

**British Veterinary
Association**



**Unaudited annual report and
financial statements**

31 December 2022

Charity Registration Number 1192203

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Annual report of the trustees Year to 31 December 2022

The British Veterinary Association Animal Welfare Foundation (otherwise known as "AWF" and the "Foundation") is a registered charity, number 1192203, first constituted by Deed of Trust dated May 1983 and later converted to a CIO, registered with the Charity Commission on 6 November 2020.

Objectives and significant activities delivered for the public benefit

AWF aims to improve the welfare of animals through veterinary science, education and debate. AWF's charitable objects as stated in its Constitution are:

- ◆ The advancement of education in veterinary science, medicine, surgery and animal welfare.
- ◆ Research and support in animal welfare or any other field of veterinary endeavour and the dissemination of the useful results of such research.
- ◆ The relief of suffering in animals and the protection of such animals.
- ◆ Any other lawful charitable purpose in connection with veterinary science or animals and their welfare.

The AWF objects fall within two charitable purposes identified within the Charities Act 2011 namely the advancement of education and the advancement of animal welfare.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit when reviewing and setting the aims, objectives and in planning the Foundation's activities.

AWF carries out its objects through a number of activities which have a positive impact on both the immediate beneficiaries and the wider public including:

1. Funding research projects that fill knowledge gaps and have a practical and positive impact on raising standards in animal welfare.
2. Stimulating debate, promoting and developing welfare education and enhancing welfare related teaching in the UK veterinary and veterinary nursing schools. AWF works with students to improve their knowledge of animal welfare issues.
3. Promoting the mission, remit and achievements of the Foundation to the veterinary and animal welfare professions and the general public. AWF produces evidence-based pet care advice for the general public, to encourage responsible pet ownership and high animal welfare standards.
4. Influencing and contributing to and supporting leadership in the development of animal welfare policy.
5. AWF strives to achieve financial stability and growth to enable it to effectively pursue its objectives.

Achievements and performance

Norman Hayward Fund research grants

The Norman Hayward Fund is a restricted fund which supports research into the disease and welfare of horses, cattle and sheep. In 2022, support was given to two ongoing research projects, which were closed at year end. AWF awarded one new grant of £4,736 to a student project titled "Recognition of pain in calves and decisions around treatment among farmers in the UK".

AWF Research Fund research grants

The AWF Research Fund is used to support research in species other than those covered by the Norman Hayward Fund. In 2022 support continued for seven ongoing projects. At year end, four projects from the fund were closed. Funding was awarded to four new major projects as part of the charity's 2022 research call, amounting to £101,322.

Education

AWF delivered three animal welfare talks to veterinary students at UK veterinary schools in 2022. AWF also held a discussion session for veterinary nurses at BVNA Congress titled "Extreme Conformation: let's give oxygen to nurses' views".

External Events and Exhibitions

AWF and Vetlife held a joint fundraiser at the BVA Gala Dinner at London Vet Show in November and raised £1,465 in total.

Discussion Forum

AWF's annual Discussion Forum supports its mission to use discussion and debate to raise awareness and understanding of animal welfare. In 2022 AWF delivered the Forum as a hybrid event, which was extremely well received and attracted 224 delegates (137 attended in person and 87 were virtual).

Links Project

A collaborative project between AWF and the Links Group has produced a range of training resources to help veterinary professionals understand the link between domestic abuse and non-accidental injury to animals. There are still funds remaining from a grant given to AWF by the Margaret Giffen Charitable Trust for the purpose of supporting this project. In 2021 the Trust approved a new proposal by the Links Group to use the remaining funds to promote the training and distribute the training resources. In 2022 most of the remaining funds were put towards marketing activity and printing and postage of the materials.

Puppy Contract

The Puppy Contract was developed by AWF and the RSPCA and is designed to give buyers the best chance of buying a healthy puppy and give breeders a way of demonstrating that their puppies have been bred responsibly. In 2021 the RSPCA relinquished its ownership of the Puppy Contract and it is now fully owned by AWF. In 2022 AWF granted permission to the Environment and Animal Society of Taiwan (EAST) to use the Puppy Contract to raise awareness of and promote good practice in puppy purchasing in Taiwan.

