.

All staff, volunteers and fundraisers at our agencies receive specific Cats Protection training before conducting fundraising activities on our behalf. Guides are produced for agencies and our volunteer-run branches.

We carry out a structured programme of mystery shopping in-house and work with the Institute of Fundraising to facilitate their mystery shopping to ensure agencies acting on our behalf apply the required standards. This is a standard requirement of our contract with any fundraising agency. We meet with all third parties regularly to discuss any compliance issues and training.

The General Data Protection Regulation (GDPR) sets out our responsibilities in relation to the personal data that we collect and hold and is designed to enhance the rights of individuals in controlling their own personal data.

We have always taken privacy seriously and we have an internal team to ensure that we continue to be compliant with the changes introduced by GDPR. The group have examined data protection policies, data mapping, data retention and cleansing, supporter data privacy, consent and preference management, data processors and data transfers.

All employees and key volunteers are required to complete a specifically designed data protection training course as part of their induction. Our Legal and Information Governance teams ensure that everyone is kept abreast of any new changes or developments in the law.

For more information on how we use and protect personal data, please see our privacy policy:

[www.cats.org.uk/terms/terms-privacy](https://www.cats.org.uk/terms/terms-privacy)

Despite these controls, we do occasionally receive complaints. In 2022, we received a total of 59 complaints about our fundraising (2021: 30). We aim to resolve all complaints as soon as possible, and in 2022 we resolved 91.5% within 21 days (2021: 86%). The number and nature of complaints received is carefully monitored so retraining can be targeted appropriately. Our training of personnel from all of our contracted fundraising organisations includes the issue of protecting vulnerable adults and sets out the appropriate action that we expect them to take. Our training is based on the 'Treating Donors Fairly' guidance developed by the Institute of Fundraising, which can be viewed at [bit.ly/CIF-donors](https://bit.ly/CIF-donors).

We also hired a Fundraising Governance & Compliance Manager in July 2022 who oversees the processes mentioned above. They will also ensure all of Cats Protection's fundraising employees are fully trained in the Code of Fundraising Practice and other fundraising regulations, ensure Cats Protection policy is up to date and to act as a critical friend to make our fundraising as trustworthy as possible.

# FINANCIAL REVIEW

## FINANCIAL PERFORMANCE IN 2022

2022 has seen the first full year of operations since the pandemic and the launch of our 10-year strategy. Economic pressures and the cost-of-living crisis are undoubtedly affecting the charity with increased demand on our services and inflationary impacts on our cost base. Waiting lists for cats to come into our centres have increased, and it is taking longer to find homes for the cats. We are however pleased to have been able to neuter more cats than in 2021 and are trialling new ways of supporting cat owners and working with the veterinary profession under our new strategy.

Our generous donors have continued to support our activity, and income levels have held up well during the year despite the cost-of-living pressures. Our shops have been delighted to welcome back our customers and income has increased accordingly.

Like many charities our investment portfolio has been hard hit by the market turmoil following the Russian invasion of Ukraine and the Truss/Kwarteng mini-budget in September, with a direct impact on our reserves through these unrealised losses.

## INCOME

Overall, total income for the Group was £86.0m, which is £7.8m (9.9%) higher than 2021. Legacy income has increased by £5.0m (13.9%) compared to last year. Donation income increased by £1.5m (7.6%) as we continue investment in new ways of recruiting donors and maintaining our existing donors.

Rehoming fee income has increased by £1.9m (57.2%) over 2021. Commission earned on Petplan® insurance of £1.0m is now classified as income ancillary to rehoming activity and is categorised under 'Rehoming fees and ancillary income' after a restructure of the contractual relationship with Cats Protection. Insurance commission income is received every time a new policy is purchased or an existing policy renewed for an adopted cat. Under the previous contract this was classified as income under 'Commercial trading operations'. Underlying rehoming fees have increased by 1% over 2021.

Shop income has increased by £2.1m or 37.5% over 2021, although this has not yet returned to pre-pandemic levels. We have continued our closure of underperforming shops, and like many in the sector experienced difficulties in recruiting retail employees earlier in the year with consequent effects on shop openings. The reduction in commercial trading income year on year reflects the new contractual arrangements with Petplan®.

Income from fundraising events was £0.2m (1.8%) above 2021.

Note 10 explains the year-on-year movement in the items that are included as other income in the statement of financial activities (SOFA).

## EXPENDITURE

Total expenditure in 2022 was £87.4m, which is £16.7m (23.7%) higher than in 2021.

Expenditure on rehoming cats was £40.8m, an increase of £6.7m (19.8%) compared to 2021. While the number of cats being rehomed is similar to 2021, the cost to care for each cat has increased with higher veterinary costs and inflationary effects on the costs of running our centres.

Expenditure on reducing the overpopulation of cats was £8.0m, an increase of £2.0m (32.9%) compared to 2021. Access to vets has continued to be challenging with ongoing capacity constraints across the profession combining with higher fees. Nevertheless we have been able to neuter a higher number of cats than in 2021 but at a higher cost per cat.

Expenditure on our education and information charitable activities was £8.2m, which is £2.9m (56%) higher than 2021. We have resumed our full programme of activities and have invested in advocacy and campaigns to raise our profile with our Feels Like Home campaign and delivered key welfare messages such as the Big Kitten Con.

Expenditure on raising funds totalled £30.4m in 2022, which represents an increase of £5.1m (20.1%) compared to 2021. We have at last been able to return to in-person fundraising, in particular for our events, and our shops have been open for a full year. We have invested in growing our donor database with an eye to the future.

## OUTTURN

Income has increased in 2022 over 2021 and we have taken advantage of our strong reserves position to invest in new activities under our new strategy and to start to replace old and outdated technology. Markets have been challenging during the year and our investments recorded a loss of £7.5m (2021: gain of £4.0m). The outturn for the year after accounting for this loss was a deficit of £8.9m. The net assets on our balance sheet are now £118.1m (2021: £127.0m).

## REVIEW OF SUBSIDIARY'S ACTIVITIES

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

- sale of new goods to the general public through shops, fundraising events and online
- sales relating to licensing the use of the Cats Protection brand to other commercial entities

In 2016, a Deed of Covenant was signed which stated that all future annual profits of the Company will be paid to the charity. The Gift Aid distribution in respect of the year ending 31 December 2022 is £0.63m (2021: £1.53m). The payment will be made within nine months of the year end.

The financial results of the Company for the year are as shown in Note 21. The profit on ordinary activities for the year ended 31 December 2022 amounted to £0.6m (2021: £1.5m). Turnover in 2022, at £1.6m, represents a reduction of £0.7m (30%) compared to the previous year (2021: £2.3m). This reduction is mainly due to the transfer of the contract with Petplan® to Cats Protection following discussions with Petplan® who consider that the insurance purchased is ancillary to the charity's main business of animal welfare. Cost of sales in 2022 was 54% of turnover (2021: 28%). Administrative expenditure was £113k for 2022, a decrease of £17k compared to last year due to the overhead recharge from the parent charity reducing to reflect the change in activity levels. The full profit of £0.6m will be paid to the charity in 2023 as a Gift Aid payment.

