CATS PROTECTION

England & Wales · Charity number 203644

Details

Other names	THE CATS' PROTECTION LEAGUE
Status	Registered
Legal form	Other
Company number	06772997
Registered	1962-09-22
Register	View on the Charity Commission register

Contact

Address	Cats Protection National Cat Centre Lewes Road Chelwood Gate Haywards Heath RH17 7TT
Phone	03000 121212
Email	John.May@cats.org.uk
Website	www.cats.org.uk

Activities

Objects: TO PREVENT AND RELIEVE THE SUFFERING AND DISTRESS OF CATS AND TO ADVANCE THE WELFARE OF CATS

Activities: Homing, neutering and the provision of information. Cats Protection operates through a network of around 250 volunteer led branches throughout the United Kingdom. We are also registered with OSCR. In addition to the branch network we have 32 purpose built cat adoption centres. Branches and adoption centres work side by side to deliver cat work.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Animals
- **Who:** The General Public/mankind

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Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£96,902,000	£98,693,000	£108,495,000	1204
2023-12-31	£89,272,000	£103,513,000	£106,005,000	1197
2022-12-31	£86,009,000	£87,415,000	£118,100,000	1079
2021-12-31	£78,235,000	£70,667,000	£126,999,000	946
2020-12-31	£71,972,000	£66,473,000	£115,460,000	1037

Trustees

Name	Role	Appointed
Cats Protection Trustee Limited		

Linked charities

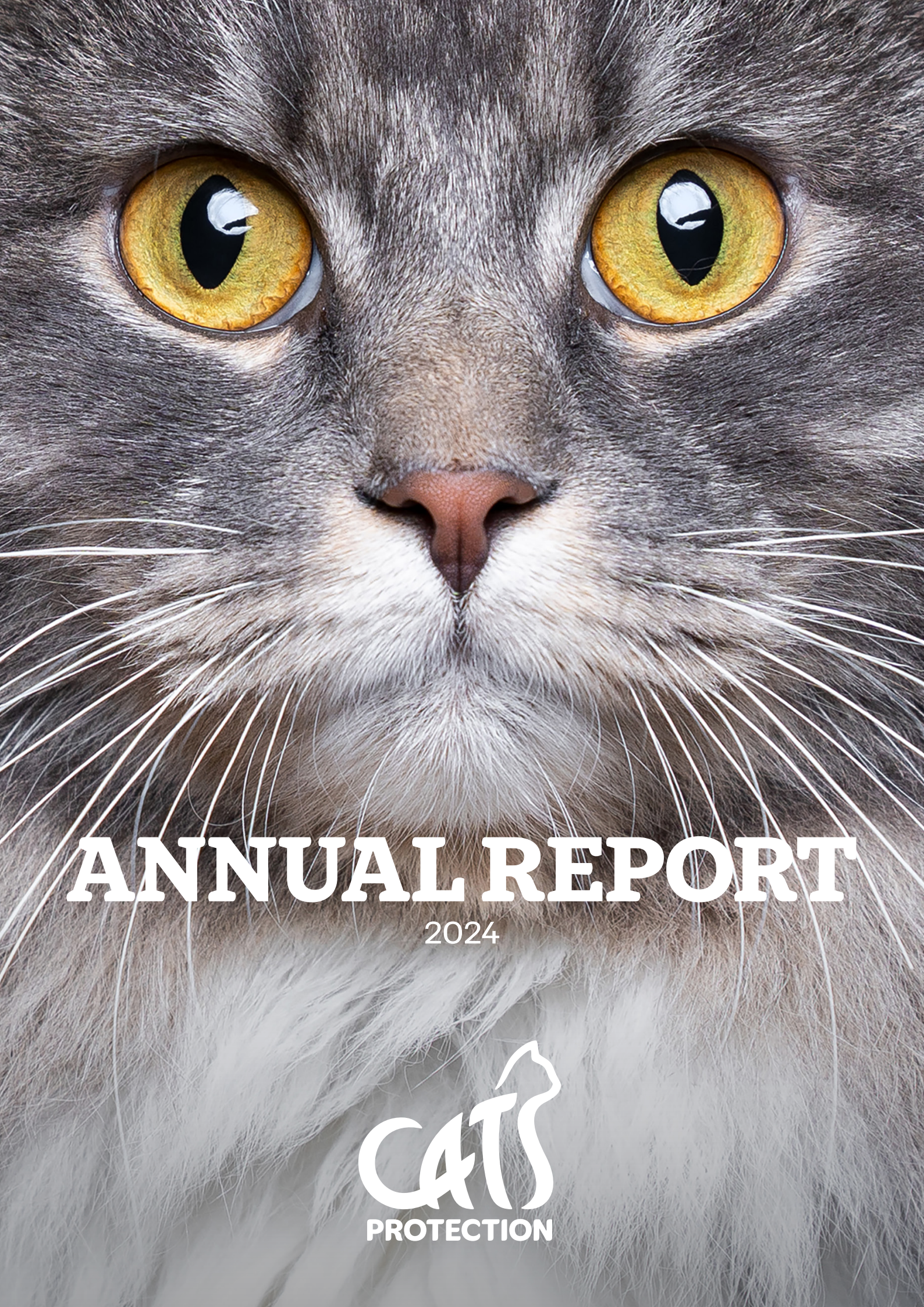
- DORA MADELINE BARFORD (203644-1)
- TAILWAVERS (203644-2)

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CATS PROTECTION

England & Wales - Charity number 203644

Accounts



ANNUAL REPORT

2024

CATS PROTECTION

Cats Protection is the UK's leading cat welfare charity

We share our lives with cats. They bring happiness to millions of us every day. Yet too many cats don't get the care and kindness they deserve. At Cats Protection we stand up for every cat. At the forefront of research on cat welfare we use our decades of experience to help all cats and support owners to keep their pets happy and healthy. Our campaigns change laws to give cats more protection and we continue to call for a better deal for cats. In every corner of the UK our passionate volunteers, employees and supporters are using their kindness and expertise to make life better for millions of cats and the people who care for them.

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

Our impact in 2024

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Chair's report

An introduction from Dr Kit Sturgess, Chair



For almost 100 years, Cats Protection has been making a better life for cats across the UK. But this work is far from easy.

This year we've seen the challenging economic environment continue to have an impact. More and more people are needing our support, with many cat owners struggling to provide for their cats. This has led people to have to make the heartbreaking decision to give up their cats to us or, even worse, abandon them on the streets. In the last three years we've seen a 71% increase in the number of cats being abandoned and sadly, we expect this to continue. We do everything we can to help cats stay with their loving owners, but if we need to take a cat into our care, we will. This all comes at a time when our services are already stretched. We have long waiting lists of cats needing our help and costs and demands on our people are increasing.

But we never give up on cats. We stand up for all cats and the people who need us, and we can only do this thanks to the support of others.

There are the vets and other animal welfare organisations, who help us to rehome and neuter cats and champion good cat welfare. Working together with other animal welfare professionals is vital during these difficult times. It means we can deliver the absolute best for the nation's pets.

There's also our own courageous and compassionate volunteers and employees. Their kindness and expertise are invaluable in improving the lives of cats. They are doing incredible work during challenging circumstances and we do all we can to look after their wellbeing. We give them the support they need to continue helping cats and communities across the UK.

And last but by no means least, there's the thousands of dedicated supporters who help to fund our work, even during a cost-of-living crisis. Whether that's through fundraising, attending events, leaving a gift in their Will or donating in countless other ways. They are helping us to make a happier, kinder society for cats and people.

We're proud of the difference we make to millions of cats and the people who care for them. But we know that there's so much more to do. We help more cats than any other organisation and we want to help millions more. Thank you to everyone who helps make that ambition possible.



Chief Executive's report

An introduction from John May, Chief Executive



At Cats Protection we make it our mission to help people know and treat cats better. To do this we must better understand those people who care for cats. That's why we conduct a national survey of cat owners each year.

Now in its fifth year, our latest CATS (Cats and Their Stats) Report has revealed a significant shift in the landscape of cat ownership. Younger cat owners, aged 18 to 34, now make up around a third of all cat owners. While they care greatly about their cats and do lots of research on how best to care for them, they are also much more likely to buy their cats rather than adopt. They are also more likely to choose a pedigree cat instead of a moggy. For the first time we have seen the number of pedigree cats being acquired overtake the number of moggies. Younger owners are also more likely to keep their cats indoors but take them out using accessories such as backpack carriers or harnesses and leads.

As the UK's leading cat welfare charity, it's clear that it is going to become increasingly important for us to engage with younger owners on these issues. We also need to encourage other animal welfare organisations to do the same. By helping this audience to see the world through cats' eyes, we can improve cat welfare now and into the future.

We believe that every cat deserves to be healthy, happy and safe. To achieve this, it's important for us to develop new services and focus our efforts where we can have most impact.

We continue to develop both our knowledge and our innovative approaches to supporting cats and cat owners. We're always open to learning, listening and collaborating to ensure we're doing the best we can for cats.

One area where we are changing our approach is neutering. We run the world's largest single-species neutering programme and help to neuter thousands of cats and kittens every year. Demand for financial support with neutering is growing. To help us have the biggest impact, we're developing a more targeted approach to neutering. Working closely with vets and other animal welfare organisations, this will help to create a more balanced and healthy cat population in the years to come.

Together, we're working towards a society where every cat is treated with kindness and respect. We are so grateful for everyone who is helping us on this challenging but worthwhile journey.



The difference we made in 2024

We helped 191,000 cats and kittens. That's 525 a day!

(2023: 184,000)

We found new homes for 29,000 cats* and helped 850 cats stay with their owners by offering advice and support**

(*2023: 30,000) (** 2023: 1,050)

We microchipped 93,000 cats, including owned cats and those in our care*, and reunited 1,600 cats with their owners**

(*2023: 75,000) (**2023: 2,000)

We neutered 168,000 cats and kittens, including 13,000 feral cats

(2023: 157,000, including 12,000 ferals)

We helped 430 cat owners flee domestic abuse by providing 750 cats with temporary foster homes.

(2023: 229 cat owners)

We gave 1,290 cat welfare talks to 37,700 adults and children in schools and community groups

(2023: 1,030 talks to 33,300 people)

5.9 million people visited our websites

(2023: 6.8 million)

We handled 157,800 enquiries from members of the public via our Contact Centre and many more via our regional teams

(2023: 161,000)

9,800 volunteers gave their dedication, skills and time to help cats across the UK

(2023: 9,200)

Thank you, on behalf of the cats, for everything you helped us achieve in 2024!

Championing the welfare of cats

We campaign to make sure cats are not forgotten by decision makers. We are the voice of cats in society and we speak up for their protection. Our campaigns change laws. But we can't do it alone. We work in partnership with veterinary professionals and other animal welfare organisations to call for a better deal for cats.

Speaking up for cats

- **Microchipping.** In June 2024 it became compulsory for cat owners in England to have their cats microchipped. This followed years of campaigning by Cats Protection and our supporters. When the new law came into force Cats Protection was the most frequently mentioned charity in news coverage. We continue to call for microchipping to be made compulsory across the UK and held events at the Welsh Senedd and Stormont in Northern Ireland to raise awareness of this issue
- **Pet theft.** The government passed the Pet Abduction Act, which came into force in August 2024 in England and Northern Ireland. This important piece of legislation makes the theft of a cat or dog a specific offence and recognises the emotional and welfare impact theft has on pets and their owners. Cats Protection was a leading voice on this issue and we campaigned to ensure that cats were given the same rights as dogs
- ***The Cat Manifesto.*** Before the 2024 general election, we launched *The Cat Manifesto*, a definitive guide to the steps needed to improve the lives of cats, both in legislation and wider society. Over 30k emails were sent by supporters to candidates in the general election, with every candidate standing receiving at least one email. Overall, 651 candidates responded to the campaign and 111 of these candidates went on to be elected as an MP
- **Cat breeding.** We continue to call for cat breeding regulations in England, Wales and Northern Ireland. Over 50k supporters have signed our petition calling for this important measure, which includes banning cats bred with extreme traits. In 2024 Cats Protection inputted into an inquiry being led by the Animal Welfare Committee and in their final report they have recommended the UK Government introduce cat breeding regulations as soon as possible
- **Pet adverts.** Our team of volunteer 'Cat Detectives' monitor adverts selling cats on pet-selling websites to ensure good welfare practices are being met. Any adverts that don't meet the requirements set by the Pet Advertising Advisory Group (PAAG) are reported to the websites and logged with Cats Protection, allowing us to keep track of any concerning trends. This year we reported 550 adverts. We've seen improvements with labelling of photos on some cat-selling websites and fewer adverts being reported. Working with other PAAG members, we also reviewed adverts selling cats on social media this year. This led to a joint position from charities, industry groups and veterinary organisations urging social media companies to do more to prevent pet sales and encouraging the public to avoid buying pets through social media



- **Fireworks.** Cats Protection and other members of the Fireworks Working Group hosted an event in Parliament to call for a review of fireworks legislation. Fireworks can be stressful for cats and other animals. Cats Protection is calling for the unplanned use of fireworks to be restricted and a reduction in the maximum permitted noise level of fireworks

Working with veterinary professionals

The veterinary profession has continued to support Cats Protection to keep the cats in our care healthy and help us deliver our subsidised neutering scheme. This not only has positive welfare benefits for individual cats, but significantly impacts the wider cat population. We couldn't do our work without vets and are aware of the challenges that continue to face the profession. Following research into veterinary capacity issues in the UK, we're exploring ways that we can further support and engage with vets. Cats Protection has also been part of discussions with the Competition and Markets Authority around veterinary costs and we view contextualised veterinary care as an important component to the solution to some of these challenges.

Working with animal welfare professionals

We attended the Association of Dogs & Cats Homes (ADCH) 2024 conference, where we sponsored the 'cat stream' and delivered talks and workshops to fellow animal welfare professionals. The topics we covered included issues around cat care and working in shelters, as well as broader challenges such as cat population management and engaging with the next generation of cat owners. We provide specialist advice to existing and prospective ADCH members. We have also been deepening our ties with other animal welfare charities to promote good cat welfare and provide additional support where needed. By working collaboratively, and bringing together the animal welfare sector's collective knowledge, experience and resource, we can maximise our reach and impact to achieve our goals.

Creating a richer understanding of all cats

Cat owners want their pets to be happy and healthy, and we're here to help. We offer advice and support at every stage: from finding the right cat, to tackling behaviour and health issues, to dealing with loss and grief. All our work is based on decades of research into cat welfare, so we really understand what cats need to be healthy and happy.

Cats and Their Stats

Our CATS (Cats and Their Stats) Report is based on the largest independent annual survey of both cat owners and the non-cat owning public. Our fifth annual report identified some concerning trends:

- for the first time, we saw pedigree cats overtake moggies as the most popular type of cat acquired over the last 12 months
- social media sites continue to be a popular source of cats to buy
- younger cat owners are driving a shift in cat ownership. They are more likely to buy rather than adopt, keep their cats indoors, and use accessories such as backpack carriers and harnesses. These can have negative implications for cat welfare

Cats Protection is leading the debate on how we adapt to the changing demographics of cat owners and the shifts being seen in how cats are acquired. We hosted a major discussion with animal welfare organisations at the Association of Dogs & Cats Homes 2024 conference, addressing the steps needed to engage the next generation of cat owners. Read the CATS Report at **cats.org.uk/stats**

Welfare assessment tools

We have been undertaking important exploratory work to develop new cutting-edge techniques to assess cat wellbeing in a non-invasive way. Part of this work involves collaborating with computer vision scientists to harness the power of artificial intelligence. This enables us to gather objective, long-term behavioural data of cats from video footage. This data will then be combined with health records and daily observations, and machine learning algorithms will be applied to help identify early predictors of when cat welfare is compromised.

Cat population modelling

There are more cats in the UK than there are suitable homes for them. We use neutering to work towards creating a balanced cat population where every cat has their needs met. Our population research, including our population modelling and evidence review, provides insights into population dynamics and the importance of considering the localised context, including cats, people and the environment. This data-driven approach will create the knowledge base and accessible modelling tools to help us direct our neutering work, to ensure our resources have the greatest impact on reducing overpopulation and improving cat welfare.

Working with academic institutions

Partnering with universities and collaborating with internationally recognised experts is helping us to advance our research and knowledge on understudied cat populations in the UK as well as to advance the development of our cat welfare assessment projects. Collaborations allow us to share academic expertise enabling us to develop innovative tools and data-driven insights that enhance our understanding of cat populations, their health and welfare.

Lucky's story

Lucky first arrived in our care in May 2022 when his owner was unable to keep him with their other cat. He quickly became a favourite with the team looking after him, so they were delighted when he was adopted the following August.

Sadly, although his new owner didn't have any other pets, Lucky didn't get on with the other animals in the area and was brought back into care in October 2023.

The team at our newly opened Glasgow South Homing Centre settled him back in, and as he is a very adventurous cat, made sure he got lots of play and attention to keep him from getting frustrated.

He then caught the attention of Angela, who lives on the Isle of Bute. Lucky set off by ferry to his new home and has settled in perfectly. Angela said: "Lucky is doing really well and I am loving having him in my life."





Caring for those that need our help

Helping people understand their cats better means we can often avoid the need for owners to give up their pets. But when rehoming is the right thing to do, we look after cats with care and kindness and help them find a loving new place to stay. We're here for cats, but our work has many benefits for people too. By supporting mutually beneficial relationships between cats and people, we're helping to make a happier, kinder society. Throughout 2024 we increased our work with other animal welfare organisations to help us rehome and neuter cats. It is important that we work with the wider sector during these difficult times, and this has increased the number of cats we have been able to help.

Rehoming

We understand that the decision to give up a cat is a challenging one. We work alongside cat owners to help them support the quality of their cat's life in their existing home. But sometimes we do need to bring the cat into our care. We always make sure that this is the best decision for the cat before we begin the next stage of the journey: finding them a new home. Thanks to this approach, we found new homes for approximately 29,000 cats this year. But we also supported 850 cats to remain in their existing home with their owner, keeping that crucial bond.

To help with rehoming, we are now working with 31 partner catteries across the UK, giving us access to over 250 additional cat pen spaces. We hope to expand this by a further 15 catteries over the next 18 months. Most of these relationships are maintained by our volunteer teams, including significant partnerships with the RSPCA in Sheffield, North Manchester and Leeds. We work with many other partners too, including Battersea who took in a number of our cats this year after a recent redevelopment of their cat centre.

Neutering

Over the last two years we have neutered over a quarter of a million cats, an incredible achievement that will help to reduce the number of unwanted kittens being born. To meet the demand for subsidised neutering post-pandemic and during the cost-of-living crisis we had to strategically invest a portion of our charitable reserves. We'll now use this as a foundation as we further refine our scientific approach to neutering to maximise cat welfare. This means seeking the ideal balanced cat population, one where all cats get the best possible chance of living a happy life. This will also reduce the pressure on shelter waiting lists and help people to recognise the different needs of different cats.

For our neutering work, we have enlisted the help of 44 advocates, including both animal welfare and human welfare organisations, to help us deliver our subsidised neutering scheme to cat owners. We are continuing to work in collaboration with other organisations, such as the PDSA and the C4 (London) Neutering Scheme, to support subsided neutering for the cats of owners on qualifying benefits.

Lifeline

Lifeline is our pet fostering service for families fleeing domestic abuse, looking after cats until they can be safely reunited with their owners. In 2024 we:

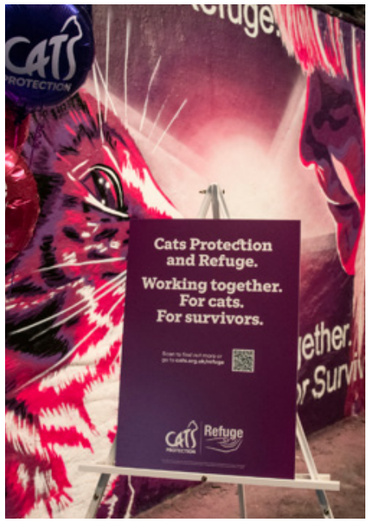
- expanded the service from London and the South East, Yorkshire, East Anglia and the Midlands into Scotland and Wales
- helped 430 cat owners (2023: 229) flee domestic abuse by providing 750 cats with temporary foster homes
- recruited 370 new volunteer fosterers to the service
- trained domestic abuse professionals on the link between domestic abuse and pets, exploring how they can best support victim-survivors with their cats
- worked in collaboration and shared resources with organisations that support victim-survivors, including Woman's Aid in Scotland, Wales and England, and Refuge who deliver the National Domestic Abuse Helpline
- co-chaired the Links Pet Fostering Group with Dogs Trust, a coalition of specialist domestic abuse pet fostering services in the UK. We collaborate with existing members and support new organisations who are enhancing their processes with the aim of meeting the group standards

Lifeline is kindly supported by the Pets Foundation.

Raising awareness of our work

To reach more cats and help people to better understand their needs, we need to raise awareness of Cats Protection. This will help us to engage new cat-loving audiences and inspire our existing supporters, create opportunities for the general public to connect with us and help us to raise funds.





Here for every cat's journey

In the last three years we've seen a 71% increase in the number of cats being abandoned. We know that tough times can lead to heartbreaking decisions, but abandoning cats should never be one. That's why we launched a winter campaign to highlight our commitment to being there for every cat and every owner who needs advice and support, whether that's helping to find loving new homes for their cats or equipping owners with the tools they need to help them continue their journey together.

Central to this campaign was our TV advert, featuring Alfie (pictured left), representing a cat who was abandoned but found a loving new home thanks to Cats Protection. The campaign raised an impressive £1 million and reached a staggering 36 million people through our paid marketing efforts. It also received widespread media coverage, featuring in 35 pieces of press.

Together

To raise awareness of Lifeline, our pet fostering service for families fleeing domestic abuse, we continued our 2023 winter campaign into this year.

- Following Lifeline's expansion into Scotland, we ran a TV advert during primetime shows like the *Britain's Got Talent* final on STV and had billboards across the region to help raise awareness of the service and encourage volunteer fosterer applications

- In England, we partnered with domestic abuse charity Refuge on a joint PR campaign and several branded billboards to demonstrate how we're working together to support cats and their families. As part of this, we commissioned a striking mural (pictured above) by street artist 7th Pencil at London's Leake Street Arches, which was unveiled by victim-survivor Wendy Turner-Webster

- We appeared on the Jeremy Vine show on *BBC Radio 2* to discuss the connection between pets and domestic abuse, and appeared in other media outlets such as *ITV Breakfast, The Daily Star* and *The Standard*

- Our billboards were viewed 2.4 million times and we reached over 8 million people

- Our campaign won Gold in the People's Choice category at the Smiley Charity Film Awards and secured the Third Sector Award for Marketing Campaign of the Year

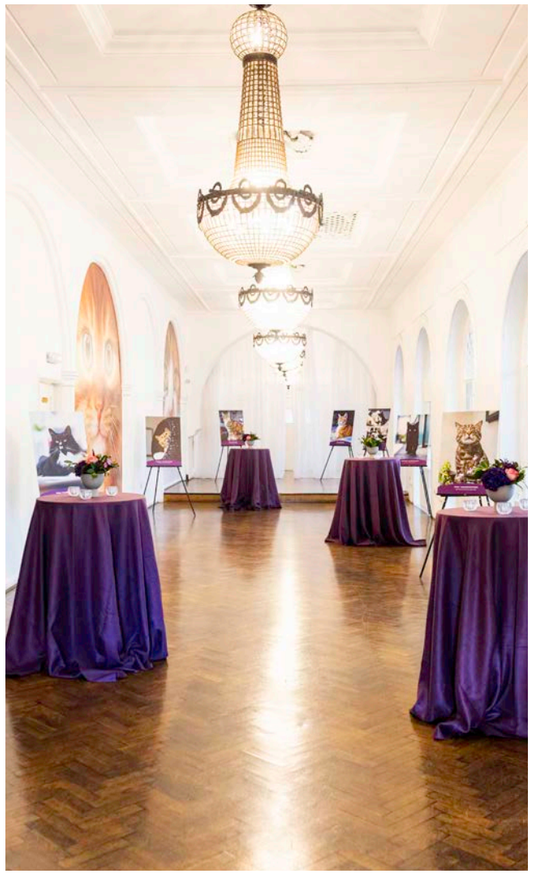


Cats Got Your Tongue?

Our podcast, hosted by *Radio X* DJ Adam Brown, has had two successful seasons with season three coming in 2025. In 2024 we launched video episodes on YouTube, hit the top 20 in the UK Podcast Leisure Charts, and our audience has been growing with each episode. Celebrity guests who appeared this year include comedian Bob Mortimer (pictured above left with Adam and Cats Protection Chief Veterinary Officer Alison Richards), authors Jane Fallon and Dawn O'Porter, actress Caroline Quentin and TV presenter Laurence Llewellyn Bowen.