Achievements and performance (continued)

Governance

The Charity Commission approved AWF's application to become a Charitable Incorporated Organisation (CIO) in November 2020. In 2021 AWF finalised and signed a transfer agreement and the changeover to British Veterinary Association Animal Welfare Foundation CIO (company number CE023250, charity number 1192203) officially took place on 1 January 2022. AWF operated as the CIO from this date onwards. During 2022 AWF applied to the Land Registry to transfer land held under the Norman Hayward Fund to the new CIO. The transfer was approved in March 2023.

In 2022 AWF conducted a Trustee audit, which led to the recruitment of seven new trustees to fill gaps left by those who had and were due to step down.

Strategy

Under its current strategy AWF is working on a three-year theme "Breeding for better welfare". This resulted in a focussed research call in 2022 for projects on the topic of 'meeting demand whilst protecting animal welfare'.

Staffing

Having worked with a fundraising consultancy from 2020 to 2021, it was agreed that AWF required a full-time Marketing Communications Officer. This person will be tasked with raising the charity's profile, developing its case for support, and preparing the charity to actively fundraise. After advertising for this post in July, a suitable candidate was found in December.

Land

A new land agent (Green & Co) was appointed to be the charity's trusted partner in a project to increase the value of the charity's land in Broughton, Northamptonshire. The agent's job is to find a development/promotion partner, negotiate the heads of terms and manage the relationship until completion. All work is to be undertaken at the agent and development/promotion partner's own risk. It is hoped that this will enable AWF to take advantage of upcoming development opportunities to secure planning permission on part of the land, thus maximising its value for the benefit of the charity and therefore its aims.

During 2022 the land agent worked closely with AWF to understand its objectives and tender for partners to take on the land in two separate parcels. In January 2023, AWF chose two separate promoters. Having agreed heads of terms, AWF's land agent is now working with a dedicated solicitor to finalise the promotion agreements.

Future plans

Governance

Close down the old entity once the transfer of Norman Hayward Fund land to the new CIO is complete. As in 2022, all charitable activity will be conducted under the CIO. Review how AWF's investments are managed and tender to find the most appropriate fund manager for the charity's investments. Draw down funds from AWF investments to support cashflow during the year.

Annual report of the trustees Year to 31 December 2022

Future plans (continued)

Strategy

Devise a new three-year strategy, as AWF's current three-year strategy runs until December 2023. Review the AWF/BVA MOU and create an action plan to assist the delivery of this.

Marketing and fundraising

The Marketing Communications Officer will focus on understanding AWF's aims and achievements as a foundation for improving promotion of the charity. During 2023, there will be a focus on celebrating the charity's 40th anniversary as a hook for marketing and fundraising. The new Officer will also be involved in helping plan and organise a workshop with the Trustees to clarify the charity's USP, elevator pitch, impact stories and fundraising asks.

Land

AWF will work with the new land agent to finalise promotion agreements with its chosen development partners.

Research grants

Commission new research projects based on the current theme, 'breeding for better welfare' and run the annual student grants round.

Debate and Education

Revamp the student talk offering with new talks which reflect the current Trustees' expertise. Seek opportunities to offer more AWF discussion and debate sessions at veterinary congresses, e.g. BVNA, BCVA, BSAVA.

Discussion Forum

The Discussion Forum and evening reception will be an in-person event at a new venue. The aim is to secure sponsorship and come close to breaking even. Also in 2023, AWF will explore alternative, cheaper venues for the 2024 Discussion Forum.

Links Project

Monitor progress and pay invoices as the project reaches its final stage. Close the project off with a final report from the Links Group to summarise its achievements and impact.

Puppy Contract

Consider how to take the project forward, including finding partners to provide both expertise and financial support to increase engagement with this product.