## 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 SONIA (Sterling Over Night Index Average). This investment performed in line with the objectives in 2022 with returns exceeding SONIA.

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 and strategic investment. We have appointed two professional fund managers to manage the portfolio, Rathbones Investment Management and Sarasin & Partners LLP. The portfolio is allocated broadly equally between them. In December 2021 the Trustees approved an increase in the objective for fund managers to a total return of CPI +3% measured after fees and annualised over five years. This was implemented from February 2022.

A composite benchmark exists to measure the performance of the funds against the average performance of the underlying asset classes, enabling us to evaluate whether the management of the funds has resulted in more or less favourable returns than the markets, even in a downturn such as experienced during 2022. Both investment managers underperformed against this benchmark. Sarasin outperformed against the comparator peer group of similarly structured charity investment portfolios while Rathbones underperformed against this index which delivered a negative return of 9.6%. With high inflation rates they have both underperformed the target return of CPI +3%. There were no breaches of our ethical policy in the charity's investments. The charity does not hold any mixed motive investments. Mixed motive investments have the joint purpose of providing a financial return while delivering directly the aims of the charity.



## ETHICAL POLICY

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

## RESERVES POLICY

The aim of Cats Protection's reserves policy is to ensure that the charity's ongoing and future activities are reasonably protected from unexpected variances in its income and expenditure. The Board reviewed the reserves policy in 2022 and agreed that a minimum level of unrestricted general funds, also known as free reserves, equal to three months' expenditure (£22.3m) is appropriate given the risks faced by the charity, the sustainability of our different income streams, and the costs that would likely be incurred if, in the very worst-case scenario, the charity folded.

Free reserves as at 31 December 2022 were £39.1m (2021: £50.5m), which is £16.8m above the minimum required by our current reserves policy. The charity experienced unrealised investment losses totalling £7.5m during 2022 following a period of unrealised gains across 2020 and 2021. The losses were incurred as a result of the market response to the war in Ukraine and fears of global recession and are taken into account in the balance on free reserves.

The approved 2022 budget for the charity assumed that any further impacts from COVID-19 would be minimal. This has not proved to be the case universally and our retail chain was particularly impacted by lost trading days due to COVID-related sickness in the early part of the year as well as difficulties in recruiting employees. We continue to assess the performance of individual shops across the chain with a view to closing underperforming shops where turnaround has not been possible, but also

investing in new shops in suitable locations. Revenue from fundraising events has also struggled to achieve pre-pandemic levels during the year, but in recent months has shown some recovery. Other income streams have proved resilient in challenging times and have responded to careful investment in targeted marketing.

During 2022, we have progressed with the implementation of our 10-year strategy. Significant investment is required in parts of the charity's infrastructure to deliver our full potential under the strategy. As our free reserves are above the minimum level, we are well placed to deliver this and even greater impact for cats and cat welfare.

The charity holds three designated funds:

- the fixed assets fund is an accounting reserve that matches the net book value of our fixed assets – this fund had a balance of £41.7m at 31 December 2022
- the capital development fund exists to support the charity's 10-year capital plan. Expenditure of £2.2m on capital projects included in the capital plan during 2022 has been charged to this fund. Additional funds of £3m were transferred to the fund in the year. The main item of expenditure relates to work on the redevelopment of the Exeter Axhays Adoption Centre. The balance on this fund at 31 December 2022 was £27.2m
- the strategy development fund which was created at the end of 2019 to fund one-off expenditure that will be incurred to support the strategy development programme. Additional funds were transferred to create a total designated fund of £5.0m at 31 December 2022 (2021: £5.0m). Expenditure of £2.7m was charged against this fund during 2022. £2.7m was transferred to the fund during the year to retain the balance at £5.0m.

At 31 December 2022, the charity held £5.2m (2021: £5.5m) of restricted funds. These are funds that were raised or donated for a specified purpose, either for a geographic area or a particular activity. 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 19 to the financial statements.

## RISK MANAGEMENT

Risks are managed across all levels of the charity. Trustees are accountable for the risks the charity takes. Strategic risks are considered by the Board and by our Board committees.

We monitor the ultimate impact of a risk and forecast how different actions can reduce the impact. The Board decides how much risk it is willing to take across several areas. This allows the Executive to work within boundaries set by the Trustees when making operational decisions and planning work.

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 Charity Risk Register was reviewed regularly with a full refresh twice during the year. The principal risks facing the charity are diverse and include the limited availability of veterinary services, increasing numbers of unneutered cats, safeguarding our donors, volunteers and employees, supply chain, and cyber security. Managing our ongoing financial sustainability remains a focus of this work, supported through the governance of our ambitious change programme. We have continued to invest in our IT infrastructure,

our people and the cat welfare services we deliver to improve cat welfare and change human behaviour. The programme utilises a portfolio management approach to ensure that the individual projects are appropriately prioritised, sequenced, progress is monitored and the desired benefits are delivered.

Risk category	Summary of risk	Mitigations and actions
Supply chain	Limited vet capacity impacts on operational activity, or long-term strategic delivery  Shortage and or significant price increases in core supplies: cat food, medicines, vaccinations  Delays in availability of construction services and supplies	Consultation with veterinary profession to determine solutions  Monitoring of indices to identify supplies at risk; forward purchasing; dual supplier strategy
People	Safeguarding failure of employees, volunteers or donors  Failure to attract and retain skilled volunteers	Leads for safeguarding and fundraising governance are in place; governance, training, reporting and safe recruitment practices embedded  Volunteer experience to be addressed as part of 10-year strategy
Security and systems	Cyber-security breach  Technology failure	Programme to deliver Cyber Essentials Plus accreditation is underway  Replacement of older technology including finance system and customer relationships management (CRM) forms part of 10-year strategy
Environmental	Economic conditions create unmanageable demands on services  Increases in numbers of stray, feral and unneutered cats	Ten-year strategy will seek to implement longer term solutions to manage demand; consultation with vet profession to increase participation in subsidised neutering schemes; shorter term tactical responses to increased demand can be implemented
Cat welfare	Mistreatment of cats in our care by employees or volunteers  Inconsistent welfare standards  Breach of law	Policies and procedures, training, improved data through new systems; tolerances for monitoring and actions
Strategic	Scale and complexity of strategic implementation	Three-year strategic review, planning, budgeting and cash flow forecasting cycle; major change portfolio delivery approach; review and monitoring; employee and volunteer engagement and wellbeing surveys

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. The Board determines the salary of the Chief Executive and to assist the process takes account of data provided by comprehensive job evaluation using the Hay method, and benchmarks remuneration using data including the National Council for Voluntary Organisations (NCVO), the Association of Chief Executives of Voluntary Organisations (ACEVO) and other market data including KornFerry and Cendex. The Board, taking advice from the Chief Executive, determines the salaries of other senior employees in line with the same salary policy and job evaluation methodology. An overriding factor in salary setting is always affordability, market sector and the external financial environment. No executives or senior leaders receive any bonuses, commission or other incentives.