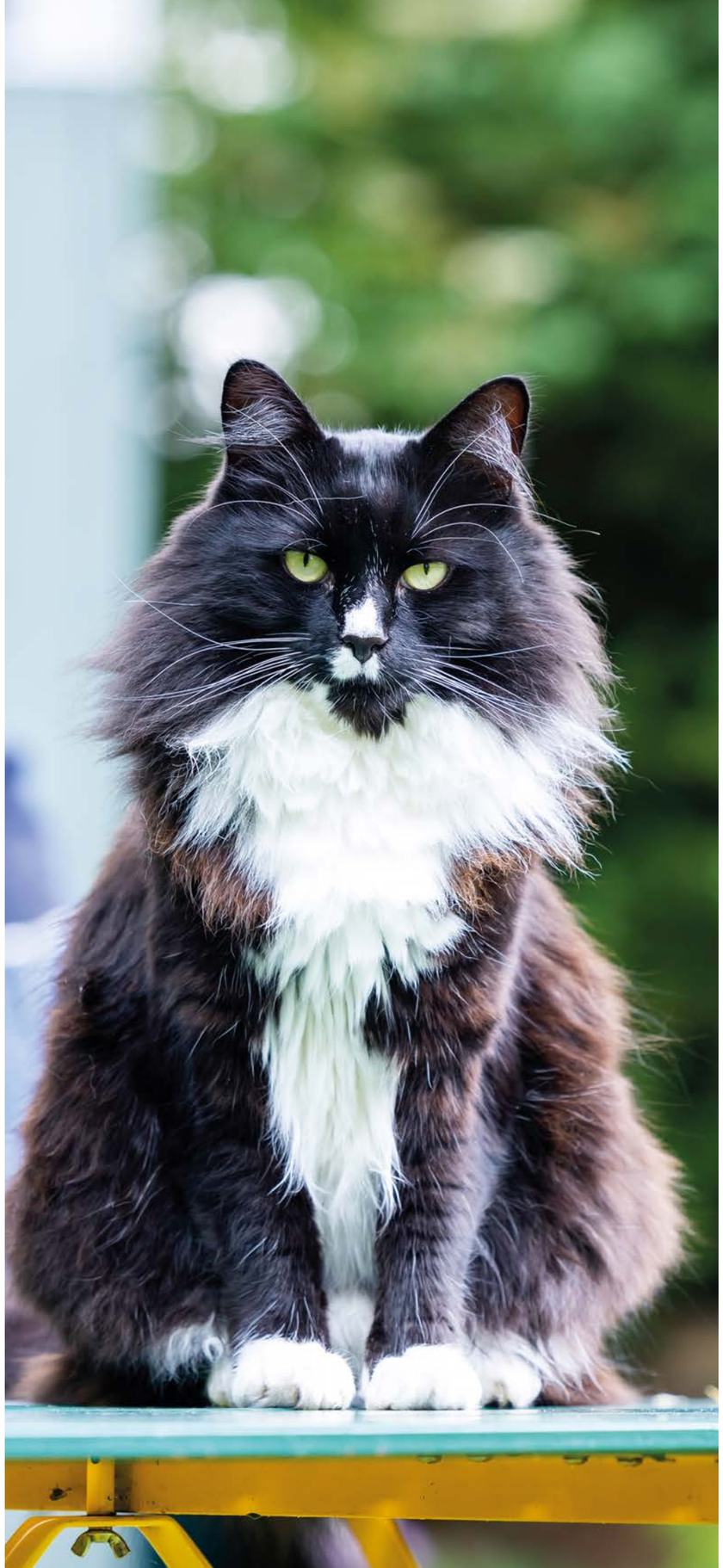
Bully and Dwelf cats

This year saw a disturbing new trend for 'Bully' and 'Dwelf' cat breeds. These cats suffer from multiple physical deformities, including hairlessness and distorted limbs which can lead to skin diseases and painful, abnormal joints. As the cat welfare experts, we became the leading voice on this issue, reacting quickly with a press campaign to raise awareness of the significant welfare issues with these breeds and highlight the need for cat breeding regulations. We achieved widespread national coverage in publications such as *The Telegraph*, *MailOnline*, *The Sun*, *The Mirror*, *The Independent*, *The Guardian* and *ITV News*.



National Cat Awards

Our annual celebration of cat companionship took place at One Marylebone, London (pictured above right), on 18 September this year. Hosted by author Dawn O'Porter, awards were presented by social media influencers GK Barry and Louise Pentland, comedians Matt Richardson and Ronni Ancona, broadcaster Gyles Brandreth and choreographer Dame Arlene Phillips. TV vets Rory Cowlam and Bolu Esu presented our inaugural Vet of The Year award and Marley was crowned National Cat of the Year. We received over 1,500 entries and 30,000 votes from members of the public. Our adverts and social media content about the awards were seen around 1.5 million times. Media coverage of the awards reached an audience of 8.8 billion with articles featured by *BBC Online*, *The Guardian* and the *MailOnline* plus many regional media outlets.



National Cat of the Year 2024

Marley, resident cat at Caritas Bakhita House in London

Caritas Bakhita House is a safehouse for women who have been enslaved, exploited and trafficked. It is home to several women from many different countries, and a black-and-white moggy called Marley who offers them comfort and hope as they rebuild their lives.

Karen said: "Often Marley placing a gentle paw on our guests' legs is the first kindness they've experienced in years. He has this incredible gift of empathy, knowing instinctively who needs him. We adopted Marley four years ago and I think he'd suffered abuse as he is terrified of men aged around 30. So he recognises our guests' trauma. One woman was in such distress she couldn't speak to us, only to Marley. But, because she trusted him, over time we were able to build a bridge and reach her.

"Marley is also staff supervisor, security guard patrolling the grounds, and chief gardener. Nobody is allowed to touch his patch of daisies! In art therapy he's a popular muse and one guest even composed a song for him. At 7pm staff and guests sit down for dinner together, like a family, and Marley joins us. He's the fluffy heart of our home."



Raising vital funds

We are incredibly grateful for those who generously donate towards our cause or fundraise on behalf of cats. No matter how big or small the gift, it makes a huge impact and will enable us to help many more cats and their owners for years to come. Thanks to our inspiring supporters we can continue our vital work and we promise to use our funds efficiently and effectively to help as many cats as possible.

Charity shopping

Our 79 shops across the UK and our online eBay shop raised £9.6m in 2024, while also encouraging sustainable shopping habits. This year we also completed work to understand the full value of retail at Cats Protection. Our research and analysis revealed the significant contribution our retail operation brings to many areas of the charity beyond sales of new and donated goods. Our shops provide us with connections to local communities, helping us raise awareness of our activities across a greater geographical area, as well as making our services more accessible.

These connections not only have a positive impact on the donations we receive but also on the numbers of people who volunteer with us, both of which are vital to delivering our work. This insight will help us to develop our retail services and make the most of our high-street presence. It also won us the highly prestigious Most Powerful Insight Using Data Analysis award at the Chartered Institute of Fundraising Awards 2024.

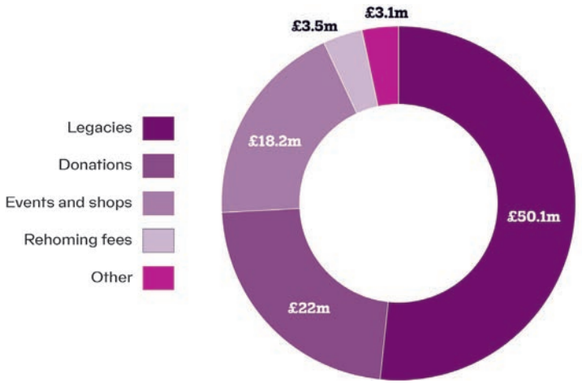
Forever Cat People

2024 saw us launch Forever Cat People, an online space to celebrate all those who loved and cared for cats during their lifetime. So much of our work is only made possible by people leaving a gift in their Will or giving in memory of a loved one, not to mention all the amazing achievements of our volunteers. Forever Cat People gives us and the public a new opportunity to shine a light on these incredible individuals and recognise their wonderful impact on cats' lives, alongside the people who knew them best.

Total income: £96.9m

(2023: £89.3m)

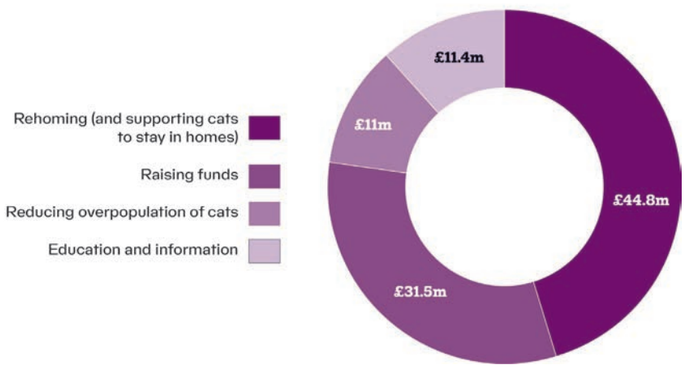
Where our funds came from



Total expenditure: £98.7m

(2023: £103.5m)

How we spent our funds



These figures are based on those in the full, audited and unqualified accounts for the year ended 31 December 2024. For further details of these figures, turn to the financial review section starting on page 40.

Community fundraising

After successful tests in 2023 we launched a new community fundraising model across the UK. Our new approach to community fundraising means that we can provide more tailored local support and connectivity to our supporters, volunteers and employees in order to raise vital funds to continue and develop our work. For example, our South West Community Fundraising team supported Cats Protection Launceston with a local fundraising appeal for Sparrow, whose story you can read below.

Sparrow's story

Sparrow the kitten was found abandoned outside an abattoir. Sparrow had to have an eye removed as it was infected and she was hand-reared by our dedicated volunteers. The appeal to fund her treatment and care exceeded its target within 48 hours. She is now happy and healthy and in a new home. Her new owner said: "She is settling into her home well and loves to play. She is a very brave little cat and likes to get into everything!"



Records management

This year we proudly launched our award-winning Single Customer View, consolidating 4.5 million records from 11 source systems, including our adoption, campaign, neutering and fundraising audiences. This milestone provided, for the first time, a comprehensive view of all key touchpoints across the charity. The result is a robust dataset enabling in-depth analysis and better decision-making, enhancing the charity's impact and experience for our customers and supporters.

Impactful philanthropy

We are so grateful for the support of all our major donors and funders. They give exceptional, transformational gifts to support our work. With special thanks to Pets Foundation, the RS Macdonald Charitable Trust and players of People's Postcode Lottery for their multiyear funding and long-term partnerships.



Big Winter Roam

Over 2,000 Cat Champions took to streets, trails and treadmills across the UK in February 2024 to roam for cats through our new fundraising challenge, the Big Winter Roam. Together they raised over £145k, making this our biggest mass participation challenge ever. Ten-year-old Amelia (pictured) took part and roamed every morning before school in all weathers accompanied by her mum and a different cat toy each day to help keep her spirits up and her stride strong. By the end of February, Amelia had completed an impressive 50 miles of roaming and raised over £200 for cats.

Thanks to our partners

We are deeply grateful to our corporate partners, whose generous support helps us make a difference in the lives of cats and kittens across the UK. Thank you to the following companies, and many others, for supporting our work.

- Ceva (makers of FELIWAY®)
- Petplan®
- Pets at Home and Pets Foundation
- Purina® Petcare
- Simon's Cat
- Sure Petcare
- Magic Light Pictures and Julia Donaldson's character Tabby McTat
- OddBalls

Thank you to the three new corporate partners we welcomed in 2024:

- identi (suppliers of identichip microchips and the identibase database)
- Kittilitt Cat Litter
- Cosy Cabins

For more information about our partners, please visit **cats.org.uk/corporatepartners**

McVitie's story

McVitie and his siblings were abandoned at our Kent Cat Centre in a cardboard box covered with chicken wire. Once safely inside the centre, our team began to peel back the layers of wire, hearing the small meows coming from inside. To their astonishment, inside the box were 13 little kittens. Yes, 13! All of them guessed to be just 10 weeks old. They were crammed in on top of each other in the stifling 27°C heat, exhausted and underweight. The team began checking them over one by one and gave them some food once they knew they were ok. The next challenge was to find space for 13 kittens, which meant the difficult decision of postponing other cats on the waiting list from coming into care.

The kittens soon adapted to life in the centre and turned out to be incredibly friendly and playful, despite their rough start. They were named after biscuits, a nod to their sweet nature: McVitie, Biscoff, Garibaldi, Hobnob, Bourbon, Dodger, Didgie, Gingernut, Jaffacake, Cookie, Lotus, Lemonpuff and Maryland. All the kittens are now happy, healthy and have found new loving homes.



Supporting our people

We are a movement of passionate volunteers and employees, working together to transform the lives of cats, people and communities. We embrace difference and are determined to become a more diverse and inclusive charity, valuing everyone's unique contribution to our cause. We are here to champion and support everyone who cares about cats.

Organisational design

Our organisational design and development work continued in 2024 with the introduction of our Senior Management team, an exciting new chapter for leadership within Cats Protection. We have an ambitious strategy and alongside our Senior Leadership team, this new team will embody our values and behaviours in driving forward positive change for our organisation.

Volunteering

Bringing together the voices of our volunteers, volunteer managers, employees and senior leaders, we launched our new volunteering strategy. Co-creating this with our people means that we are in an excellent position to develop even better experiences for our volunteers and volunteer managers and achieve our ambition to become an exemplary voluntary organisation. Our new partnership approach has seen volunteers make decisions alongside employees and solve organisational challenges as well as take advantage of opportunities together. The recruitment of two new volunteers to our Board of Trustees is testament to our work in ensuring volunteers are an integral part of our work across the charity.

Wellbeing, safeguarding and equity, diversity and inclusion

We continue to build solid and strong foundations, frameworks and policies to keep our people feeling safe, supported and well. We launched our family-friendly suite of people policies, developing our organisation to be more inclusive of those with diverse family structures. We worked with our volunteer teams to develop safeguarding principles and approaches which has helped us welcome young volunteers safely and inclusively. Our commitment to employee wellbeing means we have continued to offer reflective practice to support the management of compassion fatigue and have greater resources to support the mental health of our people. We are rolling out i-act mental health and wellbeing training across the charity.

We also continue to build a sense of belonging and connection with our people by launching two new Neurodiversity and Living with Chronic Illness affinity groups. With the recruitment of an Equity, Diversity & Inclusion Lead Volunteer, we are building a strategic approach to this area of culture development within Cats Protection.

We are also engaging with communities across the UK to attract talent through our bias-free recruitment approaches and membership of disability government schemes. As we embrace further remote working, we are continuing to respond to our people's needs and preferences and this will further develop into 2025.

Our approach to pay is designed to be both fair and inclusive, aligning with our legal obligations on gender pay and our broader commitment to equity, diversity and inclusion. To attract top talent, we benchmark all roles against the charity sector, ensuring competitive and equitable pay across the organisation. In 2024, our gender balance shifted slightly, with the proportion of male employees decreasing by 0.4%. Like the broader UK workforce, we continue to see more women in part-time roles, which is reflected across Cats Protection. With 83.9% of our workforce identifying as female, we are proud that our Senior Leadership team has strong representation, with women making up 60% of its members.

Culture and performance

Our culture and the performance of our people creates impact across our organisation. Our retail framework has amplified performance and our values and behaviours within our shops, bringing the people, customer and fundraising elements of our work together. We have also developed a new way for all our employees to reflect on their performance, celebrate success, improve what they do, and align their work to our values, organisational goals, objectives and strategy.

Learning and development

We are proud to support our people in their learning and skills development. Our volunteers and employees have accessed over 56,000 hours of learning in 2024, including new courses on management; cat welfare; values and behaviours interview skills; safeguarding, wellbeing and mental health; volunteer management; and equity, diversity and inclusion. Our people are becoming better leaders through our expanding apprenticeship programme, which supported its first 16 managers to achieving distinctions in their L5 Leadership & Management Diplomas. Our new Accessibility & Inclusion Network is making learning accessible to everyone.

Environmental impact

We have a responsibility to reduce our carbon footprint and increase our environmental sustainability. We are focusing on how we can reduce our impact on the environment and be more sustainable in everything we do.

Moving to an electric fleet of vehicles will bring a range of benefits. 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. We now have electric vehicle charging points at all our centres and 41 electric vans in our fleet. 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 continue to be partnered with Energy Saving Trust and have created a baseline of our emissions based on our 2022 data. We are now working at adding our 2023 information to this dataset to enable us to compare and analyse where improvements have already been made, and where our focus needs to be going forwards.

In 2025 we will be producing our action plan as part of the Energy Savings Opportunities Scheme run by the Environment Agency. We will write measured targets for our emissions which will help us focus on what our next steps need to be.

Looking ahead

In 2025, we plan on delivering three priority activities, while focussing on activities that deliver 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.

The three priority areas are:

Delivering a sustainable and impactful Cat Population Management Programme

At the heart of our work is the ongoing development of our cat population model, and integrating it into our decision-making processes. During 2025 we will develop and launch an interface that will enable more people to access and use the model.

Through 2025 we will ensure our subsidised neutering programme is financially sustainable and as impactful as possible, ensuring we support the most in need, and operate where there is a prevalence of unneutered cats. We will also continue engagement with vets and develop our veterinary support, across our cat population and wider influencing work.

Implementing a new Customer Relationship Management platform

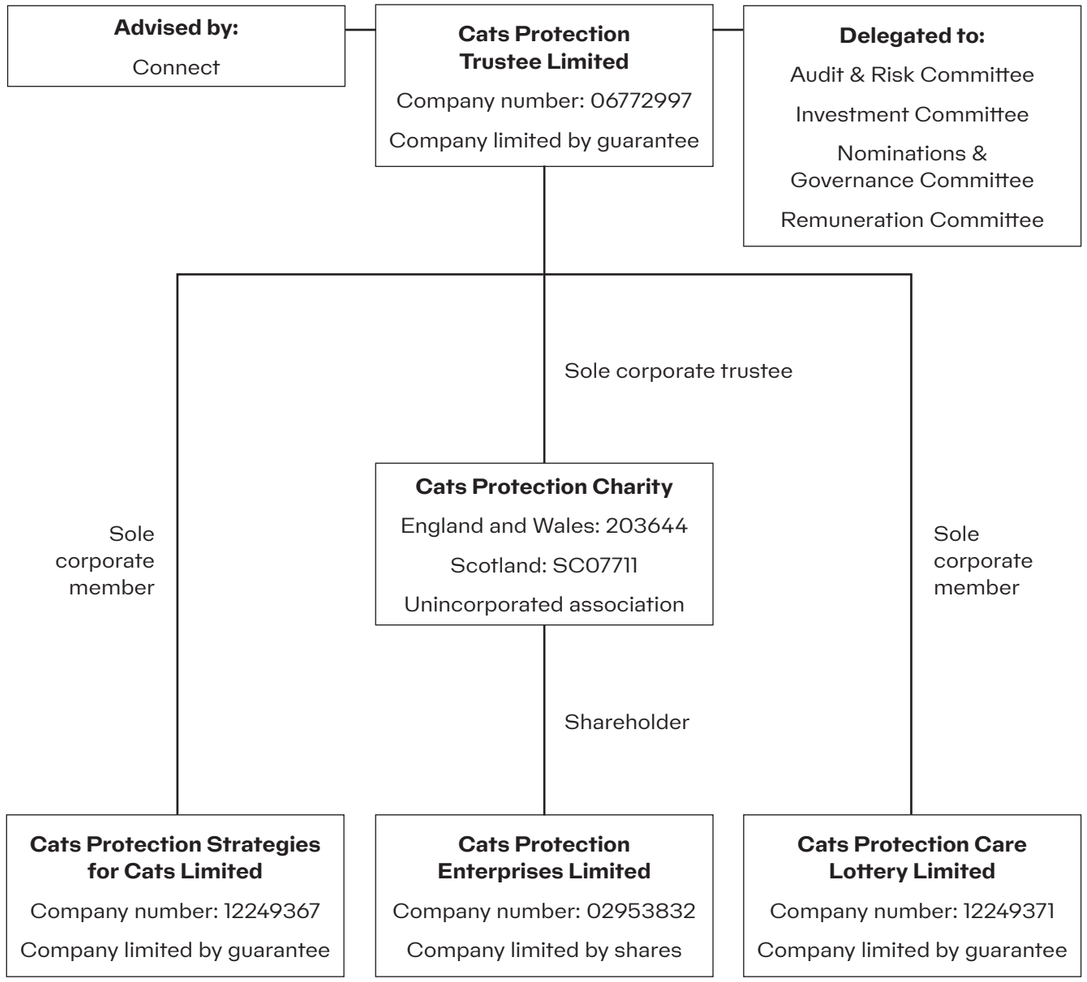
Having a modern Customer Relationship Management platform is foundational to our future. It will give us the ability to access data that provides us a single view across all our people, and all of their interactions with us, enabling us to evolve into a customer and supporter focussed charity. This will enable us to grow our impact for all cats, reach new audiences and more effectively engage with our current supporters, and grow our income.

Foundational IT activity

We have made significant upgrades to our physical and virtual infrastructure over the last few years. As a dispersed organisation, our IT remains critical to our ability to collaborate and work efficiently. Work in 2025 will strengthen our cyber security while creating equity of access to our systems and data. This will drive collaboration and empower all our people.



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 Senior Leadership team. The Board has four sub-committees being the Audit & Risk Committee, the Investment Committee, the Remuneration Committee and the Nominations & Governance Committee.

All Trustees on the Board of the Corporate Trustee are recruited through an open, competitive process. This involves interviews with the Nominations & Governance Committee. Appointment of Trustees is the responsibility of the Board. Board Trustees are recruited according to a skills and background matrix and to ensure that there is a substantial number of Trustees with volunteering experience of our operational delivery.

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. Trustees may not be members of Connect but meetings are chaired by a Trustee.

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

Two further wholly owned subsidiaries exist; Cats Protection Strategies for Cats Limited and Cats Protection Care Lottery Limited, both of which are dormant and have not traded during the year. 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.

Governance

The Board of Trustees met six times during the year in person. Connect met three times during 2024 both in person and virtually. Members met at the Annual General Meeting which was held virtually.

Two new Trustees joined the Board during the year. The induction programme for new Trustees consists of familiarisation with the workings of the charity and its policies through visits to volunteer teams and centres, and meetings with the Chair, other Board Trustees and members of the Senior Leadership team. Ongoing training and support for all Trustees is provided through formal and informal briefings from the Chief Executive, Senior Leadership team, third-party specialists or external courses.

The Audit & Risk 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 Trustees and at least one external, independent member, with no more than eight members in total.

During the year, 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.

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 approved by the Committee. Reports by internal audit on the following areas were received during the year: IT strategy, retail Gift Aid and risk management.

The Committee also reviewed and provided oversight of the charity's risk management process. 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 Trustees and up to four independent advisors, but no more than seven members in total. During the year, the Committee met to review fund management strategy and agreed to go to open tender for investment management services. The Committee also separately met twice with the investment managers, advisors and relevant employees. At these meetings, 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 & Governance Committee met twice during the year. The Remuneration Committee, which is made up of Board members, meets annually to advise the Board generally on salary increases across the charity, and specifically on remuneration of the Senior Leadership team and the Chief Executive. The Committee may meet more frequently to determine the remuneration of new appointments to the Senior Leadership team. The Committee met twice during 2024.

The Board reviews the work of the Committees throughout the year. Appointments to all 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.

The code also explains that compliance with the law is an integral part of good governance. Following a comprehensive compliance review in 2020 the charity adopts an approach of continuous improvement to strengthen processes and controls, applying the code principles relating to decision making, risk and control. In 2022 the Board commissioned an external review of its governance arrangements by the National Council for Voluntary Organisations (NCVO). All of the recommendations arising from the report have now been addressed as the Board strives to deliver efficient and effective governance of the charity. Trustees are appraised annually and a Board strategy has been introduced against which Board effectiveness can be judged. The Board is also evolving its meeting structure (timing, number and location) and developing Board committees to improve governance and facilitate Board diversity and inclusion.

Management

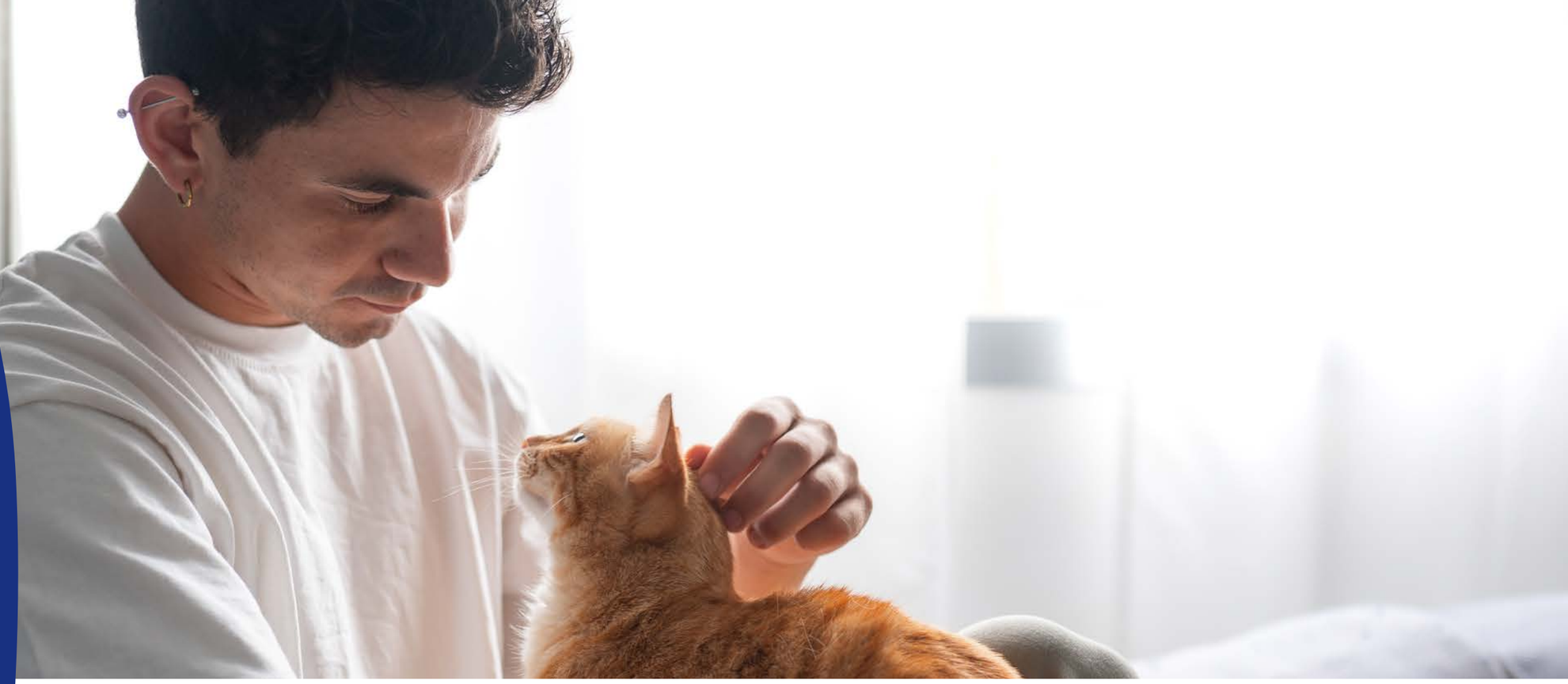
The implementation of the strategy and day-to-day operations are the responsibility of the Chief Executive, who is assisted by a Senior Leadership team. A Senior Management team was introduced in November 2024 to support the Senior Leadership team in delivering the charity's goals at an operational level.