Annual report of the trustees Year to 31 December 2022

AWF Trustees are all veterinary and animal welfare professionals. The following were Trustees during 2022:

C Allen MA VetMB CertSAM MRCVS (appointed 23 November 2022)

C Burn MSc DPhil

D Carson BVSc (Syd) MRCVS

J Clements RVN MSc (appointed 23 November 2022)

S Corr BVMS CertSAS DipECVS FHEA PhD MRCVS (appointed 23 November 2022)

M Dobbs BVM&S CertCHP DipLaw MRCVS (Treasurer and a Norman Hayward Trustee)

K Ellis BVMS CertCHP PhD DipECBHM FHEA

F Fell BVSc MRCVS (stepped down on 23 November 2022)

N Gladden BVM&S Dip. ECBHM PhD MRCVS (appointed 23 November 2022)

K Heyrman BVMS MRCVS (appointed 23 November 2022)

R Hooker BVMS PostGrad DMS (appointed 23 November 2022)

J Kupfer BVSc LLM MRCVS (Chairman and a Norman Hayward Trustee)

M Morley BVSc MRCVS (BVA Officer ex-officio Trustee)

R Pizzi BVSc MSc PhD DZooMed DipECZM MANZCVS FRES FRGS FRSB FRCVS

R Schofield BSc (Hons) RVN (stepped down on 23 November 2022)

J Shotton BSc BVSc MSc MRCVS (BVA Officer ex-officio Trustee)

G Rees BVSc (Hons) PhD MRCVS (appointed 23 November 2022)

Administrative staff

E Singh – AWF Manager

S Tatbak (nee Johnston) – AWF Administrator to 30 June 2022, Grants and Events Officer from 1 July 2022 to 2 June 2023.

A Nayton – Grants and Events Officer from 1 August 2023.

M Dominguez – AWF Marketing Communications Officer from 13 February 2023.

Address

The AWF office is at the British Veterinary Association, 7 Mansfield Street, London W1G 9NQ.

Agents and advisors

Examiner: Buzzacott LLP, 130 Wood Street, London EC2V 6DL

Bankers: Coutts & Co., 440 Strand, London WC2R 0QS and CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Investment Advisors: UBS Wealth Management, 1 Finsbury Avenue, London, EC2M 2AN

Annual report of the trustees Year to 31 December 2022

Agents and advisors (continued)

Solicitors: Reynolds Porter Chamberlain, Tower Bridge House, St Katharine's Way, London E1W 1AA and Wilsons Solicitors LLP, 4 Lincoln's Inn Fields, London WC2A 3AA and Wilsons Solicitors LLP, 4 Lincoln's Inn Fields, London WC2A 3AA

Land Agent: Sherwill Drake Forbes. Sovereign Court, 230 Upper Fifth Street, Central Milton Keynes, Buckinghamshire, MK9 2HR and Green & Co, 33 Market Place, Wantage, Oxfordshire, OX12 8AL

Structure, governance and management

The British Veterinary Association Animal Welfare Foundation (otherwise known as AWF or "the Animal Welfare Foundation") is a registered charity, number 1192203, first constituted by Deed of Trust dated May 1983 and then as a CIO by Constitution dated 15 September 2020. The changeover to British Veterinary Association Animal Welfare Foundation CIO (company number CE023250, charity number 1192203) took place on 1 January 2022, when the net assets were transferred from the old entity to the CIO by a transfer agreement.

The Trustees are veterinary and animal welfare professionals. In accordance with the Foundation's Constitution two of the three BVA Officers serve as ex officio trustees during their term of office.

Trustees are selected by the AWF Board and appointed for three years, after which they may put themselves forward for re-appointment. Recruitment takes place when required and vacancies are advertised. Selection is based on candidates' experience and with a view to ensuring that the skills and composition of the Trustee Board reflects AWF's needs.

Trustees sign a declaration of eligibility statement on appointment, committing to give their time and expertise to the Foundation. A trustee induction pack includes minutes of recent meetings and annual reports; the AWF Constitution; the current strategy, the NCVO's Good Trustee Guide, an online induction and a trustee job description. Training needs are addressed when identified.