## SCOTLAND

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

Cats Protection undertakes between 10% and 15% of its welfare work in Scotland. The work was delivered through four adoption centres in the year (one of which has now closed) (2021: four), 24 branches (2021: 24) and eight shops (2021: eight), involving around 805 volunteers (2021: 887) and 68 employees (2021: 50).

## GOING CONCERN

The Directors regularly consider the short and longer term financial projections and other risks that may affect the Group. The directors have reviewed financial projections and cash flow forecasts for the period to 31 December 2023 incorporating the latest financial information in respect of 2023.

The Directors have considered several factors in concluding that the adoption of the going concern basis in the preparation of these financial statements is appropriate. This has been assessed through financial modelling that 'stress-tests' key income and expenditure lines in the budget and the level of deviation that our reserves can support without impeding the ongoing financial viability of the Group. The key areas of uncertainty are outlined below together with the Group's response:

- legacies – this is our biggest single source of income and is impacted by external factors such as changes in death rates, the housing market, administrative delays and general economic conditions, as well as internal factors such as the charity's own growth rate in terms of bequests and the fast growth rate of our legacy income and increase in market share. We have used expert third-party analysts of the UK legacy sector for research, benchmarking and forecasting to set assumptions and to model the potential impact of these. This has concluded that legacy income is projected at c£40m in 2023, being a decrease of £1.2m over 2022 with a further drop off of c1% in 2024 as house prices remain under pressure. Legacy income is expected to increase from 2025 as economic pressures subside and the underlying health of the pipeline can be realised
- donations – we continued to invest in donor recruitment during 2022 and expect to see further benefit from this investment in 2023 and 2024. Year on year our donor base has continued to grow both through low attrition rates and a healthy recruitment performance. We have budgeted for continued investment in donor acquisition and retention in 2023 and consequently further growth in recurring donation income

- events – by far the largest item of events income is from our raffle and Weekly Lottery. We continued to recruit new players in 2022 and have budgeted for further player recruitment in 2023. The high volume, low value nature of this income helps provide some security to the recurring nature of this income stream. Face-to-face fundraising events resumed during 2022 and we expect to see growth in this area in 2023. Our virtual Craft for Cats events have proved highly popular and we will be developing this activity in 2023

- shops – our shops remain a valuable income stream and brand asset; we plan to open a small number of new shops during 2023. We continue to monitor the performance of our shops and take action to remediate or close down underperforming shops

- expenditure – there are levers we can pull if we want to reduce expenditure, including reductions in discretionary spend, reviewing the phasing of expenditure on our strategic change programme and deferral of major project spend

The Group has access to liquid funds to support our working capital requirements over the foreseeable future. An overdraft facility with our bank is also available as a last resort. We plan to draw down on our investment portfolio to fund strategic capital investment. Our assessment of reserves indicates the Group also has sufficient free reserves to support the Group's operations for the foreseeable future.

Having regard to the above, the Directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

## 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 charity number:

203644 (England and Wales)  
SC037711 (Scotland)

Cats Protection is a registered charity operating in England, Northern Ireland, Scotland and Wales.

#### Registered address:

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

Telephone: 03000 12 12 12

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

#### Trustee:

Cats Protection Trustee Limited,  
company registration number 06772997

#### Directors of Cats Protection Trustee Limited

(referred to internally as “the Trustees” and in this Annual Report & Accounts as the Board):

Christopher (Kit) Sturgess  
MA, VetMB, PhD, FRCVS  
Chair (from July 2022)

Angela Swarbrick  
(Trustee to December 2022,  
Chair from January 2022 to  
July 2022)

Linda Upson DipLGD  
Chair (to January 2022)

Nicola (Nikki) Butcher

Irene Campbell  
Amanda Farnsworth  
Jane Frost CBE  
(from December 2022)

Sarah Hunt

Robert Parkinson

Marion Price, Freeman

of the Worshipful Company  
of International Bankers,  
Freeman of the City of London  
(to December 2022)

Zain Richardson  
(from December 2022)

Chris Ringrose  
(from December 2022)

#### Connect members:

Theresa Cooper	Jacky Eyres (to August 2022)	Sarah Hawken	Lynne Potheary	Rebecca Schofield	Nicky Townley
Sandra Czachur (to January 2022)	Alison Hagan	Amy Lawes	Liz Robinson	Jenny Stephany	Alexandra Williams
Nicole Evans	Belinda Hall	Phil Metcalf	Janet Rouse (to July 2022)	Bernie Till	Katie Yantian
Kelly Eyre	Wendy Harris	Hilde Nixon (to February 2022)	Tina Rowell	Lauren Towle (to 2022)	

#### Investment Committee

Irene Campbell Chair  
Ian Enslin (advisor)  
Amanda Farnsworth  
Marion Price (to December 2022)  
Chris Ringrose (advisor) (appointed as Trustee  
December 2022)  
Alex Soulsby (advisor)

#### Audit Committee

Sarah Hunt FCA (advisor) Chair (from January 2022)  
Angela Swarbrick Chair (to January 2022)  
Janet Armstrong (advisor)  
Phil Bloor (advisor)  
Nicola (Nikki) Butcher  
Katalin Horvath (advisor)  
Christopher (Kit) Sturgess MA (to September 2022)

#### Nominations Committee

Irene Campbell Chair  
Theresa Cooper  
Robert Parkinson (from February 2022)  
Marion Price (to December 2022)  
Linda Upson (to January 2022)  
Liz Robinson

#### Chief Executive and Executive Management Team

##### Chief Executive

John May OBE DL (from November 2022)  
Dominic Sullivan LLB (Hons) (Interim from January 2022 to November 2022)  
Charles Darley (Interim to January 2022)

##### Executive Management Team

Kevin Adams; Director of Digital Transformation  
Caroline Bendelow FCIPD; Director of People & Engagement (interim  
from December 2021, permanent from November 2022)  
Catherine Cottrell MA, PGDip Marketing;  
Director of Marketing & Income Generation  
Michael Elliott MBA, FCMI; Operations Director  
Sue Field; Director of People & Engagement (to January 2022)  
Ian Hopper MBA; Interim Director of Change  
Katrina Leighton-Hearn, MAAT, CIPFA;  
Interim Director of Finance & Strategy (to August 2022)  
Vicky Pollitt ACA; Interim Director of Finance & Strategy  
(from August 2022)  
Maggie Roberts BVM&S, MRCVS; Director of Feline Welfare  
Dominic Sullivan LLB (Hons); Director of Legal and Estates

##### External auditor:

Crowe U.K. LLP  
55 Ludgate Hill  
London EC4M 7JW

##### Internal auditor:

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

##### BDO LLP

55 Baker Street  
London W1U 7EU  
From December 2022

##### Bankers:

Barclays Bank Plc  
2 Carfax, Horsham  
West Sussex  
RH12 1DN

##### Insurance broker:

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

##### Investment

advisors:  
Rathbones  
Investment  
Management  
Limited, 8 Finsbury  
Circus, London  
EC2M 7AZ

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

Royal London  
55 Gracechurch  
Street, London  
EC3V 0UF



### DISCLOSURE OF INFORMATION TO AUDITOR

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

Thank you

We thank everyone who has supported our work, through giving donations or being members of the organisation, or as volunteers or employees, 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:

Christopher (Kit) Sturgess  
Chair

10 May 2023

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CATS PROTECTION

## OPINION

We have audited the financial statements of Cats Protection ('the charity') and its subsidiaries ('the Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charity's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended)

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the Group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

The Trustees are responsible for the other information contained within the Annual Report. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

## RESPONSIBILITIES OF TRUSTEES

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

## EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the Group for fraud. The laws and regulations we considered in this context for the UK operations included General Data Protection Regulation (GDPR), animal welfare and veterinary legislation and employment legislation.