For operational effectiveness, the UK is split into regions. Regional employees are responsible for developing the volunteer-run delivery of our services 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, our management is largely located close to volunteer teams and centres across the UK. This gives more focus and support to our volunteers and helps provide an integrated service across volunteer teams and centres.

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

Our public benefit

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 155,000 cats

• In the medium term, our neutering work will help deliver a balanced cat population so there are fewer unwanted cats. In the last five years, we have helped to neuter around 682,000 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 are better informed and understand how to take a more responsible view of cat ownership and welfare. In the last five years, our websites have been visited 26 million times and we currently have a combined total of 1 million followers on social media

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, 25% of UK households have at least one pet cat, with an estimated owned cat population of around 10.6 million cats[1]. 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

• providing our Lifeline, Paws to Listen and Cat Guardians services

• providing advice to governments on animal welfare legislation

• providing volunteering opportunities for those who wish to support our work, including through the Duke of Edinburgh's Award programme

• developing the skills and capabilities of our people to do more for cats through maximising the Apprenticeship levy

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.

[1]CATS Report UK 2024



Rue and Buddy's story

In 2024, Cats Protection built a foster pen in the extensive grounds of Broomhill Hospital, a specialist mental health hospital in Northampton.

The pen is housing cats waiting to be adopted, and they are cared for by patients trained and supported in how to look after cats.

The partnership benefits Cats Protection Northampton as it provides extra fostering capacity, while offering tailored occupational therapy to Broomhill patients who are given a responsible and motivational role as part of a rehabilitation programme.

Cats Protection Operations Manager Josh Ferron said: "To be part of the rehabilitation journey for patients while also increasing capacity for Cats Protection to bring in and help more cats really is an epic win-win and we look forward to nurturing and building this collaboration."

The first residents of the pen were Rue and her son Buddy, who have since been happily rehomed.

How we ensure you can give with confidence

Cats Protection ensures that its fundraising meets the highest possible standards at all times. We never have and never will condone unreasonable intrusion or undue pressure being placed on anyone, particularly those who may be in vulnerable circumstances. We ensure these safeguards through policy, training and continual reviews of our fundraising processes.

We fundraise in various ways to ensure the cats and kittens in our care receive everything they need to live their best lives. You can read more about this on page 19.

We also partner with The Professional Fundraiser to recruit new monthly supporters through our lottery, membership and sponsorship products via face-to-face fundraising at 'private site' venues, such as shopping centres, workplaces and shows across the UK. The Professional Fundraiser are registered with the Fundraising Regulator, and we have worked with them for 12 years. By using an agency, we can vary the activity level 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 helping us make a better life for cats.

Building public trust

We are long-term members of the Chartered 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 **fundraisingregulator.org.uk/code** The Fundraising Regulator is presently carrying out a consultation on an update of the Code of Fundraising Practice which Cats Protection submitted a full response to.

Cats Protection also played a significant role in the Market Inquiry published by the Regulator in March 2024. This includes having a presence on the panel writing the updated Chartered Institute of Fundraising's face-to-face fundraising guidance. This will sit alongside their existing code of conduct (which can be viewed at **bit.ly/CIF-standards**) that we ensure The Professional Fundraiser abides by through the use of two mystery shopping agencies and shadowing by Cats Protection employees. 62 mystery shopping events have been carried out this year. If any issues are uncovered, then these are brought to the immediate attention of The Professional Fundraiser by our Fundraising team. They also meet regularly with the agency to discuss performance and general compliance issues. In December 2024 we started working with a second face-to-face fundraising agency, Charity Link who will be subject to similar oversight.

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. These controls are monitored by our Fundraising Governance & Compliance Manager, who ensures our policies and processes are followed.

We call new donors soon after signing up to check that they were happy with how 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 from our Fundraising Compliance team before they can conduct fundraising activities on our behalf.

We continue to review and update our fundraising policies with a new Ethical Fundraising Policy being published this year and a Fundraising with Children Policy currently being worked on. We have also rolled out our Working with Vulnerable Donors training to all employees at Cats Protection, giving the whole charity a greater understanding of the protections we must provide to those in vulnerable circumstances. This training and the policy it embeds is based on the Chartered Institute of Fundraising's Treating Donors Fairly guidance which can be viewed at **bit.ly/CIF-donors**

Data protection

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 set up 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: **cats.org.uk/terms-privacy**

Handling complaints

Despite these controls, we do occasionally receive complaints. In 2024, we received a total of 80 complaints about our fundraising (2023: 77). We aim to resolve all complaints as soon as possible, and in 2024 we resolved 93.8% within 21 days (2023: 89.6%). The number and nature of complaints received is carefully monitored so retraining can be targeted appropriately.



Financial review

Financial performance in 2024

The sector continues to experience the impact of economic pressures and the ongoing cost-of-living crisis creating increased demand on services. While the charity has seen an uplift in income levels and a year-on-year reduction in expenditure, the inflationary impact on our cost base continues to exceed the growth in income, resulting in a net loss of £1.8m before gains and losses on the investment portfolio.

While some income areas have underperformed against our plans, we have seen incredible support from our generous donors and supporters and most areas have outperformed against the previous year. The charity has also benefited from an exceptional legacy and the start of the unwinding of the backlog at HM Courts & Tribunals Service (HMCTS).

Across our cost base, we have focused on the most effective way to raise funds and deliver our services for the benefit of cats. The cost of delivering our services continues to be impacted by the ongoing demand for rehoming. We have invested in a more targeted approach to subsidised neutering through development of our Cat Population Management tools. As a result we have been able to reduce costs while helping more cats, and still investing in core elements of our strategy.

The transfer of the portfolio to new investment managers in the year resulted in a significant portion of the assets being liquidated delivering realised investment gains of £3.8m with a further £0.5m in unrealised gains.

Income

Overall, total income for the Group was £96.9m, which is £7.6m (8.5%) higher than 2023. Legacy income has increased by £6.6m (15.2%) compared to last year. Donation income grew by £0.7m (3.0%).

• The charity was the beneficiary of an exceptional legacy, the majority of which was accounted for in 2024. As HM Courts & Tribunals Service (HMCTS) have addressed the post-COVID-19 backlog of processing, we have seen higher numbers of legacies flow through

• Donation income continues to benefit from loyal supporters and we saw a year-on-year increase, although this did not keep track with inflation across the period

• Rehoming fees and ancillary income increased by £0.2m (6.5%) over 2023, largely as a result of commission earned on Petplan insurance which is received every time a new policy is purchased or an existing policy renewed for an adopted cat

• Shop income increased by £0.2m or 2% over 2023. We have continued our closure of underperforming shops and have now fully implemented a number of measures to attract the best talent to our retail chain which will reduce the impact of lost trading days. As referenced on page 19, our research shows that the financial benefits of our retail operation extend well beyond the income generated from the sale of goods

• Income from fundraising events was £0.3m (2.6%) higher than 2023

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 2024 was £98.7m, which is £4.8m (4.6%) lower than in 2023 although inflationary pressures continue to outpace growth in income.

• Expenditure on rehoming cats was £44.8m, a reduction of £3.9m (8%) compared to 2023. The number of cats being rehomed fell by 2% compared with 2023. Following recent increases in the average time to home cats, this has stabilised over the last two years although many cats have had more complex health needs than in previous years. Improved procurement of electricity and gas has resulted in cost savings

• Expenditure on reducing the overpopulation of cats was £11.0m, a reduction of £2.4m (18%) compared to 2023. This remains a key area of our charitable objectives and a focus for investment in targeted solutions in line with our new strategy. Despite the reduction in year-on-year expenditure, the number of cats neutered increased by 11,000 or 7% to 168,000

• Expenditure on our education and information charitable activities was £11.4m, which is £0.3m (3%) higher than 2023. Our advocacy work increased during the year with a major success in mandatory microchipping of cats in England, and active campaigns for similar legislation in Wales, Scotland and Northern Ireland (find out more on page 8)

• Expenditure on raising funds totalled £31.5m in 2024, representing a 3.7% increase over the previous year

Realised gains

As the investment portfolio moved to new fund managers in the year, a proportion of the portfolio was liquidated and reinvested to enable the rebalancing to the preferred strategic asset allocations of the new managers. This resulted in realised gains of £3.8m.

Outturn

Economic uncertainty and persistent inflation has continued to erode the financial value of our income as well as increase the cost base. We have taken big steps in the year to reduce our cost base through careful management of our people costs, effective procurement strategies, bringing some services in-house and reducing our reliance on high-cost external contract resource. We have challenged ourselves to ensure we deliver maximum impact for cats in our core services through targeted delivery.

Alongside this, we felt it was essential to continue to invest in our foundational strategic activity led by investment in cat welfare excellence, a single view of our customers and supporters through a new Customer Relationship Management platform for delivery in 2026, and in connecting with our audiences through our new brand.

We are reporting a much-reduced operating deficit of £1.8m compared with the previous year's deficit of £14.2m. This is offset by gains on investments of £4.3m to deliver net income of £2.5m.

The net assets reported in the balance sheet are now £108.5m (2023: £106.0m).

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 2024 is £0.34m (2023: £0.46m). 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 23. The profit on ordinary activities for the year ended 31 December 2024 amounted to £0.34m (2023: £0.46m). Turnover in 2024, at £1.2m, represents a reduction of £0.3m (21%) compared to the previous year (2023: £1.5m). This reduction is due to lower sales of new goods as plans to introduce a new Cat Care Collection line were delayed, older stock was discounted, and a reduction in income received from our corporate partners. Cost of sales in 2024 was 64% of turnover (2023: 54%). Administrative expenditure was £81k for 2024, a reduction of £50k compared to last year due to lower overhead recharges from the parent charity. The full profit of £0.34m will be paid to the charity in 2024 as a Gift Aid payment.

Investment management

Cats Protection holds 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, after deduction of charges, greater than Sterling Overnight Index Average (SONIA). This investment performed in line with the objectives in 2024.

The charity also holds 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. The portfolio is managed by two professional fund managers. In line with good governance practice, the Investment Committee carried out a competitive tender process in the year and Meridiem Investment Management and Cazenove Investment Management were appointed to take over management of the portfolio which is allocated broadly equally between them. At the year end the significant bulk of the assets had transitioned to the new managers. The objective for investment managers remains unchanged with a target total return of Consumer Prices Index (CPI) +3% measured after fees and annualised over five years. This target has been in place since February 2023 and a blended benchmark has been used to measure performance over longer periods.

The new investment managers requested liquidation of some assets in preference to an in-specie transfer and accordingly the transfer comprised a mix of cash and assets. Both of the investment managers have now completed the rebalancing of the investments to meet the asset allocation determined by their strategic approach.

The performance of the funds is measured against the target of CPI +3% over five years, and against ARC Steady Growth, a comparator peer group of similarly structured charity investment portfolios. Further, each underlying asset class is measured against the fund manager's selected index for that class. Due to the short time periods that the new managers have been in place it is not possible to assess the performance of the funds.

During the year a total of £7.5m was drawn down from the portfolio and £2m from the short-term fund managed by Royal London. Following notification from the fund manager, one holding has been removed from the portfolio due to the potential for breach of the charity's Ethical Policy. The charity does not hold any mixed motive investments. Mixed motive investments have the joint purpose of providing a financial return while delivering directly the aims of the charity.

Ethical Policy

Cats Protection operates an Ethical Policy. The policy encompasses all areas of our work, 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 in accordance with Charity Commission guidelines.

Reserves Policy

The aim of the Cats Protection 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 2024 and agreed that a minimum level of unrestricted general funds, also known as free reserves, equal to three months' expenditure (£24.1m) 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.

The twin challenges of increased demand for our services and inflation in our cost base, aligned with our desire to prepare for the future through delivery of our strategy, have impacted on our reserves.

We have reviewed our future capital build requirements, and the funding required to complete delivery of the current phase of our strategy and have designated funds to meet these requirements.

Free reserves as at 31 December 2024 were £38.1m (2023: £39.0m), which is £14.0m above the minimum required by our Reserves Policy. The charity benefited from unrealised investment gains totalling £0.5m during 2024. Unrealised gains and losses are taken into account in the balance on free reserves.

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 £42.4m at 31 December 2024

• the capital development fund supports the charity's three-year rolling plan for capital builds. Expenditure of £0.6m on capital builds included in the capital plan during 2024 has been charged to this fund and following the annual adjustment to the fund in line with the rolling plan, the balance on the fund at the end of the year was £15.9m

• the change fund is in place to fund expenditure on the strategy development programme to 2026. Expenditure of £2.3m was charged to this fund in 2024 to leave a balance of £5.5m at 31 December 2024

At 31 December 2024, the charity held £6.6m (2023: £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 20 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 charity's Senior Leadership team and management 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 relate to IT security and infrastructure resilience. We have been building resilience into our systems, while developing an IT and Data Plan that supports collaboration within a dispersed organisation, at the same time as bringing us closer to our customers and supporters.

The external environment continues to affect the charity, driving up costs and affecting retention and wellbeing. This means managing our financial sustainability remains a core priority, as is investing in our people.



Risk category	Summary of risk	Mitigations and actions
Cat welfare	Our values and mission mean we take cruelty or mistreatment of cats very seriously. Equally, our strategy seeks to improve the welfare of all cats.	Policies and procedures, training, improved data through new systems; tolerances for monitoring and actions. Our Cat Population Model helps us make decisions on how best to use our resources and capabilities across all cat types. Close working and partnership with the veterinary profession. Development of our advocacy and influencing work.
Law and regulation	We operate in jurisdictions with differing animal welfare legislation.	Monitoring government guidance for changes in animal welfare laws in England. Ensuring our cat welfare policies and practices meet high standards, that may be above local legislative requirements.
Compliance and technology	Data loss, either caused by infrastructure failure, malicious attack or human error could affect our ability to operate or damage our reputation.	Ongoing and planned investment in infrastructure and IT and Data Plan, with Cyber Essential standards built in. Data protection and information governance best practice and training is being developed and rolled out.
Safeguarding	With a large volunteer workforce and multiple public-facing touch points, safeguarding is a responsibility of all our people.	Level two training for all our people managers. Safeguarding a standing item on key governance groups.
Fraud	A significant fraud could affect our service delivery and damage our reputation.	Fraud training, cyber resilience, and changes to our banking practices and fraud identification practices continue to mitigate this risk.
People	Welfare and wellbeing remain central considerations as we respond to external pressures and evolve to deliver our strategy.	Developing our structures and ways of working to deliver our strategy and realise the benefits of being a dispersed organisation. Capability programmes added to our learning offer, including wellbeing training for our managers, leadership qualifications, and skills development. Retail Plan to improve the wellbeing and retention of our shop employees, and profitability of the estate.
Supply chain	Some products, for example cat medicine, can have limited supply chains. Some IT systems can have limited support available or are supported by small companies with limited resources.	Business continuity plans, supplier review and due diligence are carried out to ensure all core services and resources can be maintained.
Reputational	We must empower our people and supporters to engage cat owners in their area, doing so in a positive and customer focused way championing cat welfare consistently across a significant social media footprint.	Branded platforms, analytics and clear social media policies and guidance for all our people. Ongoing discovery and development work to support the growth and local impact of our services.
Strategic	Our strategy is complex and seeks to have a wider impact for all cats.	Organisational design and development to ensure our operating models and ways of working evolve to grow our reach and remain efficient and impactful.
Financial	An increase in running costs, driven by inflation, means we do not have the levels of available income forecast for implementation of our strategy.	Implementation of a new finance system has improved our ability to track and report on income and expenditure. The ability to adjust implementation will enable us to reduce strategic investment to sustainable levels.
Property	Health and safety in the workplace, and for those working at home.	Operational guidance in place on Chartered Institute of Housing (CIH). Ongoing property review and planned maintenance programme.

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

To ensure we remain a professional and effective charity, it is essential for us to attract and retain talented individuals. Our goal is to offer competitive salaries that reflect the value of our employees. The Board sets the Chief Executive's salary, using a thorough job evaluation process based on the Hay method, alongside benchmarking data from trusted sources like the National Council for Voluntary Organisations (NCVO), the Association of Chief Executives of Voluntary Organisations (ACEVO), and other market research firms such as KornFerry and Brightmine. The Board works closely with the Chief Executive to set the salaries of other senior team members, following the same approach. When determining salaries, we consider several factors including affordability, the specific market sector, and the wider economic environment. Importantly, none of our executives or senior leaders receive bonuses, commissions, or other performance-based incentives. Finally, the Remuneration Committee, made up of Board members, reviews all recommendations before presenting them to the Board for final approval.

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:

- three centres (2023: three)
- two multi-pen sites (2023: two)
- 23 volunteer teams (2023: 22)
- eight shops (2023: eight)
- 941 volunteers (2023: 820)
- 40 employees (2023: 69)

Going concern

The Trustees regularly consider the short- and longer-term financial projections and other risks that may affect the Group and have reviewed financial projections and cash flow forecasts for the period to 31 December 2026. In particular, the following key areas of uncertainty are assessed against the level of deviation that our reserves can support without impeding the ongoing financial viability of the Group:

- **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 at the probate office and HM Revenue & Customs (HMRC), 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. We have overlaid the anticipated benefit of an investment in legacy marketing and are projecting legacy income at c £51.2m in 2025, being an increase of £1.1m against the 2024 position which benefited from an exceptional legacy of £4.6m. We are forecasting a decrease to £45.2m in 2026 representing a decrease of 12% as the effect of exceptional legacies and the clearance of a processing backlog at HM Courts & Tribunals Service (HMCTS) reduces, with a 6% increase in 2027 to £47.9m. We continue to invest in our legacy and in-memory programmes at current levels however with increased focus on stewardship and recognition, and the strength of the current pipeline and early notifications received in 2025 provide comfort as to surety of income well beyond the period of review

- **donations.** During 2025 we will continue the development of the high value giving programme alongside ongoing development of our individual donor file through the appointment of a second face-to-face recruitment agency, and stewardship to ensure further growth in recurring donation income and associated Gift Aid

- **events.** By far the largest item of events income is from our raffle and Weekly Lottery. The high volume, low value nature of this income helps provide some security to the recurring nature of this income stream. We are rolling out our new hub model which has demonstrated good growth during 2024 and positive returns on investment. Across digital community fundraising, streaming and gaming growth is anticipated and we are streamlining our events programme focusing on our best performers

- **shops.** Our shops remain a valuable income stream and strong brand asset; during 2024 we invested in a more competitive resourcing and development model which should yield a greater net contribution over the coming three years. We continue to monitor the performance of our shops and take action to remediate or close down underperforming shops, while opening a limited number of new shops in line with our overall retail plan

- **other income streams.** Other income streams are less significant and therefore have proportionately less impact on the overall cashflow position. They include adoption fee income recurring income from commission earned on Petplan insurance, income from our commercial partners and investment income

- **expenditure.** The 2025 budget for expenditure is based on investment in our four pillars: cat welfare, customer focus, being an exemplary volunteer organisation, and being a financially sustainable organisation. This includes a continued commitment to updating our foundational technology, and moving to a single customer and supporter view as a platform for our future income growth. Expenditure within our fundraising activity focuses on those income streams with the highest returns on investment and those areas which have demonstrated strong propensity for growth during the year. We aim to protect our core services and maintain a keen eye on operational efficiency opportunities and have reflected these in our budget plans. In addition, we can further slow down our strategic investment and other capital plans, and there are options to reduce discretionary spend if required

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. 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 Trustees 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)

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

Telephone: 03000 12 12 12 | **Email:** cp@cats.org.uk | **Website:** 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, CertVR, DSAM, CertVC, FRCVS, Chair

Irene Campbell, Deputy Chair

Nicola (Nikki) Butcher
Amanda Farnsworth
Jane Frost CBE
Sarah Hunt
Robert Parkinson
Zain Richardson
Chris Ringrose
Liz Robinson (from November 2024)
Rippan Vig (from November 2024)

Connect members:

Nicole Evans
Kelly Eyre
Belinda Hall
Wendy Harris
Sarah Hawken
Amy Lawes (to April 2024)
Liz Robinson (to November 2024)
Tina Rowell
Rebecca Schofield (to October 2024)
Jenny Stephany
Niccy Townley
Alexandra Williams
Katie Yantian

Investment Committee:

Irene Campbell, Chair (to September 2024)
Chris Ringrose, Chair (from September 2024)
Ian Enslin (advisor) (to September 2024)
Amanda Farnsworth (to December 2024)
Sarah Hunt (from January 2025)
Eric Kwan (advisor)
Sam Mahtani (advisor)
Zain Richardson (to December 2024)
Alex Soulsby (advisor)
Rippan Vig (from January 2025)

Audit & Risk Committee:

Sarah Hunt FCA, Chair
Phil Bloor (advisor)
Katy Bovaird (advisor) (from January 2024)
Nicola (Nikki) Butcher (to December 2024)
Jane Frost CBE
Katalin Horvath (advisor) (to July 2024)
Jane McKeown (advisor)
Zain Richardson (from January 2025)
Jerry Yeung (advisor)

Nominations & Governance Committee:

Irene Campbell, Chair
Nikki Butcher (from January 2025)
Theresa Cooper
Amanda Farnsworth
Jane Frost (from January 2025)
Robert Parkinson (to December 2024)
Liz Robinson

Remuneration Committee:

Kit Sturgess, Chair
Sarah Hunt
Rob Parkinson

Chief Executive and Senior Leadership team

Chief Executive: John May CVO OBE DL

Senior Leadership team:

Caroline Bendelow FCIPD; People & Culture Director

Catherine Cottrell MA, PGDip Marketing; Marketing & Income Generation Director

Michael Elliott MBA, FCMI; Cat Welfare & Operations Director

Jeff Knott, Advocacy & Influence Director (from May 2024)

Vicky Pollitt ACA; Finance & Strategy Director (to May 2024)

Yvonne Smithers, Chief Financial & Shared Services Officer (from May 2024)

External auditor:

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

Internal auditor:

BDO LLP
55 Baker Street
London
W1U 7EU

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 OUF

Meridiem Investment Management
Riverside House
2A Southwark Bridge Road, London
SE1 9HA
From September 2024

Cazenove Capital
1 London Wall Place
London EC2Y 5AU
From November 2024

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

24 April 2025

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 2024 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 2024 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 Financial Reporting Council'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 **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 Statement of Recommended Practice (SORP) (Financial Reporting Standard 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: 28 May 2025

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 2024

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

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Income					
Legacies	4	47,573	2,485	**50,058**	43,449
Donations	5	21,317	674	**21,991**	21,341
Income from charitable activities:					
Rehoming fees and ancillary income	6	3,525	-	**3,525**	3,309
Income from other trading activities:					
Shops	7	8,347	-	**8,347**	8,179
Fundraising events	8	9,880	-	**9,880**	9,626
Commercial trading operations	23	1,167	-	**1,167**	1,482
Investment income	9	1,607	-	**1,607**	1,743
Other income	10	154	173	**327**	143
Total income		**93,570**	**3,332**	**96,902**	89,272
Expenditure					
Costs of raising funds:					
Seeking donations and legacies	11	12,760	-	**12,760**	12,362
Shops	11	10,736	-	**10,736**	9,783
Fundraising events	11	6,940	-	**6,940**	7,011
Commercial trading operations	11	830	-	**830**	1,010
Investment management	11	247	-	**247**	230
Income available for charitable activities		62,057	3,332	**65,389**	58,876
Expenditure					
Costs of charitable activities:					
Rehoming cats	11	42,723	2,076	**44,799**	48,695
Reducing overpopulation of cats	11	10,897	94	**10,991**	13,364
Education and information	11	11,390	-	**11,390**	11,058
Total expenditure		96,523	2,170	**98,693**	103,513
Net income/(expenditure) before gains/(losses) on investments		**(2,953)**	**1,162**	**(1,791)**	(14,241)
Gains/(losses) on investments	14	4,281	-	**4,281**	2,146
Net income and movement in funds		**1,328**	**1,162**	**2,490**	(12,095)
Reconciliation of funds					
Total funds brought forward at 1 January		100,551	5,454	**106,005**	118,100
Total funds carried forward at 31 December		**101,879**	**6,616**	**108,495**	106,005

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 23.

The notes on pages 57 to 73 form part of these accounts.

Consolidated balance sheet

As at 31 December 2024

	Note	Charity 2024 £'000	Charity 2023 £'000	Group 2024 £'000	Group 2023 £'000
Fixed assets					
Tangible assets	15	**42,400**	44,481	**42,400**	44,481
Investments	16	**52,261**	53,474	**52,261**	53,474
Total fixed assets		**94,661**	97,955	**94,661**	97,955
Current assets					
Stocks		**-**	-	**108**	157
Debtors	17	**9,862**	9,699	**9,640**	9,341
Cash at bank and in hand		**10,271**	8,494	**10,500**	8,652
Total current assets		**20,133**	18,193	**20,248**	18,150
Liabilities					
Creditors: amounts falling due in one year	18	**(4,484)**	(9,118)	**(4,599)**	(9,075)
Provisions for liabilities	19	**(1,815)**	(1,025)	**(1,815)**	(1,025)
Net current assets		**13,834**	8,050	**13,834**	8,050
Total net assets		**108,495**	106,005	**108,495**	106,005
Funds					
Unrestricted funds:					
General funds	20	**38,068**	39,004	**38,068**	39,004
Designated funds	20	**63,809**	61,546	**63,809**	61,546
Restricted funds	20	**6,617**	5,455	**6,617**	5,455
Total funds		**108,495**	106,005	**108,495**	106,005

The results of the subsidiary only are set out in Note 23.