Trustees are required to declare all relevant interests in writing to the AWF Manager and to withdraw from decisions where a conflict of interest arises. Trustees give their time freely and no trustee remuneration was paid during the year. Details of trustee expenses are disclosed in Note 2 to the accounts.

Trustees' meetings are held three times a year and used to agree the Foundation's strategy, objectives and policies and to approve major expenditure and governance decisions. AWF sub committees meet as required, usually several times a year to support decisions made in full trustee meetings.

Day to day management of the Foundation is delegated to the AWF Manager, who is supported by a Grants and Events Officer, a part time Marketing Officer and BVA staff as required.

Structure, governance and management (continued)

Key management personnel

The charity's staff are jointly employed by BVA and AWF. Salaries are set as and when a post is advertised and reviewed annually by BVA as part of a formal appraisal process. The total salary cost is agreed by the AWF Board at their November meeting.

Risk management

At the end of 2021, Trustees considered how the Covid-19 pandemic might affect the charity's work during 2022. They identified the potential for some risks to charitable activities such as live events and the carrying out of research. These risks were mitigated by putting contingency plans in place to allow student talks to be held virtually and by providing a virtual option for attendance at the charity's annual Discussion Forum. The charity's grant funding process continued to require funding applicants to include a robust contingency plan for Covid-19 in their applications.

The Trustees have assessed and identified the major risks to which AWF is exposed and are satisfied that adequate systems are in place to manage any adverse effects of such exposure. The key controls used by AWF are contained in a risk management document which is reviewed annually and includes:

- ◆ Detailed annual budget
- ◆ Monitoring and reporting of actual results against budget forecast
- ◆ Seeking professional advice for significant issues e.g. the land owned by the Norman Hayward Fund and governance
- ◆ Annual review of the Foundation's strategic plan and operational objectives

Financial review

Total funds decreased during the year by £394,559 (2021: £87,075). The funds are split between the unrestricted funds and the restricted funds.

Unrestricted Funds

The total value of the unrestricted funds decreased during the year by £308,712 to £961,545 (2021: decreased by £148,633 to £1,270,257).

The income was £79,501, representing a 21% decrease on 2021. This is due to a drop in dividends and legacies, although helped by a rise in the value of donations received throughout the year.

The expenditure for the year was £272,835 representing a 14% decrease on 2021 expenditure. This was largely a result of a drop in the amount of grants paid throughout the year, although this was partly offset by an increase in costs for the Discussion Forum as it was held in person.

Annual report of the trustees Year to 31 December 2022

Financial review (continued)

The amount of unrestricted funds currently held is being used to cover the charity's expenditure. The charity is aiming to build up fundraising income to a level which will equal annual expenditure. Once this is achieved a discussion will be held to decide on the appropriate course of action for the amount of reserves held.

Investments

There were net losses from the investment portfolio of £115,379 (2021: gains of £69,782). Total income generated from the portfolio and cash reserves was £15,583 (2021: £28,573).

UBS Wealth Management's investment objective is to obtain a reasonable long-term total return, with specific emphasis on growth. The performance of the portfolio is reviewed against an appropriate benchmark and peer group. AWF have an ethical restriction that there should be no direct investment in companies where their turnover is more than 25% in non-medical animal testing or non-stun slaughter which has been factored into the investment approach.

Reserves

The trustees reviewed the level of reserves and decided that free reserves should equate to six months' to one year's expenditure. Consequently, spending has been increased and more focus has been put on fundraising. AWF is investing in fundraising activities to increase income, to match current expenditure.

Restricted funds

Restricted reserves decreased during the year by £85,847 (2021: increased by £61,558).

The income was £14,912 (2021: £24,975). A decrease on 2021 due to a reduction in investment income.

Expenditure for the year was £60,221 (2021: £15,654). The increase in expenditure was as a result of hosting the Discussion Forum, a higher amount of grants awarded compared to 2021 and an increase in investment manager fees.

Investments

There were net losses from the investment portfolio of £40,538 (2021: gains of £52,236) from the separately managed portfolio. As with the unrestricted funds, the portfolio was managed during the year by UBS Wealth Management.