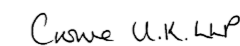
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## USE OF OUR REPORT

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP  
Statutory Auditor  
London

Date: 17th May 2023

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



## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

YEAR ENDED 31 DECEMBER 2022

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

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Income</b>					
Legacies	4	39,641	1,546	<b>41,187</b>	36,156
Donations	5	20,897	308	<b>21,205</b>	19,704
<i>Income from charitable activities:</i>					
Rehoming fees and ancillary income	6	3,056	-	<b>3,056</b>	1,944
<i>Income from other trading activities:</i>					
Shops	7	7,779	-	<b>7,779</b>	5,657
Fundraising events	8	9,470	-	<b>9,470</b>	9,302
Commercial trading operations	22	1,622	-	<b>1,622</b>	2,310
Investment income	9	1,564	-	<b>1,564</b>	1,111
Other income	10	126	-	<b>126</b>	2,051
<b>Total income</b>		<b>84,155</b>	<b>1,854</b>	<b>86,009</b>	78,235
<b>Expenditure</b>					
<i>Costs of raising funds:</i>					
Seeking donations and legacies	11	13,387	-	<b>13,387</b>	10,902
Shops	11	8,746	-	<b>8,746</b>	7,539
Fundraising events	11	6,972	-	<b>6,972</b>	5,849
Commercial trading operations	11	985	-	<b>985</b>	773
Investment management	11	314	-	<b>314</b>	247
<b>Income available for charitable activities</b>		<b>53,751</b>	<b>1,854</b>	<b>55,605</b>	52,925
<b>Expenditure</b>					
<i>Costs of charitable activities:</i>					
Rehoming cats	11	38,638	2,203	<b>40,841</b>	34,094
Reducing overpopulation of cats	11	7,998	14	<b>8,012</b>	6,029
Education and information	11	8,164	-	<b>8,158</b>	5,234
<b>Net (expenditure)/income before (losses)/gains on investments</b>		<b>(1,043)</b>	<b>(363)</b>	<b>(1,406)</b>	7,568
(Losses)/gains on investments		(7,493)	-	<b>(7,493)</b>	3,971
<b>Net (expenditure)/income and movement in funds</b>		<b>(8,536)</b>	<b>(363)</b>	<b>(8,899)</b>	11,539
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 January		121,473	5,526	<b>126,999</b>	115,460
<b>Total funds carried forward at 31 December</b>		<b>112,937</b>	<b>5,163</b>	<b>118,100</b>	126,999

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 22.

The notes on pages 61 to 74 form part of these accounts

## CONSOLIDATED BALANCE SHEET

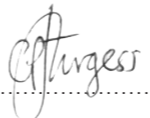
As at 31 December 2022

	Note	Charity		Group	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Fixed assets</b>					
Tangible assets	14	<b>41,671</b>	39,528	<b>41,671</b>	39,528
Investments	15	<b>64,858</b>	73,614	<b>64,858</b>	73,614
<b>Total fixed assets</b>		<b>106,529</b>	113,142	<b>106,529</b>	113,142
<b>Current assets</b>					
Stocks		<b>(18)</b>	-	<b>232</b>	202
Debtors	16	<b>9,335</b>	9,475	<b>8,141</b>	8,082
Cash at bank and in hand		<b>9,868</b>	11,332	<b>10,899</b>	12,286
<b>Total current assets</b>		<b>19,203</b>	20,807	<b>19,272</b>	20,5710
<b>Liabilities</b>					
Creditors: amounts falling due in one year	17	<b>(6,724)</b>	(6,301)	<b>(6,793)</b>	(6,064)
Provisions for liabilities	18	<b>(908)</b>	(649)	<b>(908)</b>	(649)
<b>Net current assets</b>		<b>11,571</b>	13,857	<b>11,571</b>	13,857
<b>Total net assets</b>		<b>118,100</b>	126,699	<b>118,100</b>	126,699
<b>Funds</b>					
Unrestricted funds:					
General funds	19	<b>39,098</b>	50,530	<b>39,098</b>	50,530
Designated funds	19	<b>73,839</b>	70,943	<b>73,839</b>	70,943
Restricted funds	19	<b>5,163</b>	5,526	<b>5,163</b>	5,526
<b>Net current assets</b>		<b>118,100</b>	126,699	<b>118,100</b>	126,699

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

The notes on pages 61 to 74 form part of these accounts.

The financial statements, including the balance sheet, were approved and signed on behalf of the Trustee by:



Christopher (Kit) Sturgess  
Chair

10 May 2023

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2022

	2022 £'000	2021 £'000
<b>Cash flows operating activities</b>		
<b>Net cash provided by operating activities</b>	<b>1,496</b>	9,822
<b>Cash flows operating activities</b>		
Dividends, interest and rents from investments	1,564	1,111
Proceeds from the sale of property, plant and equipment	32	239
Purchase of property, plant and equipment	(5,742)	(3,384)
Investment management fees	279	247
Reinvestment of investment returns	(1,516)	(1,109)
Sale of investments	-	664
Withdrawals from investments	10,500	3,000
New funds invested	(8,000)	(7,000)
<b>Net cash used in investing activities</b>	<b>(2,883)</b>	(6,232)
<b>Change in cash and cash equivalents in the year</b>	<b>(1,387)</b>	3,590
Cash and cash equivalents at 1 January	12,286	8,696
<b>Cash and cash equivalents at 31 December</b>	<b>10,899</b>	12,286
<b>a) Reconciliation of net income to net cash flow from operating activities</b>		
<b>Net movement in funds for the reporting period</b>	<b>(8,899)</b>	11,539
<i>Adjustments for:</i>		
Depreciation charges	3,539	3,757
(Gains)/losses on investments	7,493	(3,945)
Dividends, interest and rents from investments	(1,564)	(1,111)
Loss/(profit) on the sale and write-off of assets	28	87
(Increase)/decrease in stocks	(30)	62
(Increase)/decrease in debtors	(59)	(2,605)
Increase/(decrease) in creditors	729	2,200
Increase/(decrease) in provisions	259	(162)
<b>Net cash provided by operating activities</b>	<b>1,496</b>	9,822
<b>b) Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	10,899	12,286

The notes on pages 61 to 74 form part of these accounts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### A. Basis of preparation

The accounts (financial statements) have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities, preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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).

#### B. Going concern

The Directors regularly consider the short and longer term financial projections and other risks that may affect the Group and have reviewed detailed financial projections and cash flow forecasts for the period to 31 December 2024.