The notes on pages 57 to 73 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 of Cats Protection Trustee Limited

24 April 2025

Consolidated cash flow statement

Year ended 31 December 2024

	Note	Total 2024 £'000	Total 2023 £'000
Cash flows operating activities			
Net cash provided by operating activities	a	**(3,393)**	(9,976)
Cash flows from investing activities			
Dividends, interest and rents from investments		**1,607**	1,743
Proceeds from the sale of property, plant and equipment		**18**	27
Purchase of property, plant and equipment		**(1,878)**	(7,571)
Investment management fees		**247**	265
Reinvestment of investment returns		**(253)**	(291)
Sale of investments		**-**	556
Withdrawals from investments		**9,500**	15,500
New funds invested		**(4,000)**	(2,500)
Net cash used in investing activities		**5,241**	7,729
Change in cash and cash equivalents in the year		**1,848**	(2,247)
Cash and cash equivalents at 1 January		**8,652**	10,899
Cash and cash equivalents at 31 December		**10,500**	8,652
a) Reconciliation of net income to net cash flow from operating activities			
Net movement in funds for the reporting period		**2,490**	(12,095)
Adjustments for:			
Depreciation charges		**3,963**	4,717
(Gains)/losses on investments		**(4,281)**	(2,146)
Dividends, interest and rents from investments		**(1,607)**	(1,743)
Loss/(profit) on the sale and write-off of assets		**(22)**	17
(Increase)/decrease in stocks		**49**	75
(Increase)/decrease in debtors		**(299)**	(1,200)
Increase/(decrease) in creditors		**(4,476)**	2,282
Increase/(decrease) in provisions		**790**	117
Net cash provided by operating activities		**(3,393)**	(9,976)
b) Analysis of cash and cash equivalents			
Cash at bank and in hand		**10,500**	8,652

The notes on pages 57 to 73 form part of these accounts.

Notes to the consolidated financial statements

1. Accounting policies

A. Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP). This is 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 Trustees 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 2026. Having regard to these considerations, the accounts are prepared on a going concern basis.

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 23.

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 20
- 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 20

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 statement of financial activities (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

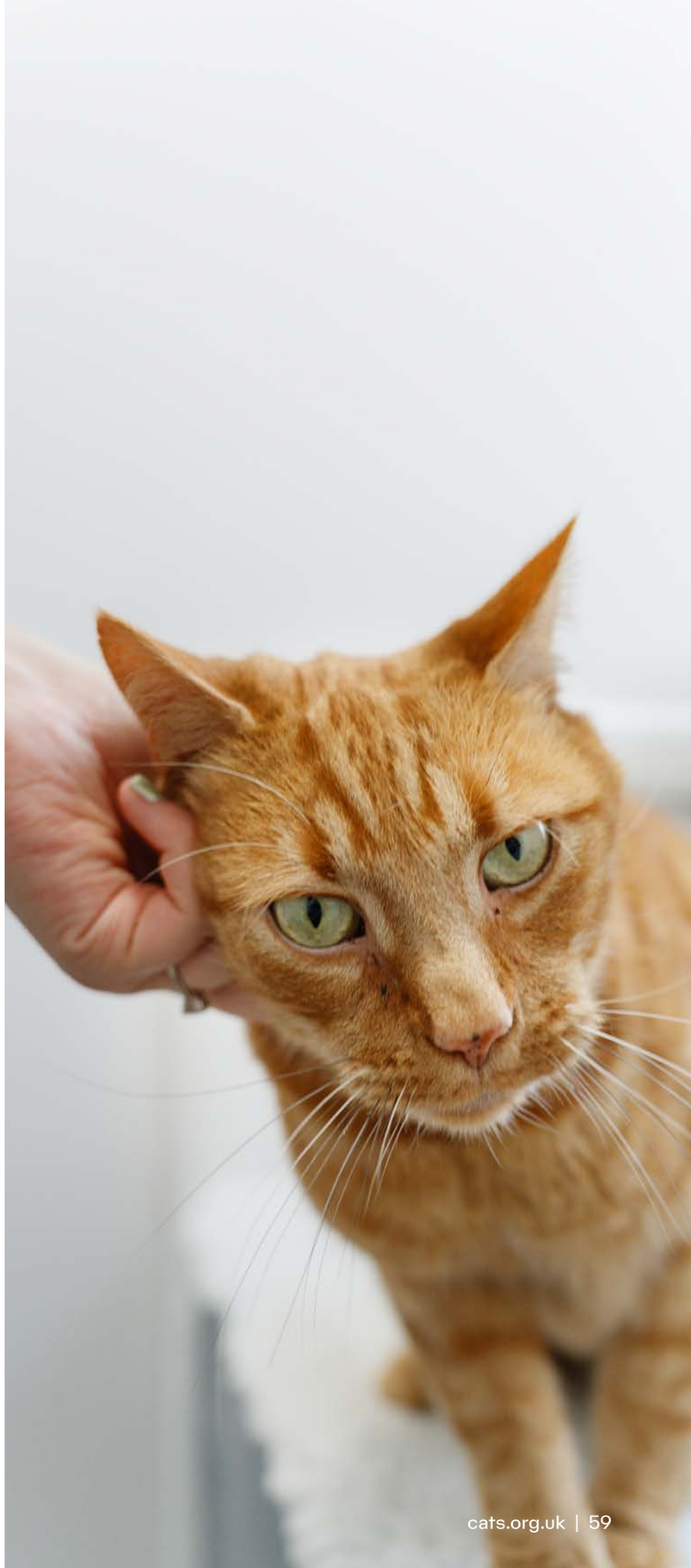
Creditors are recognised when goods or services have been delivered or provided prior to the financial year end but the invoice has not yet been received or paid. Creditors are measured on the basis of either the invoice or order value.

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 provision disclosed in Note 19 relates to obligations for dilapidations in respect of properties rented by the Group and the cost of changes to existing contractual fleet arrangements.

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 25.



2. Prior year comparatives for the SOFA

	2023 comparatives		
	Unrestricted funds £'000	Restricted funds £'000	**Total £'000**
Income			
Legacies	41,077	2,372	**43,449**
Donations	21,192	149	**21,341**
Income from charitable activities:			
Rehoming fees	3,309	-	**3,309**
Income from other trading activities:			
Shops	8,179	-	**8,179**
Fundraising events	9,626	-	**9,626**
Commercial trading operations	1,482	-	**1,482**
Investment income	1,743	-	**1,743**
Other income	143	-	**143**
Total income	**86,751**	**2,521**	**89,272**
Expenditure			
Costs of raising funds:			
Seeking donations and legacies	12,362	-	**12,362**
Shops	9,783	-	**9,783**
Fundraising events	7,011	-	**7,011**
Commercial trading operations	1,010	-	**1,010**
Investment management	230	-	**230**
Income available for charitable activities	56,355	2,521	**58,876**
Costs of charitable activities:			
Rehoming cats	46,473	2,222	**48,695**
Reducing overpopulation of cats	13,356	8	**13,364**
Education and information	11,058	-	**11,058**
Net income/(expenditure) before gains/(losses) on investments	**(14,532)**	**291**	**(14,241)**
Gains/(losses) on investments	2,146	-	**2,146**
Net income and movement in funds	**(12,386)**	**291**	**(12,095)**
Reconciliation of funds			
Total funds brought forward at 1 January 2023	112,937	5,163	**118,100**
Total funds carried forward at 31 December 2023	**100,551**	**5,454**	**106,005**

3. Summary financial performance of the charity only

	2024 £'000	2023 £'000
Income and expenditure		
Income	**96,150**	88,367
Expenditure	**(97,941)**	(102,608)
Net operating income/(expenditure)	**(1,791)**	(14,241)
Gains/(losses) on investments	**4,281**	2,146
Net income/(expenditure)	**2490**	(12,095)
Total funds brought forward	**106,005**	118,100
Total funds carried forward	**108,495**	106,005

4. Contingent legacy income

In addition to the legacy income recognised in the SOFA of £50,258k (2023: £43,449k), the charity had been notified of 798 residuary legacies (2023: 797 residuary legacies) with a total estimated value of £43,990k (2023: £54,482k). 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 2024 £'000**	Total 2023 £'000
Individual gifts and regular giving	14,431	-	**14,431**	13,925
Philanthropy and partnerships	3,643	673	**4,316**	3,794
Community fundraising	3,243	1	**3,244**	3,622
Total income	**21,317**	**674**	**21,991**	21,341

Donations totalling £192k (2023: £239k) were received in our shops and these are included in donations income in the SOFA classified as individual gifts. Of the £21,341k of donations received in 2023, £149k were restricted.

6. Rehoming fees and ancillary income

	2024 £'000	2023 £'000
Rehoming fees	**2,259**	2,200
Ancillary income	**1,266**	1,109
	3,525	3,309

Ancillary income relates to commission earned on Petplan® insurance policies and contributions to neutering activity.

7. Shop income

	2024 £'000	2023 £'000
Sale of donated goods and Retail Gift Aid	**8,347**	8,179

Shop income of £8,347k (2023: £8,179k) 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.

	2024 £'000	2023 £'000
Total retail income		
Sale of donated goods	**8,347**	8,179
Sale of new goods	**859**	894
Donations	**192**	293
Other income	**174**	208
Total retail income	**9,572**	9,574

The retail shop chain receives income which is classified elsewhere in the SOFA. Donations totalling £192k (2023: £293k) were received in shops and these are included in donations in the SOFA. The shops also sold £859k (2023: £894k) of new goods generating a gross profit of £384k (2023: £250k). 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 2024 was £9,572k (2023: £9,574k).

8. Fundraising events

The total of £9,880k 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 Licence (Non-Remote Licence: 004905-N-300168-012) (Remote Licence: 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:

	Ticket sales 2024 £'000	Ticket sales 2023 £'000
Weekly Lottery	**5,545**	5,608
Spring Raffle	**497**	466
Summer Raffle	**492**	498
Autumn Raffle	**455**	465
Christmas Raffle	**583**	583
Total for Cats Protection lottery draws	**7,572**	7,620

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.

	Percentage proceeds returned to charity 2024 £'000	Percentage proceeds returned to charity 2023 £'000
Lottery name		
Weekly Lottery	**84%**	84%
Raffles	**80%**	80%

9. Investment income

	2024 £'000	2023 £'000
Income from listed investments	**1,269**	1,621
Bank and other interest	**338**	122
	1,607	1,743

10. Other income

	2024 £'000	2023 £'000
Surplus on disposal of tangible fixed assets	**22**	27
Rental income	**89**	93
Neutering income	**173**	-
Miscellaneous income	**43**	23
	327	143

The income set out in Notes 9 and 10 is unrestricted, with the exception of £173k (included above as Neutering activity) from other animal welfare organisations in relation to joint neutering activity.

11. Analysis of expenditure

	2024 £'000			2023 £'000		
	Direct costs	Allocated support costs	Total	Direct costs	Allocated support costs	Total
Costs of raising funds						
Seeking donations and legacies	**11,990**	**770**	**12,760**	11,412	950	12,362
Shops	**9,025**	**1,711**	**10,736**	7,858	1,925	9,783
Fundraising events	**6,040**	**900**	**6,940**	6,622	388	7,010
Commercial trading operations	**830**	**-**	**830**	1,010	-	1,010
Investment management	**247**	**-**	**247**	230	-	230
Total cost of raising funds	**28,132**	**3,381**	**31,513**	27,132	3,263	30,395
Rehoming cats	**31,329**	**11,394**	**42,723**	34,080	12,394	46,474
Reducing overpopulation of cats	**10,086**	**811**	**10,897**	12,190	1,166	13,356
Education and information	**9,773**	**1,617**	**11,390**	9,851	1,207	11,058
Total cost of charitable activities (unrestricted)	**51,188**	**13,822**	**65,010**	56,121	14,767	70,888
Costs of charitable activities (restricted)						
Rehoming cats	**2,076**	**-**	**2,076**	2,222	-	2,222
Reducing overpopulation of cats	**94**	**-**	**94**	8	-	8
Total cost of charitable activities (restricted)	**2,170**	**-**	**2,170**	2,230	-	2,230
Total expenditure	**81,490**	**17,203**	**98,693**	85,483	18,030	103,513

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

	People costs	Corporate resources	IT	Facilities	Governance	Total indirect costs
2024 £'000						
Seeking donations and legacies	161	268	291	39	11	**770**
Shops	354	597	649	86	25	**1,711**
Fundraising events	187	314	341	45	13	**900**
Rehoming cats	2,372	3,984	4,326	554	158	**11,394**
Reducing overpopulation of cats	167	281	305	39	19	**811**
Education and information	337	565	613	78	24	**1,617**
Total	**3,578**	**6,009**	**6,525**	**841**	**250**	**17,203**
2023 £'000						
Seeking donations and legacies	208	334	339	59	10	950
Shops	420	676	687	119	23	1,925
Fundraising events	86	136	137	24	5	388
Rehoming cats	2,712	4,351	4,422	765	144	12.394
Reducing overpopulation of cats	256	409	416	72	13	1,166
Education and information	264	424	431	74	14	1,207
Total	3,946	6,330	6,432	1,113	209	18,030

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

	2024 £'000	2023 £'000
Auditor's remuneration: statutory audit of Group accounts	**58**	56
Auditor's remuneration: statutory audit of subsidiary accounts	**4**	4
Auditor's remuneration: assurance, tax or other financial services	**-**	-
Depreciation of tangible fixed assets	**3,963**	4,717
Operating lease rentals	**1,987**	2,040

13. Employee costs

Employment costs

	2024 £'000	2023 £'000
Wages and salaries	**33,570**	33,054
Employer's contribution to the pension scheme	**3,713**	3,636
Social security costs	**3,212**	3,161
Agency staff	**178**	269
Employee benefits: private medical insurance	**393**	214
Apprenticeship Levy	**168**	165
Total	**41,234**	40,499

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 (Trustees) 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 2024, the charity paid a total of £177,000 (2023: £168,900) in redundancy and termination payments in respect of 30 employees (2023: 13 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 (2023: £nil).

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

	2024 average	2023 average	2024 FTE	2023 FTE
Charitable activities	**768**	771	**699**	714
Generating funds	**436**	397	**331**	323
Total income	**1,204**	1,168	**1,030**	1,037

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:

	2024 number	2023 number
£60,001 - £70,000	**24**	24
£70,001 - £80,000	**10**	12
£80,001 - £90,000	**2**	2
£90,001 - £100,000	**0**	0
£100,001 - £110,000	**2**	1
£110,001 - £120,000	**2**	1
£120,001 - £130,000	**1**	2
£130,001 - £140,000	**0**	0
£140,001 - £150,000	**0**	1
£150,001 - £160,000	**1**	1
£160,001 - £170,000	**0**	0
£170,001 - £180,000	**0**	2

Emoluments include salary and allowances, benefits in kind (company car and medical insurance) and exit costs. All 42 of the higher paid employees are members of defined contribution schemes (2023: 46) and in 2024 the charity paid £478,561 (2023: £484,585) to the scheme on their behalf. These costs are excluded when calculating emoluments. Additional pension contributions totalling £574 (2023: £533) 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 Senior Leadership team as set out on page 49) during 2024 was £827,062 (2023: £1,370,427).

Trustee expenses

Travel and subsistence expenses amounting to £7,708 (2023: £6,644) were reimbursed directly to eight Directors of Cats Protection Trustee Ltd (Trustees) (2023: eight Trustees). A further £4,695 of payments (2023: £6,581) were paid directly to suppliers for travel and overnight hotel accommodation in respect of six Trustees (2023: nine Trustees). There were three Trustees who did not claim for reimbursable expenses in 2024 (2023: one). None of the Trustees has been paid any remuneration or received other benefits from an employment with the charity or a related entity (2023: none).

14. Investment gains

Investment gains comprise of realised and unrealised gains in the value of investments held. During the year, the Group changed investment managers, resulting in a number of assets being sold to bring the portfolio in line with the new fund managers' investment strategy. Consequently, £3,817k of gains were realised. Additional unrealised gains of £464k are also included in the total gains shown in the SOFA.

15. Tangible fixed assets

	2024 £'000					
	Freehold land and buildings	Assets under the course of construction	Pens and centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
Cost						
At 1 January 2024	50,848	6,744	8,505	16,355	5,564	88,016
Additions	-	340	272	16	1,250	**1,878**
Transfers	3,721	(4,473)	-	752	-	**-**
Disposals	-	(352)	-	-	(245)	**(597)**
At 31 December 2024	**54,569**	**2,259**	**8,777**	**17,123**	**6,569**	**89,297**
Depreciation						
At 1 January 2024	19,556	854	5,983	12,023	5,119	43,535
Charge for the year	1,259	-	413	1,857	434	**3,963**
Disposals	-	(854)	-	518	(265)	**(601)**
At 31 December 2024	**20,815**	**-**	**6,396**	**14,398**	**5,288**	**46,897**
Net book value						
At 31 December 2024	**33,754**	**2,259**	**2,381**	**2,725**	**1,281**	**42,400**

	2023 £'000					
	Freehold land and buildings	Assets under the course of construction	Pens and centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
Cost						
At 1 January 2023	49,161	2,913	8,250	14,825	5,589	80,738
Additions	-	7,129	255	37	150	**7,571**
Transfers	1,687	(3,298)	-	1,611	-	**-**
Disposals	-	-	-	(118)	(175)	**(293)**
At 31 December 2023	**50,848**	**6,744**	**8,505**	**16,355**	**5,564**	**88,016**
Depreciation						
At 1 January 2023	18,442	-	5,556	10,167	4,902	39,067
Charge for the year	1,114	854	427	1,960	362	**4,717**
Disposals	-	-	-	(104)	(145)	**(249)**
At 31 December 2023	**19,556**	**854**	**5,983**	**12,023**	**5,119**	**43,535**
Net book value						
At 31 December 2023	**31,292**	**5,890**	**2,522**	**4,332**	**445**	**44,481**

Freehold land and buildings includes freehold land with a value of £3,162k (2023: £3,162k) that is not depreciated. All assets are held for charitable purposes.

16. Investment fixed assets

	2024 £'000	2023 £'000
Market value at 1 January	**53,474**	64,858
New funds introduced	**4,000**	2,500
Funds withdrawn	**(9,500)**	(15,500)
Disposals	**-**	(556)
Reinvested income	**253**	291
Management fees	**(247)**	(265)
Net gain/(loss) on revaluation	**4,281**	2,146
Market value at 31 December	**52,261**	53,474
Book value at 31 December	**49,348**	51,031

16. Investment fixed assets continued

Analysis of investments held at 31 December

	2024 £'000	2023 £'000
Represented by:		
Fixed interest securities	**7,898**	11,317
UK equities	**3,689**	3,700
Overseas equities	**25,207**	27,941
Alternatives	**4,508**	6,138
Cash and cash equivalents	**10,959**	4,378
	52,261	53,474

Alternatives include property and infrastructure funds and commodities. As at 31 December 2024, the charity held no single investment which was in excess of 5% of total market value of the portfolio (31 December 2023: nil). The charity is not aware of any material restrictions which might affect the realisation of any of its listed securities.

17. Debtors: amounts falling due within one year

	Charity		Group	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Prepayments and accrued income	**9,427**	9,205	**9,446**	9,292
Other debtors	**435**	494	**194**	49
	9,862	9,699	**9,640**	9,341

18. Creditors: amounts falling due within one year

	Charity		Group	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	**2,377**	2,735	**2,518**	2,735
Taxation and social security	**768**	765	**841**	791
Accruals and deferred income	**586**	5,021	**597**	5,130
Other creditors	**643**	419	**643**	419
Amount owing to subsidiary	**110**	178	**-**	-
	4,484	9,118	**4,599**	9,075

19. Provisions for liabilities and charges

	2024 £'000	2023 £'000
Dilapidations provision		
At 1 January	**1,025**	863
Raised during the year	**717**	267
Utilised during the year	**(104)**	(74)
Released unused	**(223)**	(31)
At 31 December	**1,415**	1,025
Other provision		
At 1 January	**-**	45
Raised during the year	**400**	-
Utilised during the year	**-**	-
Released unused	**-**	(45)
At 31 December	**400**	-
Total provisions at 31 December	**1,815**	1,025

The dilapidations provision relates to dilapidations on properties rented by the Group. The payment of dilapidation liabilities falls due as and when leased premises are vacated at the end of the lease period. Other provisions relate in 2024 to the cost of changes to existing contractual vehicle fleet arrangements. 2023: VAT

20. Statement of funds

	Balance 1 January 2024	Income	Expenditure	Investment gains/(losses)	Transfers	Balance 31 December 2024
	2024 £'000					
Unrestricted funds						
General funds	39,004	93,570	(94,190)	4,281	(4,597)	**38,068**
Designated funds						
Fixed assets	44,481	-	-	-	(2,081)	**42,400**
Capital development fund	9,240	-	-	-	6,678	**15,918**
Change fund	7,825	-	(2,334)	-	-	**5,491**
Total unrestricted funds	**100,550**	**93,570**	**(96,524)**	**4,281**	**-**	**101,877**
Restricted funds						
By area	4,609	2,236	(1,780)	-	-	**5,065**
By centre	693	734	(149)	-	-	**1,278**
By activity or service	153	362	(240)	-	-	**275**
Total restricted funds	**5,455**	**3,332**	**(2,169)**	**-**	**-**	**6,618**
Total funds	**106,005**	**96,902**	**(98,693)**	**4,281**	**-**	**108,495**

20. Statement of funds continued

2023 £'000

	Balance 1 January 2023	Income	Expenditure	Investment gains/(losses)	Transfers	Balance 31 December 2023
Unrestricted funds						
General funds	39,098	86,751	(98,043)	2,146	9,052	39,004
Designated funds						
Fixed assets	41,671	-	-	-	2,810	44,481
Capital development fund	27,168	-	-	-	(17,928)	9,240
Change fund	5,000	-	(3,241)	-	6,066	7,825
Total unrestricted funds	112,937	86,751	(101,284)	2,146	-	100,550
Restricted funds						
By area	3,938	2,216	(1545)	-	-	4,609
By centre	1,125	152	(584)	-	-	693
By activity or service	100	153	(100)	-	-	153
Total restricted funds	5,163	2,521	(2,229)	-	-	5,455
Total funds	118,100	89,272	(103,513)	2,146	-	106,005

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

The purpose of each designated fund is:

- **fixed assets:** this represents the net book value of fixed assets in use by the charity
- **capital development fund:** this fund is in place to meet the cost of the charity's three-year rolling capital plan. The funds are applied to building new centres and fitting out new charity shops, as well as refurbishing our existing sites. In 2024, we expended £0.6m on projects in the capital plan (2023: £3.2m). An amount has been transferred to the fund in line with the rolling plan
- **change fund:** this fund was created to finance the implementation of the strategy and includes costs of IT systems development, research and specialist third-party consultancy, employees and contracted staff. In 2024, we expended £2.3m against this fund (2023: £3.2m). The fund is expected to meet the costs of the strategy up to 2026
- **restricted funds:** these represent funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised for particular purposes

21. Analysis of net assets between funds

2024 £'000

	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Balance at 1 January 2024	39,004	61,546	5,455	**106,005**
Net movement in funds	(936)	2,263	1,163	**2,490**
Balance at 31 December 2024	**38,068**	**63,809**	**6,618**	**108,495**
Represented by:				
Tangible fixed assets	-	42,400	-	**42,400**
Investments	24,234	21,409	6,618	**52,261**
Net current assets	13,834	-	-	**13,834**
Total net assets	**38,068**	**63,809**	**6,618**	**108,495**

2023 £'000

	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Balance at 1 January 2023	39,098	73,839	5,163	118,100
Net movement in funds	(94)	(12,293)	292	(12,095)
Balance at 31 December 2023	39,004	61,546	5,455	106,005
Represented by:				
Tangible fixed assets	-	44,481	-	44,481
Investments	30,954	17,065	5,455	53,474
Net current assets	8,050	-	-	8,050
Total net assets	39,004	61,546	5,455	106,005

22. Operating lease commitments

At 31 December 2024, the Group was committed to making the following payments under operating leases:

	2024 £'000	2023 £'000
Within one year	**1,804**	1,626
Within two to five years	**2,908**	2,837
Over five years	**122**	283
	4,834	4,746

23. Subsidiaries

At 31 December 2024, the charity held 100% of the issued share capital of the following company, which is registered in England:

	Issued share capital
Cats Protection Enterprises Limited	
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

	2024 £'000	2023 £'000
Turnover	**1,170**	1,482
Cost of sales	**(748)**	(888)
Gross profit	**422**	594
Administrative expenditure	**(81)**	(131)
Profit on ordinary activities before taxation	**341**	463
Taxation on current year profits	**-**	-
Profit on ordinary activities after taxation for the year	**341**	463
Changes in equity:		
Equity brought forward	**-**	-
Profit for the year	**341**	463
Gift Aid payment	**(341)**	(463)
Equity carried forward	**-**	-

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

	31 December 2024 £'000	31 December 2023 £'000
Current assets:	**108**	157
Stock	**238**	282
Debtors	**229**	158
Cash at bank and in hand	**575**	597
Creditors: amounts falling due within one year	**(575)**	(597)
Net assets	**-**	-
Funded by:		
Called up share capital	**-**	-
Retained earnings	**-**	-

The profits for the year, amounting to £341k (2023: £597k) will be donated to the charity under Gift Aid as a distribution from Cats Protection Enterprises Ltd in 2024.

The charity is also the sole corporate member of two trading subsidiaries, 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.

24. Capital commitments

At 31 December 2024, the charity had two significant (over £100k in value) capital commitment with a value of £1,080k (2023: £2,148k).