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;

Statement of trustees' responsibilities (continued)

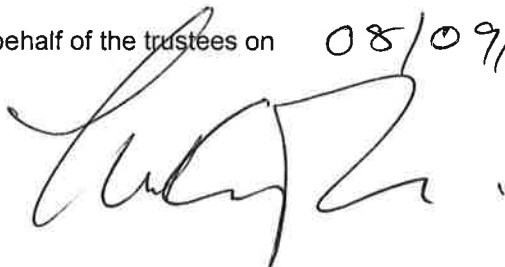
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's Deed of Trust. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Signed on behalf of the trustees on

08/09/2023



Chairman

Independent examiner's report 31 December 2022

Independent examiner's report to the trustees of British Veterinary Association Animal Welfare Foundation ('the Charity')

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2022.

Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). You are satisfied that your charity is not required by charity law to be audited and have chosen instead to have an independent examination.

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with my examination giving me cause to believe that in any material respect:

- ◆ accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
- ◆ The accounts do not accord with those records; or
- ◆ the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Edward Finch FCA
Buzzacott LLP Chartered Accountants
130 Wood Street
London
EC2V 6DL

15 September 2023

Statement of financial activities Year to 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 total funds £	Unrestricted funds £	Restricted funds £	2021 total funds £
Income from:							
Donations and legacies							
· Legacies		1,477	—	1,477	44,155	—	44,155
· Donations		61,287	—	61,287	27,049	—	27,049
Other trading activities							
· Fundraising		884	—	884	619	—	619
Investments	1	15,853	10,766	26,619	28,573	21,389	49,962
Other		—	4,147	4,147	—	3,586	3,586
Total income		79,501	14,912	94,414	100,396	24,975	125,371
Expenditure on:							
Raising funds	2	29,859	14,272	44,131	20,998	6,469	27,467
Charitable activities							
· Research projects		133,218	7,849	141,067	222,544	(3,584)	218,960
· Debate and education		80,069	28,204	108,273	47,734	8,800	56,534
· Promotion and awareness		29,689	9,896	39,585	27,535	3,968	31,503
Total expenditure		272,835	60,221	333,056	318,811	15,654	334,465
Net gains (losses) on investment property	3	—	—	—	—	—	—
Net (losses) on investments	4	(115,379)	(40,538)	(155,917)	69,782	52,236	122,019
Net (losses) on investment assets		(115,379)	(40,538)	(155,917)	69,782	52,236	122,019
Net income (expenditure) and movement in funds		(308,712)	(85,847)	(394,559)	(148,633)	61,558	(87,075)
Reconciliation of funds							
Funds brought forward 1 January 2022		1,270,257	1,135,577	2,405,834	1,418,890	1,074,019	2,492,909
Funds brought forward 31 December 2022		961,545	1,049,730	2,011,275	1,270,257	1,135,577	2,405,834

All of the activities derived from continuing operations during the above financial periods. On 1 January 2022, the assets and liabilities were transferred from the predecessor charity (charity registration number: 287118) as a going concern to British Veterinary Association Animal Welfare Foundation CIO (company number CE023250, charity number 1192203).

The accounting policies and notes on pages 15 to 23 form part of these financial statements.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investment property	3		700,000		700,000
Investments	4		1,452,219		1,574,174
					2,274,174
Current assets					
Debtors	5	4,139		15,414	
Cash at bank		205,335		469,196	
		209,494		484,610	
Liabilities					
Creditors: amounts falling due within one year	6	350,439		(352,949)	
Net current assets			(140,945)		131,660
					2,405,834
Creditors: amounts falling due after more than one year	6		—		—
Total net assets			2,011,275		2,405,834
The funds of the charity:					
Restricted funds	7		1,049,730		1,135,577
Unrestricted funds			961,545		1,270,257
			2,011,275		2,405,834

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Trustee **JULIAN KUPPER**

Date: **08/09/2023**

The accounting policies and notes on pages 15 to 23 form part of these financial statements.