The Directors have considered several factors in concluding that the adoption of the going concern basis in the preparation of these financial statements is appropriate. This has been assessed through financial modelling that 'stress-tests' key income and expenditure lines in the budget and the level of deviation that our reserves can support without impeding the ongoing financial viability of the Group. The key areas of uncertainty are outlined below together with the Group's response:

- legacies – this is our biggest single source of income and is impacted by external factors such as changes in death rates, the housing market, administrative delays and general economic conditions, as well as

internal factors such as the charity's own growth rate in terms of bequests and the fast growth rate of our legacy income and increase in market share. We have used expert third-party analysts of the UK legacy sector for research, benchmarking and forecasting to set assumptions and to model the potential impact of these. This has concluded that legacy income is projected at c£40m in 2023, being a decrease of £1.2m over 2022 with a further drop off of c1% in 2024 as house prices remain under pressure. Legacy income is expected to increase from 2025 as economic pressures subside and the underlying health of the pipeline can be realised

- donations – we continued to invest in donor recruitment during 2022 and expect to see further benefit from this investment in 2023 and 2024. Year on year our donor base has continued to grow both through low attrition rates and a healthy recruitment performance. We have budgeted for continued investment in donor acquisition and retention in 2023 and consequently further growth in recurring donation income
- events – by far the largest item of events income is from our raffle and Weekly Lottery. We continued to recruit new players in 2022 and have budgeted for further player recruitment in 2023. The high volume, low value nature of this income helps provide some security to the recurring nature of this income stream. Face-to-face fundraising events resumed during 2022 and we expect to see growth in this area in 2023. Our virtual Craft for Cats events have proved highly popular and we will be developing this activity in 2023
- shops – our shops remain a valuable income stream and brand asset; we plan to open a small number of new shops during 2023. We continue to monitor the performance of our shops and take action to remediate or close down underperforming shops
- expenditure – there are levers we can pull if we want to reduce expenditure, including reductions in discretionary spend, deferring recruitment, reviewing our strategic change programme and major project spend and not awarding the pay rise factored into the budget

The Group has access to sufficient liquid funds to support our cash flow requirements over the foreseeable future. An overdraft facility with our bank is also available as a last resort. Our assessment of reserves indicates the Group also has sufficient free reserves to support the Group's operations for the foreseeable future.

Having regard to the above, the Directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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

#### C. 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 22.

#### D. 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 19
- 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 19

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



## E. 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 charity has entitlement to the income, 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 or where notification of impending distribution has been received. 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
- membership 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
- income received in the year for the purchase of lottery and raffle tickets where the related draw does not take place until the following year is deferred
- income from government grants is recognised at the point that conditions for receipt of the grant have been satisfied

## F. Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all costs relating to that category. Liabilities are accounted for when a constructive obligation arises.

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

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

Support costs are allocated on the basis of the time spent by employees 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.

## G. 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 £5,000 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 centre equipment are depreciated over 10 years

- fixtures, fittings, IT and office equipment, IT software and motor vehicles are depreciated over four years, with the exception of fittings in leased premises which are depreciated over the length of the lease, generally either five or 10 years

Freehold land, investment properties and assets under the course of construction are not depreciated.

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

## H. 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.

## I. Stocks

Stocks are valued at the lower of cost to the Group or net realisable value. Stocks disclosed on the balance sheet are new goods held for sale.

## J. 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.

## K. 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.

## L. Finance and operating leases

Operating lease rentals are charged to the SOFA on an accruals basis. Assets acquired under finance leases are capitalised at the present value of the minimum lease payments and depreciated over the shorter of the useful economic life or the term of the lease.

## M. 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.

## N. 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.

## O. Provisions

A provision exists when the Group has a liability that can be estimated reliably and for which there is an expectation that payment will be made. Estimation techniques involve assumptions, which are based on experience. The provisions disclosed in Note 17 relate to obligations for dilapidations in respect of properties rented by the Group and backdated VAT that had not been billed by agencies procuring social media advertising on our behalf.

## P. Financial instruments

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

## 2. PRIOR YEAR COMPARATIVES FOR THE SOFA

	2021 comparatives		Total 2022 £'000
	Unrestricted funds £'000	Restricted funds £'000	
<b>Income</b>			
Legacies	34,055	2,101	<b>36,156</b>
Donations	19,634	70	<b>19,704</b>
<i>Income from charitable activities:</i>			
Rehoming fees	1,944	-	<b>1,944</b>
<i>Income from other trading activities:</i>			
Shops	5,657	-	<b>5,657</b>
Fundraising events	9,302	-	<b>9,302</b>
Commercial trading operations	2,310	-	<b>2,310</b>
Investment income	1,111	-	<b>1,111</b>
Other income	2,051	-	<b>2,051</b>
<b>Total income</b>	<b>76,064</b>	<b>2,171</b>	<b>78,235</b>
<b>Expenditure</b>			
<i>Costs of raising funds:</i>			
Seeking donations and legacies	10,902	-	<b>10,902</b>
Shops	7,539	-	<b>7,539</b>
Fundraising events	5,849	-	<b>5,849</b>
Commercial trading operations	773	-	<b>773</b>
Investment management	247	-	<b>247</b>
<b>Income available for charitable activities</b>	<b>50,754</b>	<b>-</b>	<b>52,925</b>
<b>Expenditure</b>			
<i>Costs of charitable activities:</i>			
Rehoming cats	32,534	1,560	<b>34,094</b>
Reducing overpopulation of cats	5,992	37	<b>6,029</b>
Education and information	5,234	-	<b>5,234</b>
<b>Net income/(expenditure) before gains/(losses) on investments</b>	<b>6,994</b>	<b>574</b>	<b>7,568</b>
Gains/(losses) on investments	3,971	-	<b>3,971</b>
<b>Net income and movement in funds</b>	<b>10,965</b>	<b>574</b>	<b>11,539</b>
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 January	110,508	4,952	<b>115,460</b>
<b>Total funds carried forward at 31 December</b>	<b>121,473</b>	<b>5,526</b>	<b>126,999</b>

## 3. SUMMARY FINANCIAL PERFORMANCE OF THE CHARITY ONLY

	2022 £'000	2021 £'000
<b>Income and expenditure</b>		
Income	<b>85,128</b>	77,572
Expenditure	<b>(86,534)</b>	(70,004)
Net operating income	<b>(1,406)</b>	7,568
Gains/(losses) on investments	<b>(7,493)</b>	3,971
Net income/(expenditure)	<b>(8,899)</b>	11,539
Total funds brought forward	<b>126,999</b>	115,460
Total funds carried forward	<b>118,100</b>	126,999

## 4. CONTINGENT LEGACY INCOME

In addition to the legacy income recognised in the SOFA of £41,187k (2021: £36,156k), the charity had been notified of 608 residuary legacies (2021: 571 residuary legacies) with a total estimated value of £32,713k (2021: £26,691k). These legacies do not satisfy the criteria 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 £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Individual gifts and regular giving	13,829	-	<b>13,829</b>	13,989
Philanthropy and partnerships	3,780	308	<b>4,088</b>	2,358
Community fundraising	3,288	-	<b>3,288</b>	3,357
	<b>20,897</b>	<b>308</b>	<b>21,205</b>	19,704

Donations totaling £334k (2021: £407k) were received in our shops and these are included in donations income in the SOFA classified as individual gifts.