25. Related parties

As at the balance sheet date, a net total of £110k was owing from Cats Protection to Cats Protection Enterprises Ltd for income collected through the charity on behalf of Cats Protection Enterprises Ltd. At 31 December 2023 Cats Protection Enterprises Ltd owed Cats Protection £178k.

In 2024, the Directors of the Corporate Trustee made personal donations totalling £1,411 to the charity (2023: £858). 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 2024 (2023: none).



Get involved

There are lots of ways you can help us to make a difference, from adopting a cat 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 **cats.org.uk/support-us**

Find us online:

cats.org.uk

Facebook: /CatsProtection

X: @CatsProtection

Instagram: @CatsProtection

TikTok: @Cats_Protection

YouTube: /CatsProtectionUK

Get in touch:

Email us: 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 Cats Protection at **cats.org.uk/find-us**

Making a better life for cats, because life is better with cats

CATS PROTECTION

cats.org.uk

Cats Protection is a registered charity 203644 (England and Wales), SC037711 (Scotland) and is listed as a Section 167 institution by the Charity Commission of Northern Ireland.

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CATS PROTECTION

England & Wales - Charity number 203644

Accounts



ANNUAL REPORT

2023

CAT PROTECTION

Cats Protection is the UK's leading cat welfare charity

We share our lives with cats. They bring happiness to millions of us every day. Yet too many cats don't get the care and kindness they deserve. At Cats Protection we stand up for every cat. At the forefront of research on cat welfare we use our decades of experience to help all cats and support owners to keep their pets happy and healthy. Our campaigns change laws to give cats more protection and we continue to call for a better deal for cats. In every corner of the country our passionate volunteers, employees and supporters are using their kindness and expertise to make life better for millions of cats and the people who care for them.

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

Our impact in 2023

The difference we made in 2023 – page 6
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Creating a balanced cat population – page 12
Ensuring every cat has the right home – page 14
Helping cat owners – page 16
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How we achieved our impact in 2023

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Chair's report

An introduction from Dr Kit Sturgess, Chair



Welcome to the new-look Cats Protection. It's the first time we have refreshed our brand in 25 years, and we hope that it will strengthen our identity as the UK's leading cat welfare charity, helping us to reach new audiences so we can help even more cats.

This year we have seen demand for our services continue to grow as cats and their owners face difficult challenges. The increased cost of living is creating a changing landscape for pet ownership, with over a third of cat owners saying that they have been significantly and negatively impacted, and 14% worrying about how they will meet their cat's needs in the future[1].

Indeed, at Cats Protection we have seen a 12% increase in the number of cats being given up to us for financial reasons in 2023 compared to the previous year, and at the same time there has been an increase in the number of people who cannot take on a new cat due to concerns over cost[1]. Inevitably, this means that cats are staying with us for longer, but we never give up on the cats in our care and do everything we can to make sure they find a loving home.

We have been expanding our services to help owners keep their cats during financial difficulties and support new cat owners to care for their cats. As well as creating an online hub with advice on keeping cat care costs down, we have also partnered with other animal welfare and corporate organisations to redistribute pet food to those most in need via the charity FareShare.

In addition, we have revamped our reduced-cost neutering scheme, making it easier for cat owners to get financial assistance towards neutering and microchipping their cats. It's encouraging to see that we have been able to neuter more cats this year compared with 2022, which is a reassuring step towards creating a balanced population of happy and healthy cats. We rely heavily on the support and generosity of the veterinary community to help us carry out this vital work, and while the capacity issues that have affected the veterinary profession over the past few years are beginning to ease, we continue to work closely with them to see what support we can offer.

Despite an increased income, the level of demand for our support and services, in combination with the increased cost of living and rise in inflation, has meant the Board of Trustees decided to authorise the use of some of the charity's reserve fund to meet our urgent cat welfare needs. Tackling the current challenges faced by the UK's cats will not be easy, making the dedication of cat lovers across the UK who generously donate, fundraise and volunteer for our cause especially important so that we can be here for all cats now and for years to come.



1 CATS Report UK 2023

Chief Executive's report

An introduction from John May, Chief Executive



At Cats Protection, cats are at the heart of everything we do. It's why they are at the front and centre in our bold new brand. However, we also care a great deal about people too, and want as many people as possible to benefit from the joy of cats.

The companionship of cats is never more important than during challenging times, as we know that reducing loneliness and stress are just some of the top reasons why people share their life with a cat[1]. Therefore, it is particularly heartbreaking when people face having to give up their cats during times of difficulty.

While we will always do our best to take in cats when they need to be rehomed, our ultimate goal is to help cats to stay with their loving owners in the long-term. This is why I am particularly pleased that we have been able to expand our vital Lifeline service.

Families experiencing domestic abuse are often faced with the impossible decision of either having to leave their cats behind where they could be targeted by the perpetrator, staying in the abusive situation to protect their cats, or finding a new home for their cats and saying goodbye forever. Thanks to Lifeline, many people and their cats now have a better option. Our volunteer Lifeline fosterers provide a temporary, loving home for cats until they can be safely reunited with their owners, providing invaluable peace of mind and no doubt saving the lives of countless cats and people too.

Creating even more happy reunions is also going to become much easier very soon, thanks to a change in the law on microchipping. After years of campaigning by Cats Protection, I'm delighted that from June 2024 it will become compulsory for all owned cats in England to be microchipped, greatly reducing the likelihood of owners never seeing their furry family members again if they go missing.

Another huge success resulting from our campaign work is the government's announcement of renting reform, which will mean landlords cannot unreasonably refuse tenants' requests to own a pet in rented accommodation in England. Renting a home is often a barrier to owning a cat, with potentially 1 million households impacted[1], and sadly many people face having to give up their cat when moving into rented accommodation. This law change will mean many more people can stay with their cat companions or welcome new cats into their life. We also provide lots of resources for cat owners to help them ensure their cats are good tenants.

Of course, we still have a lot of work to do. We are continuing to campaign for microchipping and renting laws to be adopted throughout the UK, and are still expanding Lifeline to help even more cats and their owners. Therefore, I am extremely grateful to our thousands of volunteers and employees who work tirelessly to help us achieve our goals, and the many more supporters who champion our cause. Together we are creating a better life for cats, because life is better with cats.



The difference we made in 2023

We helped 184,000 cats and kittens. That's 500 a day!

(2022: 144,000)

We found new homes for 30,000 cats* and helped 1,050 cats stay with their owners**

(*2022: 30,000) (** 2022: 900)

We microchipped 75,000 cats in care and owned cats* and reunited 2,000 cats with their owners**

(*2022: 43,000) (**2022: 2,000)

We neutered 157,000 cats and kittens, including 12,000 feral cats

(2022: 132,000, including 12,000 ferals)

We gave 1,030 cat welfare talks to 33,300 adults and children in schools and community groups

(2022: 930 talks to 25,700 people)

We handled 161,000 enquiries from members of the public via our National Information Line and many more via our regional teams

(2022: 143,000)

6.8 million people visited our website

(2022: 6.3 million)

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

(2022: 9,200)



Improving understanding of cat welfare

As the cat experts, we believe in expanding and sharing our knowledge of cat welfare to help people see the world through cats' eyes. We provide accurate cat care information and advice to the public, other animal organisations and veterinary professionals, and conduct research to ensure we are all continuing to deliver the best for cats. This vital work will help us to ensure that every cat is protected, cared for and understood by everyone.

Cats on the curriculum

We continue to deliver our cat welfare talks to people of all ages across the UK. This year we have worked with Pets at Home to produce a session as part of their Pet Pals workshop and delivered our first Careers with Cats sessions live to schools as part of National Careers Week and Scottish Careers Week. We are proud to be part of the Pet Education Partnership, a collaboration of education departments from seven other animal welfare charities whose objective is to establish more efficient ways of educating children of primary school age across the UK. So far we have developed our first downloadable session plan and delivered our first live event to schools as part of World Animal Day.

Help for cats in Ukraine

Since Russia invaded Ukraine in February 2022 the humanitarian crisis has had a significant impact on animal welfare. As a result, we looked at what support we could provide as a UK-based charity. For our support to have the biggest impact, we decided to provide funding to Four Paws International, an organisation operating existing projects in Ukraine. Four Paws are training veterinary teams across Ukraine and implement neutering projects to improve welfare standards and quality of care for cats on the streets and in shelters. We have committed £100,700 to this work and gave the first instalment of £67,500 in December 2023. Around 6,000 cats were neutered as a result of our funding in 2023.

Stats on the UK's cats

The fourth annual CATS (Cats and Their Stats) Report provides useful insight into the UK's cats and the people caring for them, helping to deepen our understanding and inform the support we provide. This year the report reveals how the cost-of-living crisis is affecting cat owners, the changes in the way people are obtaining their cats, and the large number of cats that are still not microchipped ahead of the law change in England in 2024.

Supporting the sector

This year's Association of Dogs and Cats Homes conference brought together colleagues from animal welfare organisations across the UK. As part of this conference, Cats Protection hosted the 'cat stream' with speakers talking about a diverse range of topics from multi-cat households and the human side of hoarding, to extreme breeding and the welfare challenges of hybrid cats.

Cat insight

To help us, and others, better understand cats and their care, we conduct our own studies into cat welfare. This year we:

- published a scientific research paper introducing our UK Cat Population Model. This is a tool that will help us better understand cat population size, structure and changes over time and inform decisions on interventions such as neutering. We are also doing further population studies to build on our understanding and consideration of all cats in what we do
- continued to develop a system to help us accurately record and report on the health of cats in our centres. This will enable us to accurately monitor disease and inform decisions on optimal shelter care for cats
- continued to provide support to the Bristol Cat Study, a study of cat health, welfare and behaviour that collects data on owned cats from kittenhood throughout their lifetime
- ran a survey with the support of the Association of Dogs and Cats Homes to gain insight into shelter cat care across organisations and the contexts in which welfare assessment tools might be used. This will help inform the development of welfare assessment tools that best support cats and their caregivers. We are also planning to collect data to explore the most appropriate and practical methods to assess shelter cat wellbeing
- continued developing a tool to help cat owners assess and improve their cat's quality of life at home

Working with veterinary and animal welfare professionals

Cat welfare ambassadors

Cats Protection works with veterinary professionals and other animal welfare organisations to share knowledge of cat welfare and shelter medicine and improve the care that all cats receive. As well as learning from these expert groups, we also delivered talks for vets on the topics of kitten neutering and contextualised care (cat owners and vets working together to provide the cat with the best quality of life in the circumstances and context), and collaborated with other charity vets to host a session on the human-animal bond at the London Vet Show. We also work closely with vet students and have 16 student ambassadors at vet schools across the UK. This year we delivered 11 talks to vet students on topics such as cat behaviour, contextualised care, neutering and more.

Cat Behaviour Conference

The theme of our fourth annual Cat Behaviour Conference was 'Cat behaviour in the rescue shelter', bringing together vets and other people who work with cats to learn more about this fascinating topic. We had our biggest turnout yet with 413 delegates from 23 different countries attending the live event online, and hundreds more registering to watch the recording.

Addressing veterinary capacity issues

Veterinary practices across the UK continue to experience capacity challenges due to staffing issues and increases in the pet population during the pandemic. Staff retention in the profession has declined for many reasons, with the challenges of veterinary wellbeing, particularly during the pandemic, and Brexit being key factors. To understand how we can best support vets through this crisis, we conducted a survey of over 200 veterinary professionals and held engagement sessions with internal and external stakeholders. Our findings will be shared with the veterinary profession and other key stakeholders and be used to have further discussions with Cats Protection teams so that we can identify any quick wins and long-term solutions we can implement.



Creating a balanced cat population

With more cats in the UK than there are suitable homes for them, it's important that we promote neutering to ensure a balanced cat population where every cat has their needs met. Neutering is also an important part of good cat welfare and reduces the numbers of unwanted cats coming into our care.

The cost-of-living crisis has placed more demand than ever before on our neutering services as more cat owners have become eligible for our subsidised schemes at a time when the veterinary profession is continuing to see rising costs and a shortage of staff. The issue is exacerbated by more cats being born due to limited neutering during the pandemic.

This demand has also placed huge pressure on our systems and support for our services and at times we have struggled to meet this demand and provide coverage in all areas. This has had an impact on our branch volunteers and other teams who work in local communities who have experienced first-hand the effect this is having on cats and the people who support and look after them. We have therefore been reviewing our approaches to neutering, working with our branch volunteers and others to make changes to our schemes and will continue to do so in 2024.

Despite these challenges we neutered more cats this year than in 2022 but in the context of increasing demand and costs we need to consider how we best approach population management in the future.

As well as reviewing how we manage our current neutering services we are starting to use the results of our research into cat populations to help us target the key cats to neuter to have the greatest level of impact (both in terms of scale and welfare) on the overall population.

Kitten neutering

As part of a group of charities called Cat-Kind, we are working to make neutering pet kittens at four months of age the norm, as this is when they are old enough to reproduce. We currently have over 1,180 vets on our database of those willing to neuter at four months. Find out more at **kind.cats.org.uk**

Community outreach

Our Community Engagement teams continue to support local communities and engage with local stakeholders to help in areas struggling with large populations of unowned cats. By building relationships and earning trust, they can gain valuable insight into the support needed, keep tabs on the local stray and community cat population, and help residents to improve the welfare of local cats now and into the future. In 2023 the Bradford team connected with more stakeholders and managed to help more cats than in any other year, and the Luton team broke through some tough barriers in communicating with diverse communities, resulting in record numbers of cats being reported to them. Other teams across the UK have also been expanding their support and moving into new areas to help control cat numbers through neutering and make sure all cats are looked after.

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, as they are not suited to living in a domestic environment. Our teams continue to trap, neuter and return feral cats across the UK and we also offer training to other organisations so they can help feral cat populations too.

Lilly's story

On a scorching hot day in June, three tiny black-and-white kittens were found sealed inside a cardboard box on the side of a road in Bridgend. The kittens were only seven weeks old and in very poor condition. They were taken in and cared for by the team at our Wales Cat Centre, who named them Aspen, Athea and Archer. Four weeks later they had made a full recovery and soon found new homes. Athea was adopted by Liam and Laura who renamed her Lilly. They said: "Lilly adores her new sister, our black cat Luna. Lilly follows Luna everywhere and if one can't find the other they will start to call for each other. Around 8pm they will start to chase each other around the house causing havoc but it's always fun to watch them play. Lilly is very loving and will always want a cuddle despite what she has been through."





Ensuring every cat has the right home

Finding new homes for cats remains a crucial part of our work, but the increased cost of living continues to have an impact on rehoming. There has been a 12% increase in the number of cats being given up to us for financial reasons in 2023 compared to the previous year, and fewer people are able to take on a new cat due to cost concerns. This has meant that the number of cats we rehomed this year has remained stable compared to 2022. However, we will continue to look after cats for as long as it takes to find them new homes. As well as rehoming cats, we are also working to support cat owners during financially difficult times. This helps cats and people stay together in their homes where they are happiest, and also reduces the number of cats needing to come into our care.

Rehoming methods

Having fewer people moving through our centres during the pandemic helped to reduce stress for the cats in our care, so our centres are now operating on a mostly appointment-only basis. Potential adopters fill out a form prior to their visit so we can match them to the cat that best suits their home and lifestyle, ensuring efficient and effective rehoming. We are also trialling a new triage system for cats coming into our care, to ensure that priority is given to those that need it most. Lastly, we have been moving cats that have been in our care for a long time to different branches and centres so that we can find them the right forever home more quickly.

Home to home

With increasing demand for us to take cats into our care, we have been 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 now evaluating this method to ensure that it is fit for purpose and up to the same high standard across our network.

Developing our sites

Our new Glasgow Cat Centre opened in November, and construction has been completed on our new Devon Cat Centre, which will open in 2024. We also have new sites in Aberdeen, Telford, Sheffield, Wakefield and Mid Warwickshire with multiple pens for helping more cats in need. We are reviewing our sites to ensure a consistent approach to cat care, and planning for how we will implement changes to adhere to new animal welfare legislation when introduced across the UK.

Expanding our coverage

To fill the gaps in our services in areas where we do not have branches or centres, we have set up Cat Action Teams of volunteers to conduct neutering work and other activities to help local cats. We currently have four teams in England doing valuable work in their communities and plan to expand this scheme into Wales in 2024.

Happy reunions

We continue to promote microchipping as the best way to help us reunite lost cats with their owners. With compulsory microchipping set to become law in England in June 2024, we have begun to offer free microchipping as part of our subsidised neutering scheme for owners on a low income across the UK. We microchipped 53,000 owned cats this year (2022: 25,300), and continue to make sure that every cat that leaves our care is microchipped and registered to their new owner.

Helping cat owners



Lifeline: A pet fostering service for families fleeing domestic abuse

Formerly Paws Protect, our Lifeline service was relaunched this year to help even more cats and their owners find safety from domestic abuse. The service has been expanded from London and the Home Counties into Yorkshire, East Anglia and the Midlands, with plans to cover Scotland and Wales in 2024 and Northern Ireland in 2025. To raise awareness of Lifeline, help fund its expansion and recruit more volunteer fosterers we ran a successful national marketing campaign (find out more on page 27). We have trained hundreds of domestic abuse professionals on the link between domestic abuse and pets, exploring how they can best support survivors with their pets. We also carried out a Cat Ownership and Domestic Abuse survey to better understand the experiences of domestic abuse professionals and survivors with cats. In 2023 we helped 229 cat owners (2022: 101) flee domestic abuse by providing 366 cats with temporary, loving foster homes. Lifeline is kindly supported by the Pets Foundation.

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 2023 Cat Guardians made arrangements and cared for 181 cats, helping 124 supporters (2022: 203 cats, from 127 supporters).

Paws to Listen: A grief support service to help you cope with the loss of your cat

Whether your pet is missing, has had to be rehomed, is nearing the end of their life or has recently passed away, we understand this is a very difficult time. The trained volunteer listeners on our free and confidential Paws to Listen service are here to provide compassionate emotional support and practical information for those grieving the loss of their cats. Thanks to successful marketing and advertising campaigns we have increased awareness of this wonderful service and received 1,550 calls and emails in 2023, more than ever before.

Respite Foster Care: A temporary home for cats whose owners are in hospital

We have been trialling a new scheme that provides short-term foster care for cats whose owners need a planned hospital stay. Our dedicated volunteer fosterers will look after cats for up to 12 weeks if the owner is unable to find alternative care for their cat while they are in hospital and may otherwise be facing the possibility of permanently rehoming them. While there are no plans to launch this service nationwide at this time, we continue to work with partners who support vulnerable cat owners to understand how and when a service of this nature would be most effective.

Community Kitty: A helping hand for those struggling to look after their pets

To make sure no cat goes hungry, and to prevent owners from having to make the heartbreaking decision to give up their cats because they can't afford to feed them, we have rolled out our Community Kitty scheme to all of our centres. These centres are linked up with local foodbanks to provide cat food for owners who are struggling to feed their pets. In 2023 we provided over 43,000 meals, the equivalent of feeding around 230 cats for six months each. We have also launched a pilot scheme providing financial assistance for owners struggling with cat care costs. Nine of our centres can now provide up to six months of food and litter for households with up to two cats.

Pet Food Partnership

This year we joined the national Pet Food Partnership alongside FareShare, a charity fighting hunger and food waste, several other animal charities, our partners Petplan and Purina, and other pet food manufacturers, to help owners struggling with the cost of living. Since launching in 2022, this partnership has delivered over one million meals donated by pet food manufacturers to cats and dogs across the UK.

Speaking up for cats

Our work to influence key decision makers and campaign for better cat welfare has led to some fantastic successes this year. There is still lots more to do though, so we are incredibly grateful to all the dedicated supporters who get behind our campaigns and help us ensure better protection for cats.

Microchipping

Following years of campaigning by Cats Protection, we were pleased that the government has officially announced that it will become law for all owned cats in England to be microchipped from June 2024. This will help ensure more cats have the best chance of being identified and returned to their owner if they are lost or stolen. To make cat owners aware of the law change we ran a campaign, with our adverts and social media content seen by almost 8 million people and 83,500 people brought to our website. We are continuing to campaign for similar regulations in Wales, Scotland and Northern Ireland.

Working with stakeholders

Buying breeds online

Certain breeds of cat are bred with extreme characteristics that can cause health and welfare issues, leading to a lifetime of complex needs and suffering, not to mention the cost of additional veterinary care. After raising awareness of this issue with various websites that list pets for sale, we are pleased that Preloved has announced it will no longer accept new listings for Scottish Fold and Munchkin cats, and Gumtree has taken action to restrict listings for breeds with extreme characteristics. We continue to campaign for a UK-wide ban on breeding cats with extreme features in an effort to stop sellers putting profit before cat welfare.

Cat Detectives

Cats Protection works with the Pet Advertising Advisory Group (PAAG) to tackle irresponsible advertising of pets for sale by setting out advertising standards, which many of the popular classified sites sign up to. We have also been piloting a new programme where 120 volunteer ‘Cat Detectives’ monitor the adverts on popular online platforms to ensure good welfare practices are being met. Any adverts that don’t meet the requirements set by PAAG are reported to the websites and logged with Cats Protection, allowing us to keep on top of any concerning trends in the online marketplace.

Poisonous plants

There are quite a few flowers and plants that are poisonous to cats, but lilies are by far the most dangerous. Sadly many cat owners are unaware that this popular flower can be harmful, and sometimes even fatal, for cats so we met with over 40 retailers of cut flowers through the British Retail Consortium to ask them to improve their labelling of lilies.

Working with politicians around the UK

England

Renting with cats

Living in rented accommodation can be a barrier to owning a cat, and some people even face the heartbreaking reality of being forced to give up their cat if they are moving into a rental property that does not allow pets. We have been campaigning for a ban on blanket 'no pets' policies for several years and held a joint event with Dogs Trust at Westminster in May, which saw over 50 MPs pledge their support. Following this, we were pleased that the government announced the Renters Reform Bill and, when passed, this will give tenants in England the right to request a pet in rented accommodation, which cannot be unreasonably refused by landlords. We will continue to call for similar laws in Wales, Scotland and Northern Ireland.

Cat theft

Cases of cat theft are on the rise but currently cat theft is treated the same as theft of property. To reflect the devastation felt by families when their beloved pet cat is stolen and ensure cats have better legal protection, we are campaigning for cat theft to be made a specific offence under the law. In March we held an event in Parliament, where over 50 MPs pledged their support for this campaign. In November a Private Members' Bill to make pet abduction a specific offence was introduced which will now make its way through Parliament.

Pet welfare and abuse

In July, we provided expert veterinary evidence to the Environment, Food & Rural Affairs Committee inquiry into pet welfare and abuse, on issues including the importation of cats with mutilations, cat breeding, hybridisation with wildcats, and cats used in advertising.

Party conferences

For the first time, Cats Protection had stands in the main exhibition hall of both the Conservative and Labour Party Conferences. This allowed us to highlight the important campaigns we are working on including pet-friendly housing, preventing kitten smuggling and cat theft, and regulating cat breeding. We met thousands of delegates and over 50 MPs, including the Shadow Secretary of State for Environment, Food & Rural Affairs. There was also an opportunity to speak to prospective parliamentary candidates, local government councillors, national media outlets and plenty of Cats Protection volunteers and supporters.

Toby's story

When Toby went missing from his home in 2012, his owners assumed the worst; that he'd been killed on a busy road near their home in Nuneaton. But 11 years later, they received a call from Cats Protection Coventry to say that Toby had been found alive and well. A lady had been feeding him in nearby Bedworth and thought he might be a pregnant female. She called the branch for help, who scanned his microchip to discover he was a neutered male. They reunited Toby with his owner Justine, who said: "I can't believe he survived all this time, the odds were stacked against him, but here he is! He doesn't seem different at all, he's obviously been cared for and fed by somebody, I just wish he could tell us what happened. I never thought in a million years I'd see him again. I'm so grateful to the lady who took him in and to Cats Protection for coming out on Saturday night especially as he wasn't easy to catch!"

Wales

Snares

Snares and glue traps are inhumane and cruel, causing agonising injuries to cats and other domestic and wild animals who get caught in them. The current code of practice on the use of snares is not working, and so we are calling for an outright ban to prevent them from causing unnecessary harm to animals. We are delighted that from October 2023, the use of snares and glue traps has been banned in Wales, and Scotland has also announced intentions to ban them. We continue to call for England and Northern Ireland to do the same.

Scotland

Fireworks

While they may be fun for us, fireworks can often be very distressing for our pets. To help pet owners plan for fireworks by keeping their animals safely inside, we have been calling for the government to review existing fireworks legislation and restrict firework use to certain dates. This year, we were pleased that Scotland's new Fireworks and Pyrotechnics Articles (Scotland) Act 2022 came into force, introducing Firework Control Zones which are designated areas where it is a criminal offence to light a firework.



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 168,000 cats
- In the medium term, our neutering work will help deliver a balanced cat population so there are fewer unwanted cats. In the last five years, we have helped to neuter around 664,000 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 are better informed and understand how to take a more responsible view of cat ownership and welfare. In the last five years, our websites have been visited over 29 million times and we currently have a combined total of over 977,000 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 around 11 million cats[1]. 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 9
- providing our Lifeline, 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 19
- providing volunteering opportunities for those who wish to support our work, including through the Duke of Edinburgh's Award 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.

1 CATS Report UK 2023

Raising awareness of our work



To reach more cats and change people's understanding of, and attitudes towards them we need to engage with new audiences and inspire our existing supporters too. This is why we have refreshed our brand and are gradually rolling it out to our network of branches, centres, shops and teams across the UK. This new brand will help us raise more vital funds and communicate clearly about who we are, what we stand for and the impact we have for cats, helping people think differently about cats and appreciate what they bring to the world.