Principal accounting policies 31 December 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2022, with comparative information provided with respect to the year ended 31 December 2021 taken from the former unincorporated charity's prior year accounts.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- ◆ the valuation of the charity's investment properties which is reassessed by the trustees at each balance sheet date based on the previous professional valuation and an assessment of the property values in the local area;
- ◆ the allocation of overheads and governance costs between charitable expenditure categories;
- ◆ estimates in respect to accrued expenditure; and
- ◆ the assumptions adopted by the trustees in determining the value of any designations required from the charity's general unrestricted funds.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have considered any potential challenges when making their going concern assessment and have made this assessment in respect to a period of one year from the date of approval of these accounts.

Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2023 the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets. While there has been a reduction in the value of investments in 2022, the first part of 2023 has seen their value increase.

Sub trust fund

The late Mrs Hayward made a residual legacy to the Foundation in memory of her late husband Mr Norman Hayward of Broughton. The fund has been set up as a separately constituted trust known as the Animal Welfare Foundation - Norman Hayward Fund and is primarily for the welfare of sheep, cattle and horses under the general objects of the Foundation. The trust has a separate set of trustees that also serve as trustees to the Foundation, these are indicated on page 7. For this reason, the trustees of the Foundation believe it correct to account for this sub-trust fund as a restricted fund of the Foundation. Now that the Animal Welfare Foundation has been set up as a CIO it is intended to close down the sub-trust alongside the old, unincorporated Animal Welfare Foundation in 2023. The Norman Hayward Fund will sit as a Designated Fund in the new CIO, with all assets and liabilities sitting with the new CIO.

Income recognition

Donations are accounted for when they are received.

Legacies are included within the accounts once the Foundation can demonstrate entitlement, and the amounts are known with reasonable certainty. In the case of assets received, they are accounted for when full legal title has passed to the Foundation.

Investment income: investment income is accounted for on an accruals basis.

Other trading income: Fundraising: These sources of income relate to publications income and other activities used to generate income for the charity. These forms of income are accounted for on an accruals basis.

Expenditure recognition

Cost of raising funds relates to those costs incurred in promoting the charity and maintaining the investment base and subsequent income. Support costs are allocated to charitable activities on the basis of staff time. Associated staff costs are allocated on the basis of time spent. Governance costs relate to compliance with constitutional and statutory requirements. All expenditure is accounted for on an accruals basis.

Principal accounting policies 31 December 2022

Subsidiary undertaking

The Foundation had a wholly owned, but dormant subsidiary, BVA:AWF Trading Limited until March 2022, when it was officially dissolved.

Fixed assets

Fixed asset investments are stated at fair value. Fair value of listed investments is taken to be the middle market price ruling at the balance sheet date. Realised and unrealised gains and losses are reflected in the Statement of Financial Activities.

Investment property

Freehold land is included in the accounts at valuation. The freehold land held by the Trust is classified as investment property, on the basis that, following a review by the Trustees, they consider that it is held primarily for its investment potential. The freehold land is included in the accounts at an open market valuation of £700,000 (2021: £700,000) and is not depreciated. The last valuation was carried out by Sherwill Drake Forbes, Chartered Surveyors, as at the 2019 year end.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objective of the Foundation. Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds is set out in the notes to the accounts.

Notes to the financial statements 31 December 2022

1 Income

Investment income

	2022 Total £	2021 Total £
Dividends	25,709	49,034
Interest on cash deposits	910	927
2021 Total funds	26,619	49,962

2 Expenditure

	Staff costs £	Grants payable £	Direct costs £	Support costs £	2022 Total £
Raising funds	19,215	—	21,379	3,536	44,131
Charitable activities					
. Research projects	38,431	95,564	—	7,072	141,067
. Debate and education	38,431	—	62,770	7,072	108,273
. Promotion	32,026	—	1,666	5,894	39,585
2022 Total expenditure	128,103	95,564	85,815	23,574	333,056

	Staff costs £	Grants payable £	Direct costs £	Support costs £	2021 Total £
Raising funds	14,769	—	7,340	5,358	27,467
Charitable activities					
. Research projects	44,306	167,378	—	7,276	218,960
. Debate and education	26,852	—	15,526	14,156	56,534
. Promotion	21,482	—	1,092	8,930	31,503
2021 Total expenditure	107,409	167,378	23,958	35,720	334,465