## 6. REHOMING FEES AND ANCILLARY INCOME

	2022 £'000	2021 £'000
Rehoming fees	<b>2,028</b>	1,944
Ancillary income	<b>1,028</b>	-
	<b>3,056</b>	1,944

Commission earned on Petplan® insurance is classified as ancillary income following a restructure of the contractual relationship. The previous contractual relationship was with Cats Protection Enterprises Ltd and £973k was recorded under commercial trading operations in the SOFA in 2021.



## 7. SHOP INCOME

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Sale of donated goods and Retail Gift Aid	<u>7,779</u>	5,657

Shop income of £7,779 (2021: £5,567k) 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.

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Total retail income</b>		
Sale of donated goods	<b>7,779</b>	5,657
Sale of new goods	<b>905</b>	650
Donations	<b>334</b>	407
Job Retention Scheme	-	524
Business interruption grants	-	1,023
Other income	<b>100</b>	53
Total retail income	<u><b>9,118</b></u>	<u>8,314</u>

The retail shop chain receives income which is classified elsewhere in the SOFA. Donations totalling £334k (2021: £407k) were received in shops and these are included in donations in the SOFA. The shops also sold £905k (2021: £650k) of new goods generating a gross profit of £350k (2021: £306k). Transactions relating to the sale of new goods are processed through Cats Protection Enterprises Ltd and are recorded as commercial trading operations in the SOFA. Therefore, total gross income relating to the shop chain in 2022 was £9,118k (2021: £8,314k). In 2021, grant income under the Job Retention Scheme was received in relation to employees across the charity's retail chain and the charity also received COVID-19 retail grants from local authorities. This grant income was recorded against other income in the SOFA (see Note 10). No amounts were received in 2022.

## 8. FUNDRAISING EVENTS

The total of £9,470k recorded as fundraising events in the SOFA includes income from lotteries and raffles, as well as challenge events and community-based fundraising activities such as fairs and quizzes. As part of the charity's Gambling Commission License (Non-Remote License – 004905-N-300168-012) (Remote License – 004905-R-300167-013), during the year the charity has operated four raffles and a Weekly Lottery.

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

	<b>Ticket sales 2022</b>	Ticket sales 2021
	<b>£'000</b>	£'000
Weekly Lottery	<b>5,603</b>	5,567
Spring Raffle	<b>505</b>	566
Summer Raffle	<b>494</b>	583
Autumn Raffle	<b>467</b>	493
Christmas Raffle	<b>610</b>	593
<b>Total for Cats Protection lottery draws</b>	<u><b>7,679</b></u>	<u>7,802</u>

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

	<b>Percentage proceeds</b>	Percentage proceeds
	<b>returned to charity 2022</b>	returned to charity 2021
<b>Lottery name</b>		
Weekly Lottery	<b>85%</b>	86%
Raffles	<b>84%</b>	83%

## 9. INVESTMENT INCOME

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Income from listed investments	<b>1,511</b>	1,102
Bank and other interest	<b>53</b>	9
	<u><b>1,564</b></u>	<u>1,111</u>

## 10. OTHER INCOME

	2022 £'000	2021 £'000
Job Retention Scheme	-	639
Retail grants	-	1,063
Other grants	-	53
Surplus on disposal of tangible fixed assets	(26)	121
Rental income	138	121
Miscellaneous income	14	54
	<b>126</b>	<b>2,051</b>

There were no Job Retention, retail or other grants received during 2022. Income for the Job Retention Scheme in 2021 relates to the government reimbursement of salary costs for employees that were placed on furlough as a result of the COVID-19 lockdowns and regional restrictions.

Retail grants were paid in 2021 by various local authorities where retail premises were forced to close as a result of lockdowns due to COVID-19.

The income set out in Notes 9 and 10 is unrestricted.

## 11. ANALYSIS OF EXPENDITURE

	2022 £'000			2021 £'000		
	Direct costs	Allocated support costs	Total	Direct costs	Allocated support costs	Total
<b>Costs of raising funds</b>						
Seeking donations and legacies	12,654	733	13,387	10,399	503	10,902
Shops	7,261	1,485	8,746	6,357	1,182	7,539
Fundraising events	6,673	299	6,972	5,641	208	5,849
Commercial trading operations	985	-	985	773	-	773
Investment management	314	-	314	247	-	247
<b>Total income</b>	<b>27,887</b>	<b>2,517</b>	<b>30,404</b>	<b>23,417</b>	<b>1,893</b>	<b>25,310</b>
Rehoming cats	29,076	9,562	38,638	25,301	7,233	32,534
Reducing overpopulation of cats	7,098	900	7,998	5,343	649	5,992
Education and information	7,227	931	8,158	4,548	686	5,234
<b>Total cost of charitable activities (unrestricted)</b>	<b>43,401</b>	<b>11,393</b>	<b>54,794</b>	<b>35,192</b>	<b>8,568</b>	<b>43,760</b>
<b>Costs of charitable activities (restricted)</b>						
Rehoming cats	2,203	-	2,203	1,560	-	1,560
Reducing overpopulation of cats	14	-	14	37	-	37
<b>Total cost of charitable activities (restricted)</b>	<b>2,217</b>	<b>-</b>	<b>2,217</b>	<b>1,597</b>	<b>-</b>	<b>1,597</b>
<b>Total expenditure</b>	<b>73,505</b>	<b>13,910</b>	<b>87,415</b>	<b>60,206</b>	<b>10,461</b>	<b>70,667</b>

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

	2022 £'000					Total indirect costs
	People costs	Corporate resources	IT	Facilities	Governance	
Seeking donations and legacies	188	240	237	60	8	733
Shops	381	485	480	123	16	1,485
Fundraising events	77	98	97	24	3	299
Rehoming cats	2,455	3,125	3,094	784	104	9,562
Reducing overpopulation of cats	231	294	291	74	10	900
Education and information	239	304	301	77	10	931
<b>Total</b>	<b>3,571</b>	<b>4,546</b>	<b>4,500</b>	<b>1,142</b>	<b>151</b>	<b>13,910</b>
	2021 £'000					Total indirect costs
	People costs	Corporate resources	IT	Facilities	Governance	
Seeking donations and legacies	113	157	177	49	8	504
Shops	265	368	414	114	20	1,181
Fundraising events	47	65	73	20	3	208
Rehoming cats	1,622	2,253	2,536	700	121	7,232
Reducing overpopulation of cats	146	202	228	63	10	649
Education and information	154	214	241	66	12	687
<b>Total</b>	<b>2,347</b>	<b>3,259</b>	<b>3,669</b>	<b>1,012</b>	<b>174</b>	<b>10,461</b>

Indirect support costs are allocated on the basis of employee and volunteer time. People costs include the cost of supporting and developing volunteers and employees. Corporate resources include Finance, Procurement, Legal and the Chief Executive's Office. Governance includes the costs of internal and external audit and Trustee expenditure.