635,600 Facebook followers (2022: 618,000)

126,700 Twitter followers (2022: 126,000)

172,500 Instagram followers (2022: 146,000)

43,000 TikTok followers (2022: 23,000)

3.8 million YouTube views (2022: 1 million)

Over 1.1 million followers of our regional social media channels (2022: 1 million)

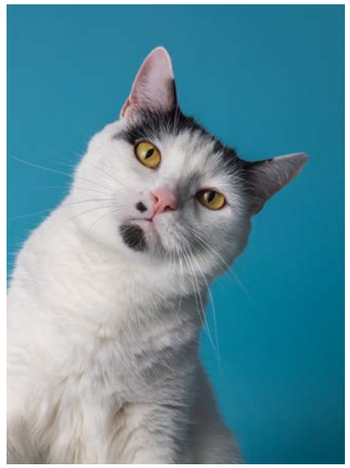
6.8 million people visited our website (2022: 6.3 million)

1.2 million Meow Blog visits (2022: 1 million)

352,000 links clicked in our email communications (2022: 304,000)

8,000 media articles mentioning Cats Protection (2022: 10,000)





National Cat Awards

The star-studded highlight of the cat calendar was held at Wilton's Music Hall in London this year, with bestselling author Dawn O'Porter as host. Other famous faces announced the winning cats, including comedian Jake Lambert, *This Morning* vet Dr Scott Miller, former England goalkeeper David James MBE and *Call the Midwife* star Stephen McGann. Part of the ceremony was also broadcast live on *The One Show* on BBC1 and Zebby was crowned the National Cat of the Year for supporting his deaf owner Genevieve by alerting her to sounds around the home. Our adverts and social media content about the awards were seen 2.7 million times. Coverage of the awards was featured in 1,013 media articles, including in the *Mail Online, The Independent, ITV Online* and *The Sun*.

A new cat podcast

In November 2023, a new podcast called *Cats Got Your Tongue?* launched in association with Cats Protection. Hosted by Radio X DJ Adam Brown, each episode features a famous cat owner chatting about life with their cat companions. Cats Protection behaviour expert Nicky Trevorrow is also on hand to provide plenty of practical advice and information to Adam, his guests and cat owners across the UK. Celebrity guests include broadcaster and drummer Owain Wyn Evans, comedian Russel Kane, TV personality Caroline Quentin, *The Chase* star Jenny 'The Vixen' Ryan and TV presenter Cherry Healey. The podcast has over 5,000 listeners with more subscribing every day.

Celebs at our centres

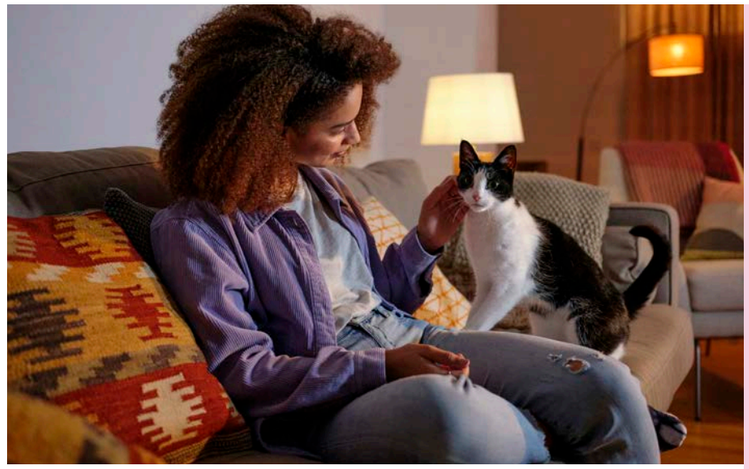
Drag performer Ginny Lemon visited our Cotswolds Cat Centre, YouTuber Gab Smolders played with kittens at our United Kingdom Cat Centre, comedian Lucy Porter opened the new maternity wing at our West Midlands Cat Centre and TV presenter Roo Irvine opened our new Glasgow Cat Centre, all posting about their visits on social media to help raise awareness of our work.

More Than Just a Moggy

If you look up the word moggy you'll see definitions like 'ordinary', 'unremarkable' and even 'untidy', but we know this simply isn't true. That's why we launched our More Than Just a Moggy campaign to champion magnificent moggies. The campaign featured on billboards across the UK and our adverts and social media content were seen over 124 million times. The campaign brought 63,700 people to our website and received coverage in 70 media outlets, including the *Daily Mirror* and in specialist pet press.

Mature Moggies Day

Older cats take three times longer than kittens to find new homes, which is why we celebrate #MatureMoggiesDay on 16 June each year. This year comedians Bob Mortimer and Jo Brand helped us to champion older cats and the world's oldest cat Flossie, rehomed by Cats Protection in 2022, went viral on social media again. Our social media content was seen 17.3 million times and the campaign brought over 1,400 people to our website and received coverage in 10 media outlets.



First-time Cat Owners

Welcoming a cat into your life for the first time can be a daunting experience as there are lots of things to consider and learn about your new furry friend. To help first-time cat owners prepare for their new pet, we created a hub of information on our website, tailored email journeys and lots of useful videos on how to settle new cats in. Our adverts and social media content were seen over 5.5 million times and the campaign brought over 31,000 people to our website. We also signed 2,200 new cat owners up to our first-time cat owners email journey, sending helpful information straight to their inbox.

Casper at Christmas

On Christmas Eve, Channel 4 featured a special advert takeover before its children's Christmas animation, *Mog's Christmas*. During this advert break, we broadcast our *Casper's Magical Journey* animation, telling the story of how we reunited Casper with his owners thanks to his microchip. The heartwarming advert reached 3.5 million viewers showing the dedication of Cats Protection and the importance of microchipping.

Together

Someone fleeing domestic abuse often has no choice but to leave their beloved cat behind, as most refuges can't accept pets. For many, this means leaving their cat companion in danger as it's common for perpetrators to target cats and kittens, so some cat owners will stay in an abusive situation to protect their pets. Our Lifeline service provides a temporary, loving home for these cats until they can be safely reunited with their owners. In November 2023 we launched a campaign to highlight this vital service, featuring a powerful TV advert shown during primetime and supported online by comedian Jo Brand. The advert was viewed 2.7 million times on YouTube, causing a big increase in our overall YouTube viewing figures. Our adverts and social media content were seen by over 182 million people and the campaign reached 383,000 people via email, brought 5,500 people to our website and received coverage in 150 media outlets, including *BBC Online, The Sun Online, The Telegraph* and *The Times*. It also raised an incredible £641,800 and led us to recruit 361% more Lifeline fosterers than we did in 2022, which will help us to further expand the Lifeline service and help even more cats and people.



Nanny McPhee's story

When three young cats arrived at our Warrington Cat Centre, the team first thought one of them had a rather large nose. However, on closer inspection, it was revealed that the four-year-old cat actually had two noses, caused by a congenital abnormality. Named Nanny McPhee, after the fictional witch with a famously deformed nose, she thankfully suffers no health problems from this rare condition. Nanny McPhee soon became a media sensation, with over 250 articles published about her, including on *BBC Online*, *MailOnline* and *The Independent*. She also found a new home with Rebecca, who said: "When we first saw Nanny we actually didn't notice her now famous double nose. It was only when we read her description that it was brought to our attention. We actually worried being different would make it harder for her to find a home. Little did we know the day we put our application in she would become an overnight sensation! We couldn't have been more lucky not just with our timing but with what a sweet girl she is, I think we won the cat lottery."

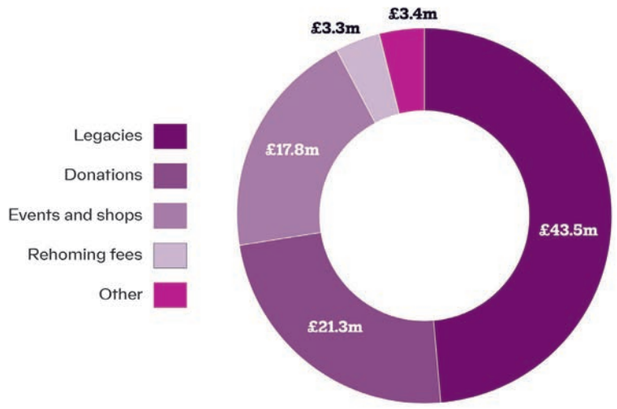
Raising vital funds

With the cost-of-living crisis affecting many people across the UK, we are more grateful than ever for those who generously donate towards our cause or fundraise on behalf of cats. No matter how big or small the gift, it makes a huge impact to the lives of cats and will enable us to help many more cats and their owners for years to come. Thanks to our inspiring supporters we can continue our vital work and we promise to use our funds efficiently and effectively to help as many cats as possible.

Total income: £89.3m

(2022: £86m)

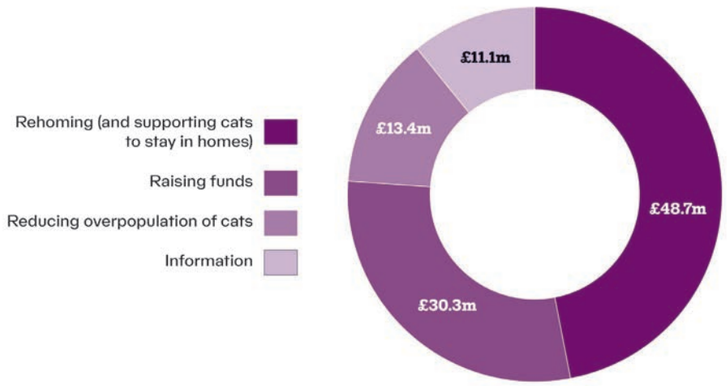
Where our funds came from



Total expenditure: £103.5m

(2022: £87.4m)

How we spent our funds



These figures are based on those in the full, audited and unqualified accounts for the year ended 31 December 2023. For further details of these figures, turn to the financial review section starting on page 49.

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. Legacy giving funds almost half the work we do and so we are forever grateful to all those who helped us raise £43.5 million through these special gifts this year (2022: £41.2 million), with a further £880k raised by individuals donating in memory of a beloved person or cat (2022: £646k). Our most heartfelt thanks to these supporters, and our thoughts are with everyone who has been affected by the loss of a loved one in 2023.

Regular support

Consistent support is vital for helping us plan for the future and continue helping cats for years to come. This year, £17.3 million was raised (2022: £16.9 million) by Cats Protection Members, Sponsors, Weekly Lottery players, other regular givers and the members of our Little Paws Club, a brand-new kids' membership for children aged five to seven launched in November 2023. 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 (2022: £5.4 million)
- Membership raised £1.3 million from 23,500 Members (2022: £940k from 23,500 Members)
- Weekly Lottery raised £6.3 million (2022: £6.2 million)
- Regular giving raised £4.4 million (2022: £3.3 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 39,000 supporters contributed to our appeals, raising £1.9 million (2022: 42,000 supporters, raising £1.6 million)
- Cat Lovers Raffles raised £1.9 million (2022: £2.1 million)

Impactful philanthropy

We simply couldn't do what we do without the support of a select number of very special major donors and funders. They give exceptional and transformational gifts to support cats and their owners. From building new cat pens, supporting cats and their owners to flee domestic abuse, and helping some of the most vulnerable cats in our centres, they make so much of our work possible. Often these projects just couldn't happen without them, so we are very grateful for all their support in 2023.

Fabulous fundraisers

2023 has seen even more Cat Champions across the country taking on personal and physical challenges all in aid of Cats Protection. We have seen daring supporters walk barefoot across hot coals in our ever-popular firewalks, whizz through the sky on ziplines, and a record number of people running, trekking, cycling and swimming, all to raise vital funds for the cats in our care.

Our local teams have been raising funds through online and in-person events including summer fairs, black-tie balls, raffles, competitions and murder mystery events to name a few. Our savvy online supporters have also raised their game with gameathons and livestreams to raise funds for cats.

Craft for Cats

Our popular Craft for Cats craftalong events have gone from strength to strength, with our Christmas craftalong becoming something of an annual festive tradition. This year our growing community of creative supporters have got crafty making air-dry clay pots, quilled cat portraits, felted festive baubles and embroidery accessories raising a whopping £231,000 for cats in our care (2022: £225,000).



Jacob's story

Stray cat Jacob was found in Warwickshire with horrific injuries to his back foot, which vets believe were caused during a frantic struggle to free himself from a snare. After receiving emergency surgery to amputate the leg and save his life, two-year-old Jacob was nursed back to health by volunteers at Cats Protection Coventry. Once he had got used to life on three legs, Jacob was adopted by James, who said: "Jacob has recovered really well and adapted brilliantly considering what he's been through. He's playful, friendly and loves to explore the garden, and is a brilliant pet. Jacob has a wonderfully long and expressive tail that he uses to help balance after losing the leg. It's hideous to think of him caught in a trap and alone with such a horrendous injury. He must have been in so much pain. His story shows just how cruel snares are, and I am completely behind the Cats Protection campaign to have them banned."

Charity shopping

Cats Protection charity shops continue to promote sustainable shopping habits while raising vital funds for our cat companions. Our 92 charity shops up and down the country generated an incredible £9.6 million throughout 2023 (2022: 97 shops raised £9.2 million) with new shops opening in Penrith and Harrogate. Our boutique in Harrogate replicates the hugely successful shop we have in Glasgow and offers the savvy shopper a range of high-end and designer goods, both new and donated, at a fraction of their original price.

As well as selling high quality items in store, we have also been selling more and more donated goods online via eBay, helping us to reach customers wherever they are. We are very grateful to the generous supporters who donate their pre-loved items and purchase new and donated items to help the cats.

People's Postcode Lottery

Since 2018, players of People's Postcode Lottery have raised over £9.9 million for Cats Protection. During 2023 we were awarded an incredible £2.6 million through Postcode Animal Trust, which champions the conservation and welfare of animals, highlighting the profound joy that animals bring to people's lives. This funding has had a huge impact on our work. It has helped us:

- care for cats in our centres and those in people's homes
- speak up for cats through our advocacy work and help people see the world through cats' eyes
- provide grief support for cat owners via our Paws to Listen service
- promote good cat welfare through the work of our Behaviour team
- develop insight into our work and the nation's cats to ensure we deliver the most effective impact for cats and people

We are incredibly grateful to players for their continued support.

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:

- Ceva (makers of FELIWAY®) continued to donate to Cats Protection for every UK sale of a FELIWAY® *Classic* or FELIWAY® Optimum Diffuser. In 2023 this generated over £12,000 and our three-year partnership has generated over £60,000 through sales, which we are very grateful for
- Petplan® and Cats Protection have been in partnership for over 20 years. Petplan® provide every cat we rehome with four weeks' free insurance, ensuring each cat has the best start when leaving our care. Over 645,000 cats have benefitted from this free insurance since 2001
- Pets at Home and Pets Foundation continue to support us through their Community Partner Programme, grants programme and Pets Club. Their Easter Appeal raised over £17,500 for our partnered branches and centres, and their Santa Paws Appeal which took place over Christmas raised over £62,000. The Pets Foundation is also a vital funder of our Lifeline service with current support exceeding £100k a year. In addition, two branches received grants from the Pets Foundation, and the Pets Club generates approximately £180,000 each year, which is used to purchase items for the cats in our care
- Purina Petcare has partnered with Cats Protection for more than 40 years and supports a variety of our initiatives and campaigns as well as supporting us financially. In 2023 we worked closely with Purina to create our exciting brand-new behaviour campaign; 'Keeping happy cats in happy homes'. Through this campaign we aimed to show owners why enrichment is vital for cats' wellbeing and happiness as well as creating practical and engaging materials to help them manage their pets' behaviour
- Simon's Cat continued supporting *The Cat* magazine by supplying us with competition prize bundles and we are grateful for the use of their iconic imagery
- Sure Petcare has been a partner for over 10 years, generating over £110,000 for us from sales of their range of microchip cat flaps, feeders and drinking monitoring systems as well as supporting us with sponsorship of events and publications
- Magic Light Pictures teamed up with us for the first time in 2023. Our new Little Paws Club features the well-known Julia Donaldson character Tabby McTat and a new Tabby McTat single released in December 2023 raised funds for us during the festive season. This partnership will explore other new collaborations in 2024
- OddBalls is an exciting new partnership raising funds from the sale of Cats Protection branded underwear. The comfy underwear range has proven to be very popular and we are excited to extend the range in 2024



Supporting our people

Cats Protection is a movement of people working together to improve the lives of cats across the UK. By supporting the work and wellbeing of our volunteers and employees, we can empower them to help even more cats and have an even greater impact on cat welfare.

Organisational design and development

This year we developed a new streamlined model for our Senior Leadership team, to better represent the needs of the charity and deliver our 10-year strategy. This structure sets us up to ensure we are able to prioritise activity, control our spend, deliver impact and drive success. In 2024, we will be amplifying our advocacy and influencing work with the recruitment of a new Advocacy & Influence Director, and we will be centralising many of our support functions, including finance, strategy, digital transformation and legal, under a new Chief Financial & Shared Services Officer. In 2024 we will focus on our organisational development for greater efficiency and effectiveness ensuring we remain focussed on cat welfare, our people and supporters.

Values and behaviours

In 2023 we launched our new values and behaviours framework which completed our work on our new organisational identity, including a new vision, mission and purpose. Our values were co-created with volunteers and employees across our organisation and act as a guide to shape our behaviours and the decisions we make. Our values unite us, and our behaviours provide a common language for how we create positive experiences for each other, our customers, partners, donors, stakeholders and, most importantly, cats. Throughout the year we have been sharing and celebrating how our people are living our values and have showcased examples of these in our internal communications and leadership webinars.

Volunteering

Volunteers remain at the centre of our organisational success, delivering impact for cats every day. In 2023 we embarked on a cross-organisation consultation, working to create a new volunteering strategy. Our new volunteering vision and strategy builds on our successes and looks at different ways we can meet the internal and wider sector challenges we are facing as an organisation. We aim to be sector leading; for our volunteers to consistently have a joyful and inclusive experience; and to integrate our volunteer voice through our organisation. Over the next three years we will create different ways volunteers can get involved in our charity, expand our reach across all communities in the UK and ultimately create even more impact for cats.

Equity, diversity and inclusion

In 2023 we expanded our affinity groups, making our online community platforms, such as our LGBTQ+ and neurodivergent networks, more inclusive for everyone across our organisation. These groups provide vital links for our volunteers and employees to connect with each other and live our values. We have also launched two new inclusive recruitment initiatives: our headhunting strategy targeting underrepresented groups; and the practice of sharing interview questions with candidates in advance. 2024 will see us embed practices to promote the charity as a neuro-diverse employer.

Wellbeing

In 2023 we created a unique sector initiative by developing a wellbeing framework for those employees and volunteers delivering services either face to face or online. This framework provides various wellbeing support initiatives and interventions, including reflective practice. This provides vital time for our people to understand the pressures and impact of working in animal welfare, where human welfare is often also at the heart.

Safeguarding

Safeguarding has embedded in our organisation, with the aim of protecting those within the charity and the people who come into contact with us. Nearly 47% of safeguarding concerns are from the public and communities we operate in. Support is provided by our Safeguarding team, and we have worked with our people to launch new policies on topics such as menopause, maternity and paternity that represent their needs.

Learning and development

Developing the knowledge and skills of our people remains a key part of our work, delivering face-to-face and online learning in all disciplines including cat welfare. This year we launched our new learner management system, Learn for Cats, which puts people's learning opportunities and records at their fingertips. A new data-driven approach will analyse need and evaluate learning for impact on organisational culture, capability and cats. New cat welfare and management modules have been designed and thousands of courses on topics relating to cats and people have been delivered. Over 30 apprentices are being supported in the Level 5 Diploma in Leadership & Management and we will be expanding opportunities in 2024 to include cat welfare. Accessibility and inclusion have been at the heart of all work, with new learning created in neurodiversity awareness. A new appraisal process built into Learn for Cats will link performance to development opportunities, building the learning needed by our people to feel confident in the great work they do for cats.



Environmental impact

Along with every organisation, we have a responsibility to reduce our carbon footprint and increase our environmental sustainability. Our programme focusing on how we can reduce our impact on the environment and be more sustainable is underway.

Moving to an electric fleet of vehicles 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. We have completed the installation of electric vehicle charging points at our centres and begun the transition to an electric fleet with 14 electric vans delivered by the end of 2023 and the delivery of an additional 29 electric vans scheduled for 2024. 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 now partnered with Energy Saving Trust to quantify our emissions so we can understand them better. We will complete our emissions data collection in early 2024 and Energy Saving Trust will support us in baselining our emissions and creating emissions reduction targets.

Looking ahead

In 2024, we will focus on supporting the cats and people most in need of our help.

Rehoming

We have had an unprecedented increase in the demand for our services, so we will continue to invest in our rehoming work. We will support our volunteers both within branches and those who work in partnership with our centres. We aim to greatly improve how we recruit and set up new cat fosterers. As ever, our focus will be on cat welfare. We will replace cat pens where necessary and help our branches and centres work together to reduce the time cats are in our care. We will also try to prevent people needing to give up their cats to us whenever possible, through targeted interventions, working with our partners and providing advice.

Lifeline

We will expand Lifeline, which supports families fleeing domestic abuse. In 2024 we will launch the service in Scotland and Wales and prepare for a 2025 launch in Northern Ireland.

Neutering

We will maintain our neutering programme, working with vets and our branches to provide financial support to those most in need, to help manage the UK cat population. By running the programme centrally, we are better able to measure its impact. We will continue to learn and adapt and work with volunteers to support hard-to-reach communities.

Microchipping

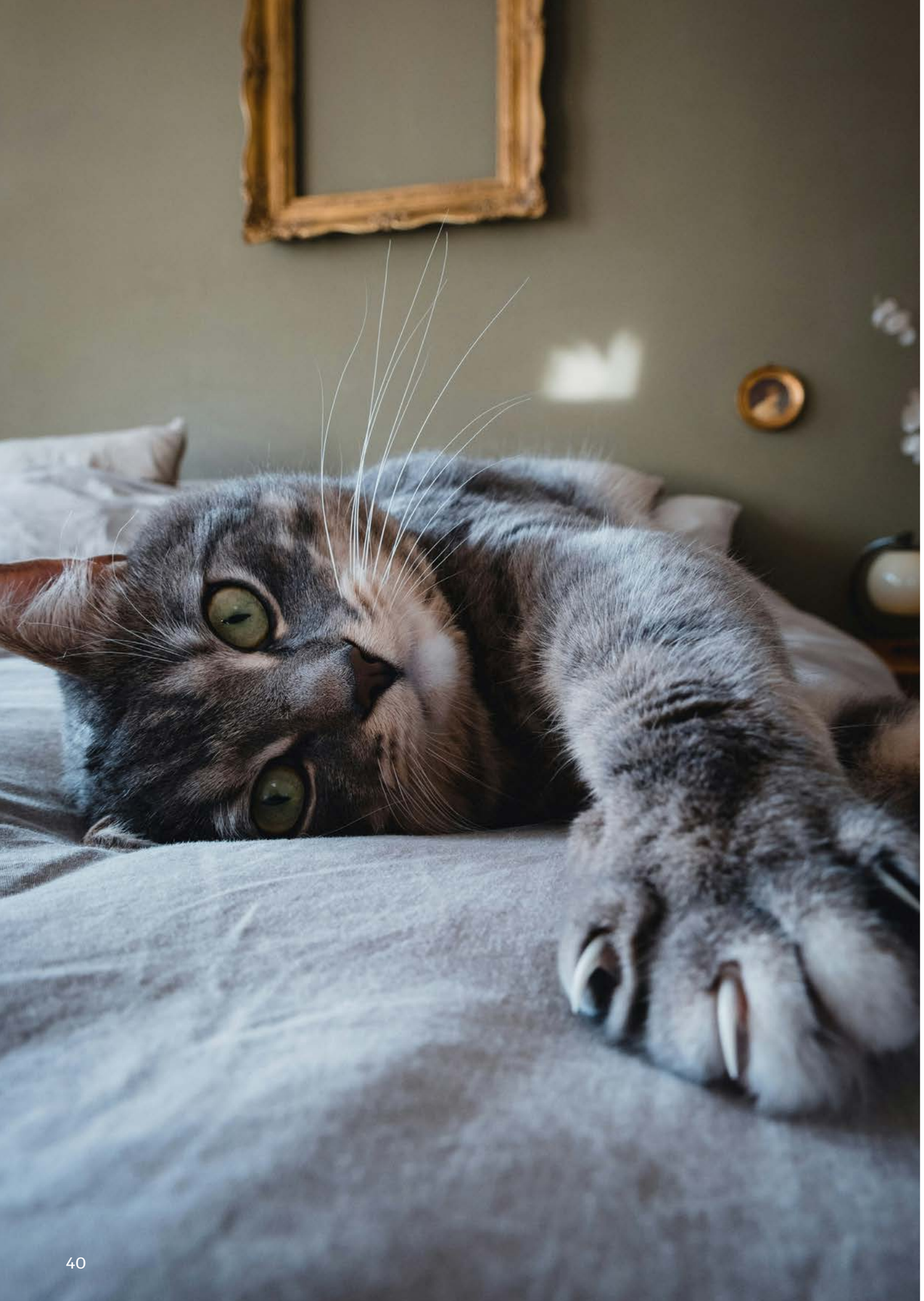
After successfully influencing for a change in the law for microchipping, we will be providing advice and information as the law comes into effect in June. At the same time, we will continue to microchip all cats that come into our care and take delight in the reunions we are able to make happen because a cat has been microchipped.

Fundraising

Inflation and the cost of living has increased the cost of our charitable activity. This means we must grow our income if we want to continue the scale and reach of our vital work. We are rolling out a new community fundraising model which delivers higher levels of income, strengthening our high value fundraising and developing more digital routes to generate income, like gaming or streaming. Our new brand will help us reach more people. We are investing in IT systems that will help us engage our supporters in new ways, helping them navigate the opportunities we have for them to support or partner with us.