Allocation of support costs

	General expenses £	Governance costs £	2022 Total £
Raising funds	2,354	1,182	3,536
Charitable activities			
. Research projects	4,708	2,365	7,072
. Debate and education	4,708	2,365	7,072
. Promotion	3,923	1,971	5,894
2022 total expenditure	15,692	7,882	23,574

2 Expenditure (continued)

	General expenses £	Governance costs £	2021 Total £
<i>Raising funds</i>	2,200	3,158	5,358
<i>Charitable activities</i>			
. Research projects	4,399	2,877	7,276
. Debate and education	4,399	9,757	14,156
. Promotion	3,666	5,264	8,930
2021 total expenditure	14,665	21,056	35,720

Analysis of direct costs

	Total 2022 £	Total 2021 £
<i>Raising funds</i>		
. Advertising and fundraising	3,146	4,180
. Commission on grazing fees and associated legal fees	—	—
. Legacy agent and associated legal fees	3,308	204
. Investment manager's fees	14,926	2,957
	21,379	7,340
<i>Debate and education</i>		
. Discussion forum	33,656	8,230
. Educational leaflets and posters	—	13
. Welfare days at vet schools	1,494	—
. Links Project	26,573	6,623
. Dog breeding forum/puppy contract	1,048	660
	62,770	15,526
<i>Promotion and awareness</i>		
. Events	—	—
. BVA/AWF website costs	706	472
. Promotion	960	620
	1,666	1,092
Total direct expenditure	85,815	23,958

Staff costs

An average of three (2021 – three) FTE staff were seconded by the British Veterinary Association to help with the Foundation's work. A charge is made by the British Veterinary Association for these staff costs, which amounted to £128,103 (2021 - £107,409). None of these were paid more than £60,000 in the year in respect of their work for the charity.

The trustees did not receive any remuneration during the year (2021 - £nil). Expenses relating to travel and subsistence of £1,083 (2021 - £247) were paid by the Foundation. These were paid to 3 trustees (2021 - 2).

Notes to the financial statements 31 December 2022

2 Expenditure (continued)

The aggregate remuneration paid to key management personnel was £nil (2021 - £nil).

Grants payable

	2022		2021	
	£	£	£	£
Reconciliation of grants payable				
Commitments at 1 January 2022		224,936		117,415
Grants approved in the year	106,358		212,729	
Grants payable for the year, less not utilised	(10,495)		(45,351)	
		95,564		167,378
Grants paid during the year		(62,608)		(59,857)
Commitments at 31 December 2022		257,892		224,936

5 research grants were approved in the year. The total of new grants was £106,058.

3 Investment property

	2022 £	2021 £
Value at 1 January and 31 December	700,000	700,000

Sherwill Drake Forbes valued the land owned by the Norman Hayward Fund at £700,000, as at 31.12.2019. The Trustees are assured this is still a material true reflection of fair value.

4 Investments

	2022 £	2021 £
Market value at 1 January 2022	1,574,174	1,473,075
Additions	1,737,330	434,484
Disposals at opening market value (including realised losses of £34,887; 2021 – realised gains of £38,941)	(1,738,255)	(416,463)
Net unrealised investment gains / (losses)	(121,030)	83,078
Market value at 31 December 2022	1,452,219	1,574,174
Historic cost at 31 December 2022	1,548,163	1,456,411

Investments comprise the following:

	2022		2021	
	Market value £	Cost £	Market value £	Cost £
Listed investments				
Government and fixed interest stocks	384,893	399,511	486,658	494,348
Equity shares				
. UK	1,067,326	1,148,652	702,369	617,517
. Overseas	—	—	385,147	344,546
	1,452,219	1,548,613	1,574,174	1,456,411

Notes to the financial statements 31 December 2022

4 Investments (continued)

Investments representing 5% or more of the total portfolio are as follows:

	2022 £	2021 £
Green Social and sustainable fund	75,846	—
SGD Engagement Equities	131,310	—
MSCI ACWI socially responsible	182,028	—
Engagement equity	81,801	—
Equality UCITS	73,019	—
Global equity XP	105,258	—
Global equity ESG	146,615	—
Global equity esg hedged	146,462	—
VANGUARD FUNDS PLC FTSE 100 UCITSs	—	92,206

5 Debtors

	2022 £	2021 £
Income tax recoverable	—	2,326
Prepayments and accrued income	4,052	13,088
Other debtors	87	—
	4,139	15,414

6 Creditors

	2022 £	2021 £
Amounts falling due within one year:		
Other creditors	53,489	54,379
Accruals	39,058	73,635
Grants payable	257,892	224,936
	350,439	352,949

7 Restricted funds

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains on investments £	Balance at 31 December 2022 £
AWF – Norman Hayward fund	1,135,578	14,912	(60,221)	(40,538)	1,049,730
	1,135,578	14,912	(60,221)	(40,538)	1,049,730

7 Restricted funds (continued)

Animal Welfare Foundation - Norman Hayward Fund

The Animal Welfare Foundation - Norman Hayward Fund is a separately constituted trust fund which was established in 1995 with the express purpose of providing funding for the general purpose and objects of the Foundation, but primarily for the welfare of sheep, cattle and horses. As stated in the principal accounting policies, the trustees of the Foundation consider this a restricted fund. Although the trust was set up in 1995 the Executors of the Estate forwarded distributions to the Foundation amounting to £407,768 between 1989 and 1995 which have been expended on projects in accordance with the donor's request. During 1996 the balance of the residuary legacy was transferred over to the trust which principally consisted of freehold land at probate valuation. The majority of the land's value was realised during 2006. However, an option sold on some of this land was not taken up by the purchaser and the land reverted to the Norman Hayward Fund during 2010. The surveyor valued all the land owned by the Norman Hayward Fund at the 2019 year end at £700,000.

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains on investments £	Balance at 31 December 2021 £
<i>AWF – Norman Hayward fund</i>	1,074,020	24,975	15,654	52,236	1,135,578
	1,074,020	24,975	15,564	52,236	1,135,578

8 Analysis of net assets between funds

	Investment property £	Investments £	Net current assets £	Long-term liabilities £	Total £
2022					
Restricted funds					
. AWF – Norman Hayward fund	700,000	377,577	(27,847)	—	1,049,730
Unrestricted funds					
. General funds	—	1,074,642	(113,098)	—	961,545
	700,000	1,452,219	(140,944)	—	

	Investment property £	Investments £	Net current assets £	Long-term liabilities £	Total £
2021					
Restricted funds					
. AWF – Norman Hayward fund	700,000	673,455	(237,878)	—	1,135,577
Unrestricted funds					
. General funds	—	900,719	369,538	—	1,270,257
. Designated funds	—	—	—	—	—
	700,000	1,574,174	131,660	—	2,405,834

Notes to the financial statements 31 December 2022

9 Related party transactions

Included in expenditure is a charge of £128,103 (2021 - £107,409) made by British Veterinary Association (Company Registration Number 206456), a known related party, in respect of staff costs. A further management charge of £14,400 (2021 - £12,720) made by British Veterinary Association is also included in AWF's expenditure. A total of £48,923 was due from the charity to BVA as at 31 December 2022 (2021 - £53,800).

10 Transfer of activities, assets and liabilities

The trustees of the charity, who were also the trustees of British Veterinary Association Animal Welfare Foundation, a charity registered with the Charity Commission (charity registration number: 287118) (the predecessor charity). With effect from midnight on 31 December 2021, the activities, assets and liabilities of the predecessor charity were transferred to the CIO. The net assets at that date comprised:

	£
Fixed Assets	
• Investment property	700,000
• Investments	1,574,174
	2,274,174
Current Assets	
• Debtors	15,414
• Cash at bank	469,196
	484,610
Liabilities	
• Creditors: amounts falling due within one year	(352,949)
	2,405,834