## 12. ADDITIONAL ANALYSIS OF EXPENDITURE

	2022 £'000	2021 £'000
Auditor's remuneration – statutory audit of Group accounts	47	35
Auditor's remuneration – statutory audit of subsidiary accounts	4	3
Auditor's remuneration – assurance, tax or other financial services	-	-
Depreciation of tangible fixed assets	3,539	3,757
Operating lease rentals	2,084	1,947

## 13. EMPLOYEE COSTS

	2022 £'000	2021 £'000
Wages and salaries	27,466	23,389
Employer's contribution to the pension scheme	2,724	1,555
Social security costs	2,691	2,253
Agency staff	458	170
Employee benefits – private medical insurance	207	200
Apprenticeship Levy	136	116
<b>Total</b>	<b>33,682</b>	<b>27,683</b>

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

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

In 2022, the charity paid a total of £97,042 (2021: £144,693) in redundancy and termination payments in respect of 10 employees (2021: 29 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 (2021: £120,093).

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

	2022 average	2021 average	2022 FTE	2021 FTE
Charitable activities	710	638	633	546
Generating funds	369	311	296	253
<b>Total</b>	<b>1,079</b>	<b>949</b>	<b>929</b>	<b>799</b>

Employees not directly engaged in generating funds or charitable activities have been allocated pro rata across these two categories on the basis of employee numbers. The above figures exclude employees who are employed and paid via an employment agency.

## Employee emoluments

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

	2022 number	2021 number
£60,001 - £70,000	18	11
£70,001 - £80,000	9	3
£80,001 - £90,000	2	3
£90,001 - £100,000	0	3
£100,001 - £110,000	3	2
£110,001 - £120,000	1	0
£120,001 - £130,000	1	0

Emoluments include salary and allowances, benefits in kind (company car and medical insurance) and exit costs. All 34 of the higher paid employees are members of defined contribution schemes (2021: 22) and in 2022 the charity paid £295,308 (2021: £126,530) to the scheme on their behalf. These costs are excluded when calculating emoluments. Additional pension contributions totalling £417 (2021: £587) in respect of carried forward annual leave was accrued at year end.

The total amount of employee salary and benefits, including employer's pension contributions and employer's National Insurance Contributions (NICs), received by key management personnel (defined internally as the Chief Executive and members of the Executive Management Team as set out on page 39) during 2022 was £1,306,668 (2021: £1,149,414).

## Trustee expenses

Travel and subsistence expenses amounting to £4,783 (2021: £1,574) were reimbursed directly to seven Directors of Cats Protection Trustee Ltd (2021: four Directors). A further £5,900 of payments (2021: £7,703) were paid directly to suppliers for travel and overnight hotel accommodation in respect of 11 Directors (2021: 10 Directors). There were four Directors of Cats Protection Trustee Ltd who did not claim for reimbursable expenses in 2022 (2021: six). None of the Directors has been paid any remuneration or received other benefits from an employment with the charity or a related entity (2021: none).

## 14. TANGIBLE FIXED ASSETS

	2022 £'000					
	Freehold land and buildings	Assets under the course of construction	Pens and centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
<b>Cost</b>						
At 1 January 2021	48,378	1,159	7,965	12,450	5,554	<b>75,506</b>
Additions	-	5,240	285	15	202	<b>5,742</b>
Transfers	783	(3,486)	-	2,672	31	-
Disposals	-	-	-	(312)	(198)	<b>(510)</b>
<b>At 31 December 2022</b>	<b>49,161</b>	<b>2,913</b>	<b>8,250</b>	<b>14,825</b>	<b>5,589</b>	<b>80,738</b>
<b>Depreciation</b>						
At 1 January 2021	17,362	-	5,150	8,870	4,596	<b>35,978</b>
Charge for the year	1,080	-	406	1,555	498	<b>3,539</b>
Disposals	-	-	-	(258)	(192)	<b>(450)</b>
<b>At 31 December 2022</b>	<b>18,442</b>	<b>-</b>	<b>5,556</b>	<b>10,167</b>	<b>4,902</b>	<b>39,067</b>
<b>Net book value</b>						
<b>At 31 December 2022</b>	<b>30,719</b>	<b>2,913</b>	<b>2,694</b>	<b>4,658</b>	<b>687</b>	<b>41,671</b>

Freehold land and buildings includes freehold land with a value of £3,168k (2021: £3,168k) that is not depreciated. All assets are held for charitable purposes.

	2021 £'000					
	Freehold land and buildings	Assets under the course of construction	Pens and centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
<b>Cost</b>						
At 1 January 2021	48,516	309	7,628	10,859	5,564	72,876
Additions	-	1,139	233	1,723	289	<b>3,384</b>
Transfers	17	(179)	104	58	-	-
Disposals	(155)	(110)	-	(190)	(299)	<b>(754)</b>
<b>At 31 December 2022</b>	<b>48,378</b>	<b>1,159</b>	<b>7,965</b>	<b>12,450</b>	<b>5,554</b>	<b>75,506</b>
<b>Depreciation</b>						
At 1 January 2021	16,249	-	4,763	7,370	4,266	32,648
Charge for the year	1,113	-	387	1,630	627	<b>3,757</b>
Disposals	-	-	-	(130)	(297)	<b>(427)</b>
<b>At 31 December 2022</b>	<b>17,362</b>	<b>-</b>	<b>5,150</b>	<b>8,870</b>	<b>4,596</b>	<b>35,978</b>
<b>Net book value</b>						
<b>At 31 December 2022</b>	<b>31,016</b>	<b>1,159</b>	<b>2,815</b>	<b>3,580</b>	<b>958</b>	<b>39,528</b>

## 15. INVESTMENT FIXED ASSETS

	2022 £'000	2021 £'000
Market value at 1 January	<b>73,614</b>	65,471
New funds introduced	<b>8,000</b>	7,000
Funds withdrawn	<b>(10,500)</b>	(3,000)
Disposals	-	(664)
Reinvested income	<b>1,516</b>	1,109
Management fees	<b>(279)</b>	(247)
Net gain/(loss) on revaluation	<b>(7,493)</b>	3,945
<b>Market value at 31 December</b>	<b>64,858</b>	73,614
Historical cost at 31 December	<b>64,034</b>	63,773

In 2008, the financial services provider Kaupthing, Singer & Friedlander (KSF) was placed into administration. The financial statements for 2008 included a provision of £9.1m for 80% of the cash deposited at KSF. This represented the balance of funds not included in the first distribution by the bank's administrators. Final distributions were made in 2021 and taking into account the first distribution, £9.9m in total has been received, equivalent to 87p in £1. No distributions were received in 2022 (2021: two distributions totalling £26k).

### Analysis of investments held at 31 December

	2022 £'000	2021 £'000
Represented by:		
Fixed interest securities	<b>10,800</b>	13,556
UK equities	<b>8,238</b>	8,623
Overseas equities	<b>28,558</b>	26,730
Alternatives	<b>9,147</b>	8,328
Cash and cash equivalents	<b>7,559</b>	15,821
Investment property	<b>556</b>	556
	<b>64,858</b>	73,614

Alternatives include property and infrastructure funds and commodities. As at 31 December 2022, the charity held no single investment which was in excess of 5% of total market value of the portfolio (31 December 2021: nil). The charity is not aware of any material restrictions which might affect the realisation of any of its listed securities. The investment property relates to a large converted garage.