While we may be focussing on these activities, the rest of our core work will continue. This includes Cat Guardians, Paws to Listen, our community outreach, helping feral and unowned cat populations, education, advocating for cats and the veterinary profession, as well as bringing the sector together to discuss cat behaviour.

Structure, governance and management



Advised by:
Connect

Cats Protection Trustee Limited
Company number: 06772997
Company limited by guarantee

Delegated to:
Audit Committee
Investment Committee
Nominations Committee

Sole corporate trustee

Cats Protection Charity
England and Wales: 203644
Scotland: SC07711
Unincorporated association

Sole corporate member

Shareholder

Sole corporate member

Cats Protection Strategies for Cats Limited
Company number: 12249367
Company limited by guarantee

Cats Protection Enterprises Limited
Company number: 02953832
Company limited by shares

Cats Protection Care Lottery Limited
Company number: 12249371
Company limited by guarantee

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 Senior Leadership team. The Board has three sub-committees being the Audit Committee, the Investment Committee and the Nominations Committee.

All Trustees on the Board of the Corporate Trustee are recruited through an open, competitive process. This involves interviews with the Nominations Committee. Appointment of Trustees is the responsibility of the Board. Board Trustees 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. Trustees may not be members of Connect but meetings are chaired by a Trustee.

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 £50 million 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 Trustees met seven times during the year in person. Connect met four times during 2023 both in-person and virtually. Members met at the Annual General Meeting which was held virtually.

There were no changes to the Board of Trustees during 2023. Ongoing training and support for all Trustees is provided through formal and informal briefings from the Chief Executive, Senior Leadership team, third-party specialists or external courses as appropriate. The induction programme for new Trustees consists of familiarisation with the workings of the charity and its policies through visits to branches and centres, and meetings with the Chair, other Board Trustees and members of the Senior Leadership team.

The Audit & Risk 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 Trustees and at least one external, independent member, with no more than eight members in total.

During 2023, 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 2023, the Audit & Risk Committee approved the plans of both internal and external audit and received reports on findings from their respective audit reviews. Following a full tender process BDO were appointed as internal auditors in December 2022 with 2023 being the first full year of the contract. Terms of reference for individual audit reviews were approved by the Committee. Reports by internal audit on the following areas were received during the year: Project Management Office and Property.

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 Trustees and up to four independent advisors, but no more than seven members in total. During 2023, 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 members of the Senior Leadership team.

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.

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 a Senior Leadership 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, our management is largely located close to 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.



Pebbles' story

Pebbles had been fending for herself on the streets in Hull before she was rescued and brought to Cats Protection Beverley & Pocklington by a kind member of the public. She was also pregnant and gave birth to three healthy kittens in our care, who she did an excellent job of raising. The whole family was neutered and the kittens quickly found new homes once they were old enough, but sadly Pebbles kept being overlooked by potential adopters. She waited patiently in our care for over 100 days, until eventually the perfect new owners came along. Michelle and Tony said: "Initially we saw Pebbles on the website. We loved her photo and then when we heard her story it was very similar to our previous cat. She has settled really well. She has her sassy moments but we love her quirks. She constantly makes us laugh and she is getting more loving day by day."

How we ensure you can give with confidence

Cats Protection ensures that our values are reflected in all our fundraising activities. We never have and never will condone unreasonable intrusion or undue pressure being placed on anyone, and have safeguards, training and guidelines in place to protect vulnerable people.

To generate the funds Cats Protection needs to continue the support we give cats and kittens across the UK, we fundraise in various ways which you can read more about on page 29.

In 2023, we promoted our fundraising and donation options in various ways. We advertised on television, the internet and on social media. We sent post and emails 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 continues to grow but has yet to return to pre-pandemic levels. 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 **fundraisingregulator.org.uk/code** 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**

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 of Practice, 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. These controls are monitored by our Fundraising Governance & Compliance Manager, who ensures our policies and processes are followed.

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 employees, volunteers and fundraisers at our agencies receive specific Cats Protection training before conducting fundraising activities on our behalf. New training was introduced this year focusing on topics such as how to deal with vulnerable donors, fundraising governance and the work of the Fundraising Regulator. Our training is based on the 'Treating donors fairly' guidance developed by the Chartered Institute of Fundraising, which can be viewed at **bit.ly/CIF-donors** Guides are produced for agencies and our volunteer-run branches. We also updated key fundraising policies such as Donation Acceptance, Refusal and Refund and Vulnerable Donor Policies and started the process of reviewing our Ethical Fundraising Policy.

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.

Data protection

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: **cats.org.uk/terms-privacy**

Handling complaints

Despite these controls, we do occasionally receive complaints. In 2023, we received a total of 77 complaints about our fundraising (2022: 59). We aim to resolve all complaints as soon as possible, and in 2023 we resolved 89.6% within 21 days (2022: 91.5%). 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.





Financial review

Financial performance in 2023

Like many in our sector we have felt the impact of economic pressures and the cost-of-living crisis with increased demand on our services and inflationary impacts on our cost base.

Our generous donors have continued to support our activity, and income levels have held up well during the year with continued year-on-year growth despite holding the costs of our fundraising activity at the same level as in the previous year.

The cost of delivering our services has been impacted by the increase in demand particularly in rehoming and subsidised neutering where we have invested in an enhanced service for vets and members of the public. Trustees have chosen to invest some of our reserves in this activity and in the continuing rollout of our 10-year strategy.

Our investment portfolio has seen a partial recovery of the significant losses incurred in 2022 due to the market turmoil following the Russian invasion of Ukraine and the Truss/Kwarteng mini-budget in September of that year.

Income

Overall, total income for the Group was £89.3m, which is £3.3m (3.8%) higher than 2022. Legacy income has increased by £2.3m (5.5%) compared to last year. Donation income grew by £0.1m (0.6%).

Rehoming fees and ancillary income increased by £0.3m (8.3%) over 2022 largely as a result of commission earned on Petplan® insurance which is received every time a new policy is purchased or an existing policy renewed for an adopted cat.

Shop income increased by £0.4m or 5.1% over 2022. We have continued our closure of underperforming shops and are taking steps to address recruitment challenges which have impacted shop openings in the year.

Income from fundraising events was £0.2m (1.6%) above 2022.

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 2023 was £103.5m, which is £16.1m (18.4%) higher than in 2022.

Expenditure on rehoming cats was £48.7m, an increase of £7.9m (19.2%) compared to 2022. The number of cats being rehomed fell by 1% compared with 2022 and on average cats are taking longer to home and are sicker on admission than in previous years. As a result the cost of caring for these cats has increased alongside the inflationary impact of veterinary care and cat supplies.

Expenditure on reducing the overpopulation of cats was £13.4m, an increase of £5.4m (66.8%) compared to 2022. This is a key area of our charitable objectives. Under our new strategy we have centralised our subsidised neutering scheme, and we have increased the value of subsidy available while also now funding ancillary costs such as analgesia. The effects of limited access to veterinary care during the pandemic resulted in higher numbers of unneutered cats which has significantly increased demand for this service. Consequently we neutered some 157,000 cats during the year, an increase of 25,000 cats over the previous year.

Expenditure on our education and information charitable activities was £11.1m, which is £2.9m (35.5%) higher than 2022. Our advocacy work increased during the year with success in mandatory microchipping of cats, and active campaigns in other areas (find out more on page 19). We launched our new brand refresh and our highly successful winter campaign linked to our Lifeline service.

Expenditure on raising funds totalled £30.4m in 2023, which is in line with the previous year.

Outturn

The economic pressures facing all charities have had an effect on our cost base as we experience high demand for our services and tough inflationary challenges. Despite this, Trustees felt it appropriate that as well as responding to the demand for our services, we equip ourselves to meet future needs by continuing to invest in our strategy. As a result we are reporting an operating deficit of £14.2m offset by unrealised gains on our investment portfolio of £2.1m.

The net assets reported in the balance sheet are now £106.0m (2022: £118.1m).

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 2023 is £0.46m (2022: £0.63m). 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 2023 amounted to £0.46m (2022: £0.63m). Turnover in 2023, at £1.5m, represents a reduction of £0.1m (8.6%) compared to the previous year (2022: £1.6m). This reduction is due to lower sales of new goods and a reduction in income received from our corporate partners. Cost of sales in 2023 was 54% of turnover (2022: 28%). Administrative expenditure was £131k for 2023, an increase of £18k compared to last year due to higher overhead recharges from the parent charity. The full profit of £0.46m 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 Sterling Overnight Index Average (SONIA). This investment performed in line with the objectives in 2023 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. The portfolio is managed by two professional fund managers; Rathbones Investment Management and Sarasin & Partners LLP. The portfolio is allocated broadly equally between them. In December 2022 the Trustees approved an increase in the objective for fund managers to a total return of Consumer Prices Index (CPI) +3% measured after fees and annualised over five years. This was implemented from February 2023.

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. Both investment managers underperformed against this benchmark. Sarasin outperformed the target return of CPI +3% and against the comparator peer group of similarly structured charity investment portfolios while Rathbones underperformed against both the target and the index. During the year a total of £10.5m was drawn down from the portfolio. 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 the Cats Protection 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 2023 and agreed that a minimum level of unrestricted general funds, also known as free reserves, equal to three months expenditure (£25.1m) 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.

The twin challenges of increased demand for our services and inflation in our cost base, aligned with our desire to prepare for the future through delivery of our strategy, have impacted on our reserves.

We have reviewed our future capital build requirements and the funding required to complete delivery of the strategy and have redesignated funds to more appropriately suit the needs of the charity. As a result our free reserves are above the minimum

level, and we are well placed to deliver greater impact for cats and cat welfare.

Free reserves as at 31 December 2023 were £39.5m (2022: £39.1m), which is £14.4m above the minimum required by our Reserves Policy. The charity benefited from unrealised investment gains totalling £2.1m during 2023 following significant unrealised losses in 2022. Unrealised gains and losses are taken into account in the balance on free reserves.

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 £44.0m at 31 December 2023
- the capital development fund was set up in 2017 to support the charity's 10-year plan for capital builds. Expenditure of £3.2m on capital builds included in the capital plan during 2023 has been charged to this fund. Based on current plans there will be a surplus of £15m at the end of 2026 when the programme was originally due to complete. Surplus funds have been transferred to general funds and to the change fund. A three-year rolling review of the build plan has been introduced which will allow for an annual adjustment to the fund to meet planned needs. The balance on the fund at the end of the year was £9.2m
- the change fund was created at the end of 2019 to fund expenditure on the strategy development programme to 2026. Expenditure of £3.2m was charged to this fund in 2023 with £6.1m transferred to the fund to leave a balance of £7.8m at 31 December 2023

At 31 December 2023, the charity held £5.5m (2022: £5.2m) 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 charity's Senior Leadership team and management 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 relate to the external environment, and the consequential pressures facing the charity. Despite good income growth, inflation has pushed up the cost of delivering our services, at the same time as economic hardship increases demand for them. This means managing our financial sustainability remains a core priority. We have invested in our finance systems and improved our procurement process and supply chains. Alongside our infrastructure, we are investing to be more resilient and to support future development of our services.

Risk category	Summary of risk	Mitigations and actions
Financial	An increase in running costs, driven by inflation means we do not have the levels of available income forecast for implementation of our strategy.	Implementation of a new finance system has improved our ability to track and report on income and expenditure. The ability to adjust implementation will enable us to reduce strategic investment to sustainable levels.
Compliance	Data loss, either caused by infrastructure failure, malicious attack or human error could affect our ability to operate or damage our reputation.	Ongoing and planned investment in infrastructure and Cyber Essential standards. Data protection and information governance best practice and training is being developed and rolled out.
Environmental	The dual pressures of cat population growth during the pandemic and the cost of living drive increased relinquishments and create higher demand for our services.	The cat population management strategic programme is continually reviewed to be as impactful as possible. Our services seek to prevent relinquishments where possible and focus our rehoming on those cats most in need.
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.
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.

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 three adoption centres (2022: four), two multi-pen sites, 22 branches (2022: 24) and eight shops (2022: eight) in the year, involving around 820 volunteers (2022: 805) and 90 employees (2022: 68).

Going concern

The Trustees regularly consider the short- and longer-term financial projections and other risks that may affect the Group. The Trustees have reviewed financial projections and cash flow forecasts for the period to 31 December 2025 incorporating the latest financial information in respect of 2024.

The Trustees 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 at the probate office and HMRC, 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. We have overlaid the anticipated benefit of an investment in legacy marketing and are projecting legacy income at c£42.4m in 2024, being a decrease of £0.2m against the underlying 2023 position which benefited from an exceptional legacy of £1.2m. We are forecasting an increase to £44.2m in 2025 representing an increase of 4.2% with a further 5.7% increase in 2026 to £46.7m. We continue to invest in our legacy and in-memory programmes at current levels however the increased focus on stewardship and recognition, and the strength of the current pipeline and early notifications received in 2024, provide comfort as to surety of income well beyond the period of review

- **donations.** During 2024 we will be focusing on the development of the high value giving programme alongside ongoing development of our individual donor file through telemarketing and stewardship to ensure further growth in recurring donation income and associated Gift Aid

- **events.** By far the largest item of events income is from our raffle and Weekly Lottery. The high volume, low value nature of this income helps provide some security to the recurring nature of this income stream. We are rolling out our new hub model which has demonstrated good growth during 2023 and positive returns on investment in its first year. Across digital community fundraising, streaming and gaming growth is anticipated and we are streamlining our events programme focusing on our best performers

- **shops.** Our shops remain a valuable income stream and brand asset; we are investing in a more competitive resourcing model and plan to open a small number of new shops during 2024; we continue to monitor the performance of our shops and take action to remediate or close down underperforming shops

- **other income streams.** Other income streams are less significant and therefore have proportionately less impact on the overall cashflow position. They include adoption fee income which increased year on year, recurring income from commission earned on Petplan insurance, income from our commercial partners and investment income

- **expenditure.** Expenditure within our fundraising activity focuses on those income streams with the highest returns on investment and those areas which have demonstrated strong propensity for growth during 2023. We aim to protect our core services and maintain a keen eye on operational efficiency opportunities and have reflected these in our budget plans

Should we wish to reduce our planned expenditure we can further slow down our strategic investment, and other capital plans, and there are options to reduce discretionary 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 Trustees 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)

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

Telephone: 03000 12 12 12

Email: cp@cats.org.uk

Website: 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, CertVR, DSAM, CertVC, FRCVS, Chair

Irene Campbell, Deputy Chair

Nicola (Nikki) Butcher

Amanda Farnsworth

Jane Frost CBE

Sarah Hunt

Robert Parkinson

Zain Richardson

Chris Ringrose

Connect members:

Theresa Cooper
(to December 2023)

Nicole Evans

Kelly Eyre

Alison Hagan (to March 2023)

Belinda Hall

Wendy Harris

Sarah Hawkden

Amy Lawes

Phil Metcalf (to November 2023)

Lynne Pothecary
(to October 2023)

Liz Robinson

Tina Rowell

Rebecca Schofield

Jenny Stephany

Bernie Till (to December 2023)

Niccy Townley

Alexandra Williams

Katie Yantian

Investment Committee:

Irene Campbell, Chair

Ian Enslin (advisor)

Amanda Farnsworth

Eric Kwan (advisor)
(from April 2023)

Sam Mahtani (advisor)
(from May 2023)

Zain Richardson
(from March 2023)

Chris Ringrose

Alex Soulsby (advisor)

Audit Committee:

Sarah Hunt FCA, Chair

Janet Armstrong (advisor)
(to April 2023)

Phil Bloor (advisor)

Nicola (Nikki) Butcher

Jane Frost CBE
(from March 2023)

Katalin Horvath (advisor)

Jane McKeown (advisor)
(from July 2023)

Jerry Yeung (advisor)

Nominations Committee:

Irene Campbell, Chair

Theresa Cooper

Amanda Farnsworth
(from December 2023)

Robert Parkinson

Liz Robinson

Chief Executive and Senior Leadership team

Chief Executive

John May OBE DL

Senior Leadership team

Kevin Adams; Director of Digital Transformation (to October 2023)

Caroline Bendelow FCIPD; People & Engagement Director

Catherine Cottrell MA, PGDip Marketing; Marketing & income Generation Director

Michael Elliott MBA, FCMI; Feline Welfare & Operations Director

Ian Hopper MBA; Interim Director of Change (to February 2023)

Vicky Pollitt ACA; Director of Finance & Strategy (interim from August 2022, permanent from November 2023)

Maggie Roberts BVM&S, MRCVS; Director of Feline Welfare (to November 2023)

Dominic Sullivan LLB (Hons); Director of Legal & Estates (to October 2023)

External auditor:

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

Internal auditor:

BDO LLP
55 Baker Street
London
W1U 7EU

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 OUF

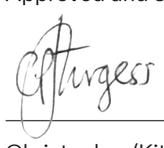
Disclosure of information to auditor

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

25 April 2024

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 2023 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 2023 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 Financial Reporting Council'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:

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 Statement of Recommended Practice (SORP) (Financial Reporting Standard 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

Crowe U.K. LLP
Statutory Auditor
London

Date: 22 May 2024

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 2023

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

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Income					
Legacies	4	41,077	2,372	**43,449**	41,187
Donations	5	21,192	149	**21,341**	21,205
Income from charitable activities:					
Income	6	3,309	-	**3,309**	3,056
Income from other trading activities:					
Shops	7	8,179	-	**8,179**	7,779
Fundraising events	8	9,626	-	**9,626**	9,470
Commercial trading operations	22	1,482	-	**1,482**	1,622
Investment income	9	1,743	-	**1,743**	1,564
Other income	10	143	-	**143**	126
Total income		**86,751**	**2,521**	**89,272**	86,009
Expenditure					
Costs of raising funds:					
Seeking donations and legacies	11	12,362	-	**12,362**	13,387
Shops	11	9,783	-	**9,783**	8,746
Fundraising events	11	7,011	-	**7,011**	6,972
Commercial trading operations	11	1,010	-	**1,010**	985
Investment income	11	230	-	**230**	314
Income available for charitable activities		56,355	2,521	**58,876**	55,605
Expenditure					
Costs of charitable activities:					
Rehoming cats	11	46,473	2,222	**48,695**	40,841
Reducing overpopulation of cats	11	13,356	8	**13,364**	8,012
Education and information	11	11,058	-	**11,058**	8,158
Net income/(expenditure) before gains/ (losses) on investments		**(14,532)**	**291**	**(14,241)**	(1,406)
Gains/(losses) on investments		2,146	-	**2,146**	(7,493)
Net income and movement in funds		**(12,386)**	**291**	**(12,095)**	(8,899)
Reconciliation of funds					
Total funds brought forward at 1 January		112,937	5,163	**118,100**	126,999
Total funds carried forward at 31 December		**100,551**	**5,454**	**106,005**	118,100

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 65 to 81 form part of these accounts.

Consolidated balance sheet

Year ended 31 December 2023

	Note	Charity 2023 £'000	Charity 2022 £'000	Group 2023 £'000	Group 2022 £'000
Fixed assets					
Tangible assets	14	**44,481**	41,671	**44,481**	41,671
Investments	15	**53,474**	64,858	**53,474**	64,858
Total fixed assets		**97,955**	106,529	**97,955**	106,529
Current assets					
Stocks	16	**-**	-	**157**	232
Debtors		**9,699**	9,335	**9,341**	8,141
Cash at bank and in hand		**8,494**	9,868	**8,652**	10,899
Total current assets		**18,193**	19,203	**18,150**	19,272
Liabilities					
Creditors: amounts falling due in one year	17	**(9,118)**	(6,724)	**(9,075)**	(6,793)
Provisions for liabilities	18	**(1,025)**	(908)	**(1,025)**	(908)
Net current assets		**8,050**	11,571	**8,050**	11,571
Total net assets		**106,005**	118,100	**106,005**	118,100
Funds					
Unrestricted funds:		**39,004**	39,098	**39,004**	39,098
General funds	19	**61,546**	73,839	**61,546**	73,839
Designated funds	19	**5,455**	5,163	**5,455**	5,163
Restricted funds	19				
Total funds		**106,005**	118,100	**106,005**	118,100

The results of the subsidiary only are set out in Note 22.

The notes on pages 65 to 81 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 of Cats Protection Trustee Limited

25 April 2024

Consolidated cash flow statement

Year ended 31 December 2023

	Note	Total 2023 £'000	Total 2022 £'000
Cash flows operating activities			
Net cash provided by operating activities	a	**(9,976)**	1,496
Cash flows from investing activities			
Dividends, interest and rents from investments		**1,743**	1,564
Proceeds from the sale of property, plant and equipment		**27**	32
Purchase of property, plant and equipment		**(7,571)**	(5,742)
Investment management fees		**265**	279
Reinvestment of investment returns		**(291)**	(1,516)
Sale of investments		**556**	-
Withdrawals from investments		**15,500**	10,500
New funds invested		**(2,500)**	(8,000)
Net cash used in investing activities		**7,729**	(2,883)
Change in cash and cash equivalents in the year		**(2,247)**	(1,387)
Cash and cash equivalents at 1 January		**10,899**	12,286
Cash and cash equivalents at 31 December		**8,652**	10,899
a) Reconciliation of net income to net cash flow from operating activities			
Net movement in funds for the reporting period		**(12,095)**	(8,899)
Adjustments for:			
Depreciation charges		**4,717**	3,539
(Gains)/losses on investments		**(2,146)**	7,493
Dividends, interest and rents from investments		**(1,743)**	(1,564)
Loss/(profit) on the sale and write-off of assets		**17**	28
(Increase)/decrease in stocks		**75**	(30)
(Increase)/decrease in debtors		**(1,200)**	(59)
Increase/(decrease) in creditors		**2,282**	729
Increase/(decrease) in provisions		**117**	259
Net cash provided by operating activities		**(9,976)**	1,496
b) Analysis of cash and cash equivalents			
Cash at bank and in hand		**8,652**	10,899

The notes on pages 65 to 81 form part of these accounts.

Notes to the consolidated financial statements

1. Accounting policies

A. Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP). This is 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 Trustees 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 Trustees 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 at the probate office and HMRC, 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. We have overlaid the anticipated benefit of an investment in legacy marketing and are projecting legacy income at c £42.4m in 2024, being a decrease of £0.2m against the underlying 2023 position which benefited from an exceptional legacy of £1.2m. We are forecasting an increase to £44.2m in 2025 representing an increase of 4.2% with a further 5.7% increase in 2026 to £46.7m. We continue to invest in our legacy and in-memory programmes at current levels however the increased focus on stewardship and recognition, and the strength of the current pipeline and early notifications received in 2024 provide comfort as to surety of income well beyond the period of review
- donations. During 2024 we will be focusing on the development of the high value giving programme alongside ongoing development of our individual donor file through telemarketing and stewardship to ensure further growth in recurring donation income and associated Gift Aid
- events. By far the largest item of events income is from our raffle and Weekly Lottery. The high volume, low value nature of this income helps provide some security to the recurring nature of this income stream. We are rolling out our new hub model which has demonstrated good growth during 2023 and positive returns on investment in its first year. Across digital community fundraising streaming and gaming growth is anticipated and we are streamlining our events programme focusing on our best performers
- shops. Our shops remain a valuable income stream and brand asset; we are investing in a more competitive resourcing model and plan to open a small number of new shops during 2024; we continue to monitor the performance of our shops and take action to remediate or close down underperforming shops
- other income streams. Other income streams are less significant and therefore have proportionately less impact on the overall cashflow position. They include adoption fee income which increased year on year, recurring income from commission earned on Petplan insurance, income from our commercial partners and investment income
- expenditure. Expenditure within our fundraising activity focuses on those income streams with the highest returns on investment and those areas which have demonstrated strong propensity for growth during 2023. We aim to protect our core services and maintain a keen eye on operational efficiency opportunities and have reflected these in our budget plans

Should we wish to reduce our planned expenditure we can further slow down our strategic investment, and other capital plans, and there are options to reduce discretionary 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 Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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 statement of financial activities (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.

G. Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Gains and losses on the disposal of investment assets are calculated as the difference between historical and market values. Investments intended to be held for a period of more than one year are disclosed as a fixed asset on the balance sheet.

H. Stocks

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

I. Debtors

Debtors are included in the balance sheet at the amount due/invoiced. There is no bad debt provision as a review has concluded that none is necessary.

J. Pension costs

The charity operates a defined contribution pension scheme. The assets of the scheme are held in a separately administered fund. The amount charged to the SOFA represents the employer's contribution payable to the scheme in respect of the accounting period.

K. Finance and operating leases

Operating lease rentals are charged to the SOFA on 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.

L. Taxation

Cats Protection is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Cats Protection Enterprises Limited makes qualifying donations of all taxable profit to the charity. No corporation tax liability arises in the accounts.

M. Creditors

Creditors are recognised when goods or services have been delivered or provided prior to the financial year end but the invoice has not yet been received or paid. Creditors are measured on the basis of either the invoice or order value.

N. Provisions

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

O. Financial instruments

The Group has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors. Investments, including bonds held as part of the investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within the SOFA. See Note 25.