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Prepayments and accrued income	<b>7,999</b>	7,789	<b>8,047</b>	7,842
Other debtors	<b>1,336</b>	1,686	<b>94</b>	240
	<b>9,335</b>	9,475	<b>8,141</b>	8,082





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 are applied to building new adoption centres and fitting out new charity shops, as well as refurbishing our existing sites. In 2022, we expended £2.2m on projects in the capital plan (2021: £0.7m). The equivalent amount has therefore been transferred into general funds to finance this expenditure
- change fund – this fund was created to finance the implementation of the new strategy and includes costs of IT systems development, research and specialist third-party consultancy, employees and contracted staff. In 2022, we expended £2.7m against this fund (2021: £0.4m)
- 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

## 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2022 £'000			
	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Balance at 1 January 2022	50,530	70,943	5,526	126,999
Net movement in funds	(11,432)	2,896	363	(8,899)
<b>Balance at 31 December 2022</b>	<b>39,098</b>	<b>73,839</b>	<b>5,163</b>	<b>118,100</b>
<b>Represented by:</b>				
Tangible fixed assets	-	41,671	-	41,671
Investments	27,527	32,168	5,163	64,858
Net current assets	11,571	-	-	11,571
<b>Total net assets</b>	<b>39,098</b>	<b>73,839</b>	<b>5,163</b>	<b>118,100</b>

	2021 £'000			
	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Balance at 1 January 2022	42,661	67,846	4,952	115,460
Net movement in funds	7,869	3,095	574	11,539
Balance at 31 December 2021	50,530	70,943	5,526	126,999
<b>Represented by:</b>				
Tangible fixed assets	-	39,528	-	39,528
Investments	36,673	31,415	5,526	73,614
Net current assets	13,857	-	-	13,857
<b>Total net assets</b>	<b>50,530</b>	<b>70,943</b>	<b>5,526</b>	<b>126,999</b>

## 21. OPERATING LEASE COMMITMENTS

At 31 December 2022, the Group was committed to making the following payments under operating leases:

	2022 £'000	2021 £'000
Within one year	1,478	1,444
Within two to five years	2,649	2,392
Over five years	297	198
	<b>4,424</b>	<b>4,034</b>

## 22. SUBSIDIARIES

At 31 December 2022, the charity held 100% of the issued share capital of the following company, which is registered in England:

	Issued share capital £2
<b>Cats Protection Enterprises Limited</b> Trading subsidiary	£2

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

### Cats Protection Enterprises Limited profit and loss account

	2022 £'000	2021 £'000
<b>Turnover</b>	<b>1,622</b>	2,310
Cost of sales	(882)	(653)
<b>Gross profit</b>	<b>740</b>	1,657
Administrative expenditure	(113)	(130)
<b>Profit on ordinary activities before taxation</b>	<b>627</b>	1,527
Taxation on current year profits	-	-
<b>Profit on ordinary activities after taxation for the year</b>		1,527
<i>Changes in equity:</i>		
<b>Equity brought forward</b>	-	-
Profit for the year	627	1,527
Gift Aid payment	(627)	(1,527)
<b>Equity carried forward</b>	-	-

Following a restructure of the commercial relationship with Petplan®, the contract formerly with Cats Protection Enterprises Limited is now with Cats Protection charity. Commission earned on insurance policies is considered as income earned ancillary to rehoming activity and is recorded under rehoming fees and ancillary income in the SOFA.

All profits earned by Cats Protection Enterprises Limited 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

	<b>31 December 2022</b>	31 December 2021
	<b>£'000</b>	£'000
Current assets:	<b>232</b>	202
Stock	<b>134</b>	435
Debtors	<b>1,031</b>	954
Cash at bank and in hand	<b>1,397</b>	1,591
	<b>(1,397)</b>	(1,591)
Creditors: amounts falling due within one year	<b>(1,397)</b>	(1,591)
<b>Net assets</b>	<b>-</b>	-
<b>Funded by:</b>		
Called up share capital	-	-
Retained earnings	-	-

The profits for the year, amounting to £627k (2021: £1,527k) will be donated to the charity under Gift Aid as a distribution from Cats Protection Enterprises Ltd in 2023.

The charity is also the sole corporate member of two trading subsidiaries established in 2019, Cats Protection Strategies for Cats Limited and Cats Protection Care Lottery Limited. Both companies are limited by guarantee and therefore have no share capital. Neither company has traded since incorporation and there are no transactions to consolidate into these Group accounts.

## 23. CAPITAL COMMITMENTS

At 31 December 2022, the charity had three significant (over £100k in value) capital commitments totaling £2,885k (2021: 2,916k).

## 24. RELATED PARTIES

As at the balance sheet date, a net total of £684k was owing from Cats Protection to Cats Protection Enterprises Ltd (2021: £307k) for income collected through the charity on behalf of Cats Protection Enterprises Ltd.

In 2022, the Directors of the Corporate Trustee made personal donations totalling £881 to the charity (2021: £1,480). 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 this Note and Notes 13 and 22, there were no transactions with related parties during 2022 (2021: none).

## 25. FINANCIAL INSTRUMENTS

	<b>31 December 2022</b>	31 December 2021
	<b>£'000</b>	£'000
Financial assets held at amortised cost	<b>11,950</b>	13,379
Financial liabilities held at amortised cost	<b>(6,595)</b>	(6,087)
Financial assets measured at fair value	<b>64,858</b>	73,614

Financial liabilities held at amortised cost include finance leases. At 31 December 2022, the Group was committed to making the following payments under finance leases:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Within one year	<b>210</b>	210
Within two to five years	<b>106</b>	316
	<b>316</b>	526



# GET INVOLVED

There are lots of ways you can help us to help cats, from adopting a moggy of your own, making a kind donation, joining our team of wonderful volunteers or spreading the word about good cat welfare! Find more information on how you can support us at [www.cats.org.uk/support-us](http://www.cats.org.uk/support-us)

Thank you, on behalf of the cats!

### FIND US ONLINE:

[www.cats.org.uk](http://www.cats.org.uk)

Facebook: /CatsProtection

Twitter: @CatsProtection

Instagram: @CatsProtection

TikTok: @Cats\_Protection

YouTube: /CatsProtectionUK

### GET IN TOUCH:

Email us: [info@cats.org.uk](mailto:info@cats.org.uk)

Phone us: 03000 12 12 12

Write to us: Cats Protection, National Cat Centre, Lewes Road, Chelwood Gate, Haywards Heath, RH17 7TT

Find your nearest branch, centre and shop at [www.cats.org.uk/find-us](http://www.cats.org.uk/find-us)



[cats.org.uk](https://cats.org.uk)

Cats Protection is a registered charity No. 203644 (England and Wales) and SC037711 (Scotland), operating in England, Northern Ireland, Scotland and Wales.

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