2. Prior year comparatives for the SOFA

	2022 comparatives		
	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Income			
Legacies	39,641	1,546	**41,187**
Donations	20,897	308	**21,205**
Income from charitable activities:			
Rehoming fees	3,056	-	**3,056**
Income from other trading activities:			
Shops	7,779	-	**7,779**
Fundraising events	9,470	-	**9,470**
Commercial trading operations	1,622	-	**1,622**
Investment income	1,564	-	**1,564**
Other income	126	-	**126**
Total income	**84,155**	**1,854**	**86,009**
Expenditure			
Costs of raising funds:			
Seeking donations and legacies	13,387	-	**13,387**
Shops	8,746	-	**8,746**
Fundraising events	6,972	-	**6,972**
Commercial trading operations	985	-	**985**
Investment income	314	-	**314**
Income available for charitable activities	53,751	1,854	**55,605**
Costs of charitable activities:			
Rehoming cats	38,638	2,203	**40,841**
Reducing overpopulation of cats	7,998	14	**8,012**
Education and information	8,158	-	**8,158**
Net income/(expenditure) before gains/(losses) on investments	**(1,043)**	**(363)**	**(1,406)**
Gains/(losses) on investments	(7,493)	**-**	**(7,493)**
Net income and movement in funds	**(8,536)**	**(363)**	**(8,899)**
Reconciliation of funds			
Total funds brought forward at 1 January 2022	121,473	5,526	**126,999**
Total funds carried forward at 31 December 2022	**112,937**	**5,163**	**118,100**

3. Summary financial performance of the charity only

	2023 £'000	2022 £'000
Income and expenditure		
Income	**88,367**	85,128
Expenditure	**(102,608)**	(86,534)
Net operating income/(expenditure)	**(14,241)**	(1,406)
Gains/(losses) on investments	**2,146**	(7,493)
Net income/(expenditure)	**(12,095)**	(8,899)
Total funds brought forward	**118,100**	126,999
Total funds carried forward	**106,005**	118,100

4. Contingent legacy income

In addition to the legacy income recognised in the SOFA of £43,449k (2022: £41,187k), the charity had been notified of 797 residuary legacies (2022: 608 residuary legacies) with a total estimated value of £54,482k (2022: £32,713k). 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 2023 £'000**	Total 2022 £'000
Individual gifts and regular giving	13,925	-	**13,925**	13,829
Philanthropy and partnerships	3,646	148	**3,794**	4,088
Community fundraising	3,621	1	**3,622**	3,288
Total income	**21,192**	**149**	**21,341**	21,205

Donations totalling £293k (2022: £334k) 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

	2023 £'000	2022 £'000
Rehoming fees	**2,200**	2,028
Ancillary income	**1,109**	1,028
Total funds carried forward	**3,309**	3,056

Commission earned on Petplan® insurance is classified as ancillary income.

7. Shop income

	2023 £'000	2022 £'000
Sale of donated goods and Retail Gift Aid	**8,179**	7,779

Shop income of £8,179k (2022: £7,779k) 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.

	2023 £'000	2022 £'000
Total retail income		
Sale of donated goods	**8,179**	7,779
Sale of new goods	**894**	905
Donations	**293**	334
Other income	**208**	192
Total retail income	**9,574**	9,210

The retail shop chain receives income which is classified elsewhere in the SOFA. Donations totalling £293k (2022: £334k) were received in shops and these are included in donations in the SOFA. The shops also sold £894k (2022: £905k) of new goods generating a gross profit of £250k (2022: £350k). 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 2023 was £9,574k (2022: £9,210k).

8. Fundraising events

The total of £9,626k 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:

	Ticket sales 2023 £'000	Ticket sales 2022 £'000
Weekly Lottery	**5,608**	5,603
Spring Raffle	**466**	505
Summer Raffle	**498**	494
Autumn Raffle	**465**	467
Christmas Raffle	**583**	610
Total for Cats Protection lottery draws	**7,620**	7,679

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

	Percentage proceeds returned to charity 2023 £'000	Percentage proceeds returned to charity 2022 £'000
Lottery name		
Weekly Lottery	**84%**	85%
Raffles	**80%**	84%

9. Investment income

	2023 £'000	2022 £'000
Total retail income		
Income from listed investments	**1,621**	1,511
Bank and other interest	**122**	53
	1,743	1,564

10. Other income

	2023 £'000	2022 £'000
Surplus on disposal of tangible fixed assets	**27**	(26)
Rental income	**93**	138
Miscellaneous income	**23**	14
	143	126

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

11. Analysis of expenditure

	2023 £'000			2022 £'000		
	Direct costs	**Allocated support costs**	**Total**	Direct costs	Allocated support costs	Total
Costs of raising funds						
Seeking donations and legacies	**11,412**	**950**	**12,362**	12,654	733	13,387
Shops	**7,858**	**1,925**	**9,783**	7,261	1,485	8,746
Fundraising events	**6,622**	**388**	**7,010**	6,673	299	6,972
Commercial trading operations	**1,010**	**-**	**1,010**	985	-	985
Investment management	**230**	**-**	**230**	314	-	314
Total cost of raising funds	**27,132**	**3,263**	**30,395**	27,887	2,517	30,404
Rehoming cats	**34,080**	**12,394**	**46,474**	29,076	9,562	38,638
Reducing overpopulation of cats	**12,190**	**1,166**	**13,356**	7,098	900	7,998
Education and information	**9,851**	**1,207**	**11,058**	7,227	931	8,158
Total cost of charitable activities (unrestricted)	**56,121**	**14,767**	**70,888**	43,401	11,393	54,794
Costs of charitable activities (restricted)						
Rehoming cats	**2,222**	**-**	**2,222**	2,203	-	2,203
Reducing overpopulation of cats	**8**	**-**	**8**	14	-	14
Total cost of charitable activities (restricted)	**2,230**	**-**	**2,230**	73,505	13,910	87,415
Total expenditure	**85,483**	**18,030**	**103,513**	73,505	13,910	87,415

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

	People costs	Corporate resources	IT	Facilities	Governance	Total indirect costs
			2023 £'000			
Seeking donations and legacies	208	334	339	59	11	**951**
Shops	420	676	687	119	21	**1,923**
Fundraising events	86	136	137	24	5	**388**
Rehoming cats	2,712	4,351	4,422	765	144	**12.394**
Reducing overpopulation of cats	256	409	416	72	14	**1,167**
Education and information	264	424	431	74	14	**1,207**
Total	**3,946**	**6,330**	**6,432**	**1,113**	**209**	**18,030**
			2022 £'000			
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	2455	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
Total	3,571	4,546	4,500	1,142	151	13,910

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

	2023 £'000	2022 £'000
Auditor's remuneration: statutory audit of Group accounts	**56**	47
Auditor's remuneration: statutory audit of subsidiary accounts	**4**	4
Auditor's remuneration: assurance, tax or other financial services	**-**	-
Depreciation of tangible fixed assets	**4,717**	3,539
Operating lease rentals	**2,040**	2,084

13. Employee costs

Employment costs

	2023 £'000	2022 £'000
Wages and salaries	**33,054**	27,466
Employer's contribution to the pension scheme	**3,636**	2,724
Social security costs	**3,161**	2,691
Agency staff	**269**	458
Employee benefits: private medical insurance	**214**	207
Apprenticeship Levy	**165**	136
Total	**40,499**	33,682

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 (Trustees) 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 2023, the charity paid a total of £168,900 (2022: £97,042) in redundancy and termination payments in respect of 13 employees (2022: 10 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 (2022: £nil).

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

	2023 average	2022 average	2023 FTE	2022 FTE
Charitable activities	**788**	710	**714**	633
Generating funds	**409**	369	**323**	296
Total income	**1,197**	1,079	**1,037**	929

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:

	2023 number	2022 number
£60,001 - £70,000	**24**	18
£70,001 - £80,000	**12**	9
£80,001 - £90,000	**2**	2
£90,001 - £100,000	**0**	0
£100,001 - £110,000	**1**	3
£110,001 - £120,000	**1**	1
£120,001 - £130,000	**2**	1
£130,001 - £140,000	**0**	0
£140,001 - £150,000	**1**	0
£150,001 - £160,000	**1**	0
£160,001 - £170,000	**0**	0
£170,001 - £180,000	**2**	0

Emoluments include salary and allowances, benefits in kind (company car and medical insurance) and exit costs. All 46 of the higher paid employees are members of defined contribution schemes (2022: 34) and in 2023 the charity paid £484,585 (2022: £295,308) to the scheme on their behalf. These costs are excluded when calculating emoluments. Additional pension contributions totaling £533 (2022: £417) 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 Senior Leadership team as set out on page 57) during 2023 was £1,370,427 (2022: £1,306,668).

Trustee expenses

Travel and subsistence expenses amounting to £6,644 (2022: £4,783) were reimbursed directly to eight Directors of Cats Protection Trustee Ltd (Trustees) (2022: seven Trustees). A further £6,581 of payments (2022: £5,900) were paid directly to suppliers for travel and overnight hotel accommodation in respect of nine Trustees (2022: 11 Trustees). There was one Trustee who did not claim for reimbursable expenses in 2023 (2022: four). None of the Trustees has been paid any remuneration or received other benefits from an employment with the charity or a related entity (2022: none).

14. Tangible fixed assets

2023 £'000

	Freehold land and buildings	Assets under the course of construction	Pens and centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
Cost						
At 1 January 2023	49,161	2,913	8,250	14,825	5,589	80,738
Additions	-	7,129	255	37	150	**7,571**
Transfers	1,687	(3,298)	-	1,611	-	**-**
Disposals	-	-	-	(118)	(175)	**(293)**
At 31 December 2023	**50,848**	**6,744**	**8,505**	**16,355**	**5,564**	**88,016**
Depreciation						
At 1 January 2023	18,442	-	5,556	10,167	4,902	39,067
Charge for the year	1,114	854	427	1,960	362	**4,717**
Disposals	-	-	-	(104)	(145)	**(249)**
At 31 December 2023	**19,556**	**854**	**5,983**	**12,023**	**5,119**	**43,535**
Net book value						
At 31 December 2023	**31,292**	**5,890**	**2,522**	**4,332**	**445**	**44,481**

Freehold land and buildings includes freehold land with a value of £3,162k (2022: £3,168k) that is not depreciated. All assets are held for charitable purposes. Following a review of technology projects classified as Assets under Construction, an amount of £854k was written off, as the assets were considered to hold no value or include any reusable technology.

2022 £'000

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

15. Investment fixed assets

	2023 £'000	2022 £'000
Market value at 1 January	**64,858**	73,614
New funds introduced	**2,500**	8,000
Funds withdrawn	**(15,500)**	(10,500)
Disposals	**(556)**	-
Reinvested income	**291**	1,516
Management fees	**(265)**	(279)
Net gain/(loss) on revaluation	**2,146**	(7,493)
Market value at 31 December	**53,474**	64,858
Market value at 31 December	**51,031**	64,034

Analysis of investments held at 31 December

	2023 £'000	2022 £'000
Represented by:		
Fixed interest securities	**11,317**	10,800
UK equities	**3,700**	8,238
Overseas equities	**27,941**	28,558
Alternatives	**6,138**	9,147
Cash and cash equivalents	**4,378**	7,559
Investment property	**-**	556
	53,474	64,858

Alternatives include property and infrastructure funds and commodities. As at 31 December 2023, the charity held no single investment which was in excess of 5% of total market value of the portfolio (31 December 2022: 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 which was disposed of in the year.

16. Debtors: amounts falling due within one year

	Charity		**Group**	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Prepayments and accrued income	**9,205**	7,999	**9,292**	8,047
Other debtors	**494**	1,336	**49**	94
	9,699	9,335	**9,341**	8,141

17. Creditors: amounts falling due within one year

	Charity		Group	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Trade creditors	**2,735**	2,957	**2,735**	2,980
Taxation and social security	**765**	769	**791**	810
Accruals and deferred income	**5,021**	2,373	**5,130**	2,378
Other creditors	**419**	625	**419**	625
Amount owing to subsidiary	**178**	-	**-**	-
	9,118	6,724	**9,075**	6,793

18. Provisions for liabilities and charges

	2023 £'000	2022 £'000
Dilapidations provision		
At 1 January	863	604
Raised during the year	267	287
Utilised during the year	(74)	(8)
Released unused	(31)	(20)
At 31 December	1,025	863
VAT provision		
At 1 January	45	45
Raised during the year	-	-
Utilised during the year	-	-
Released unused	(45)	-
At 31 December	-	45
Total provisions at 31 December	1,025	908

The provisions relate to dilapidations on properties rented by the Group and a potential liability for backdated VAT.
The payment of dilapidation liabilities falls due as and when we vacate leased premises at the end of the lease period.

19. Statement of funds

2023 £'000

	Balance 1 January 2023	**Income**	**Expenditure**	**Investment gains/(losses)**	**Transfers**	**Balance 31 December 2023**
Unrestricted funds						
General funds	39,098	86,751	(98,043)	2,146	9,052	**39,004**
Designated funds						
Fixed assets	41,671	-	-	-	2,810	**44,481**
Capital development fund	27,168	-	-	-	(17,928)	**9,240**
Change fund	5,000	-	(3,241)	-	6,066	**7,825**
Total unrestricted funds	**112,937**	**86,751**	**(101,284)**	**(2,146)**	**-**	**100,550**
Restricted funds						
By area	3,938	2,216	(1545)	-	-	**4,609**
By centre	1,125	152	(584)	-	-	**693**
By activity or service	100	153	(100)	-	-	**153**
Total restricted funds	**5,163**	**2,521**	**(2,229)**	**-**	**-**	**5,455**
Total funds	**118,100**	**89,272**	**(103,513)**	**2,146**	**-**	**106,005**

2022 £'000

	Balance 1 January 2022	**Income**	**Expenditure**	**Investment gains/(losses)**	**Transfers**	**Balance 31 December 2022**
Unrestricted funds						
General funds	50,530	84,155	(82,517)	(7,493)	(5,577)	39,098
Designated funds						
Fixed assets	39,528	-	-	-	2,143	41,671
Capital development fund	26,415	-	-	-	753	27,168
Change fund	5,000	-	(2,681)		2,681	5,000
Total unrestricted funds	121,473	84,155	(85,198)	(7,493)	-	112,937
Restricted funds						
By area	4,834	1,178	(2,074)	-	-	3,938
By centre	663	576	(114)	-	-	1,125
By activity or service	29	100	(29)	-	-	100
Total restricted funds	5,526	1,854	(2,217)	-	-	5,163
Total funds	126,999	86,009	(87,415)	(7,493)	-	118,100

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

The purpose of each designated fund is:

- fixed assets: this represents the net book value of fixed assets in use by the charity
- capital development fund: this fund was established to meet the cost of the charity's 10-year capital plan up to 2026. The funds are applied to building new adoption centres and fitting out new charity shops, as well as refurbishing our existing sites. In 2023, we expended £3.2m on projects in the capital plan (2022: £2.2m). The equivalent amount has therefore been transferred into general funds to finance this expenditure. Based on current plans there will be a surplus of £15m on the fund at the end of 2026. Surplus funds have been transferred to general funds and to the change fund
- 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 2023, we expended £3.2m against this fund (2022: £2.7m). The future costs of the programme of development have been reviewed and an amount of £6.1m has been transferred to the fund to meet these costs
- 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

	2023 £'000			
	General funds £'000	**Designated funds £'000**	**Restricted funds £'000**	**Total £'000**
Balance at 1 January 2023	39,098	73,839	5,163	**118,100**
Net movement in funds	(94)	(12,293)	292	**(12,095)**
Balance at 31 December 2023	**39,004**	**61,546**	**5,455**	**106,005**
Represented by:				
Tangible fixed assets	-	44,481	-	**44,481**
Investments	30,954	17,065	5,455	**53,474**
Net current assets	8,050	-	-	**8,050**
Total net assets	**39,004**	**61,546**	**5,455**	**106,005**

	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)
Balance at 31 December 2022	39,098	73,839	5,163	118,100
Represented by:				
Tangible fixed assets	-	41,671	-	41,671
Investments	27,527	32,168	5,163	64,858
Net current assets	11,571	-	-	11,571
Total net assets	39,098	73,839	5,163	118,100

21. Operating lease commitments

At 31 December 2023, the Group was committed to making the following payments under operating leases:

	2023 £'000	2022 £'000
Within one year	**1,626**	1,478
Within two to five years	**2,837**	2,649
Over five years	**283**	297
	4,746	4,424

22. Subsidiaries

At 31 December 2023, the charity held 100% of the issued share capital of the following company, which is registered in England:

	Issued share capital
Cats Protection Enterprises Limited	
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

	2023 £'000	2022 £'000
Turnover	**1,482**	1,622
Cost of sales	**(888)**	(882)
Gross profit	**594**	740
Administrative expenditure	**(131)**	(113)
Profit on ordinary activities before taxation	**463**	627
Taxation on current year profits	**-**	-
Profit on ordinary activities after taxation for the year	**463**	627
Changes in equity:		
Equity brought forward	**-**	-
Profit for the year	**463**	627
Gift Aid payment	**(463)**	(627)
Equity carried forward	**-**	-

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

	31 December 2023 £'000	31 December 2022 £'000
Current assets:	**157**	232
Stock	**282**	134
Debtors	**158**	1,031
Cash at bank and in hand	**597**	1,397
Creditors: amounts falling due within one year	**(597)**	(1,397)
Net assets	**-**	-
Funded by:		
Called up share capital	**-**	-
Retained earnings	**-**	-

The profits for the year, amounting to £597k (2022: £627k) 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 2023, the charity had three significant (over £100k in value) capital commitments totaling £1,070k (2022: £2,885k).

24. Related parties

As at the balance sheet date, a net total of £178k was owing from Cats Protection to Cats Protection Enterprises Ltd for income collected through the charity on behalf of Cats Protection Enterprises Ltd. At 31 December 2022 Cats Protection Enterprises Ltd owed Cats Protection £684k.

In 2023, the Directors of the Corporate Trustee made personal donations totalling £858 to the charity (2022: £881). 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 2023 (2022: none).

25. Financial instruments

	31 December 2023 £'000	31 December 2022 £'000
Financial assets held at amortised cost	**10,358**	11,950
Financial liabilities held at amortised cost	**(8,548)**	(6,595)
Financial assets measured at fair value	**53,474**	64,858

Financial liabilities held at amortised cost include finance leases. At 31 December 2023, the Group was committed to making the following payments under finance leases:

	2023 £'000	2022 £'000
Within one year	**106**	210
Within two to five years	**-**	106
	106	316



Get involved

There are lots of ways you can help us to make a difference, from adopting a cat 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 **cats.org.uk/support-us**

Find us online:

cats.org.uk

Facebook: /CatsProtection

Twitter: @CatsProtection

Instagram: @CatsProtection

TikTok: @Cats_Protection

YouTube: /CatsProtectionUK

Get in touch:

Email us: 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 **cats.org.uk/find-us**

Making a better life for cats, because life is better with cats

CATS PROTECTION

cats.org.uk

Cats Protection is a registered charity 203644 (England and Wales), SC037711 (Scotland) and is listed as a Section 167 institution by the Charity Commission of Northern Ireland.

ED_1355 | 70381

CATS PROTECTION

England & Wales - Charity number 203644

Accounts



ANNUAL REPORT & ACCOUNTS 2022

CATS PROTECTION

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

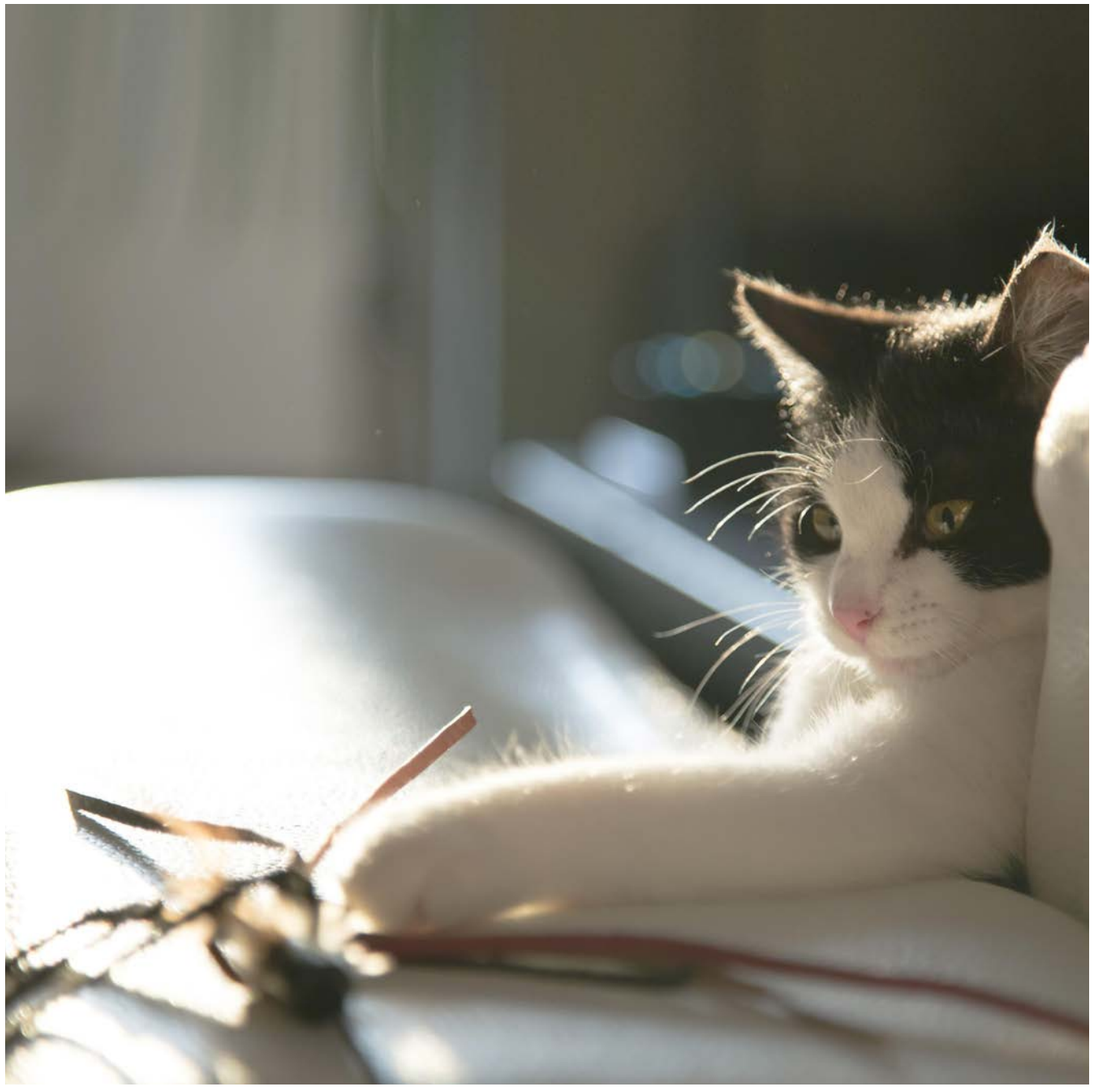
We are a movement of people championing the welfare of cats. We lead society in a richer understanding of all cats and care for those that need our help.

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

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HELPING US TO GET THERE

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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[1].

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[1].

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.



1 CATS (Cats and Their Stats) 2022 UK. Visit 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 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 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 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**

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.

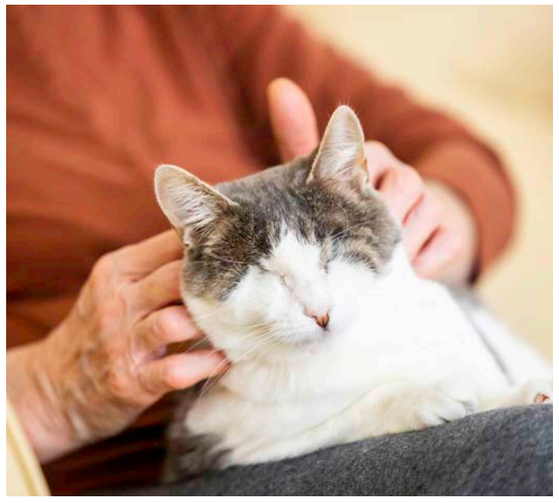
ADDRESSING VETERINARY CAPACITY ISSUES

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[1]. 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.

1 CATS (Cats and Their Stats) 2022 UK. Visit www.cats.org.uk/stats



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."

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**

COMMUNITY OUTREACH

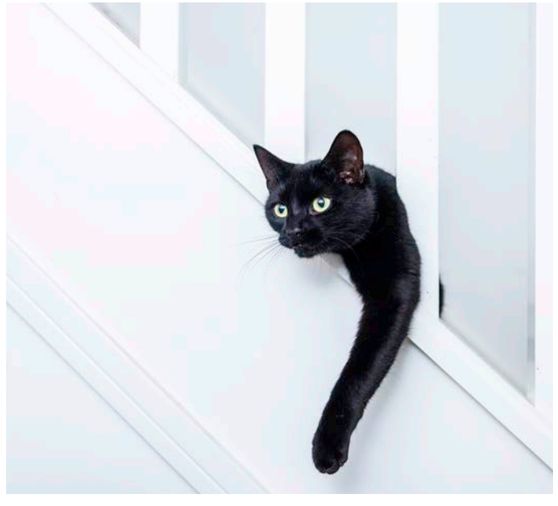
Our Cat Watch and Community Neutering teams build relationships with local communities and engage with local stakeholders to help in areas struggling with large populations of unowned cats. After launching around five years ago, the Cat Watch teams in Nottingham, Everton and Luton are moving into new 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

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**

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**

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**

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.

RESPITE 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

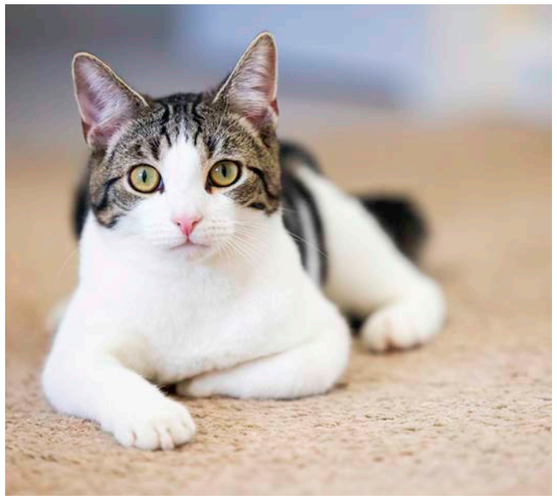
We believe that our vision of a society where every cat has their best possible life because they are protected, cared for and understood by everyone benefits society as a whole. Cats play a huge part in the lives of millions of people in the UK. According to our research, 26% of UK households have at least one pet cat, with an estimated owned cat population of 11 million cats[1]. 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

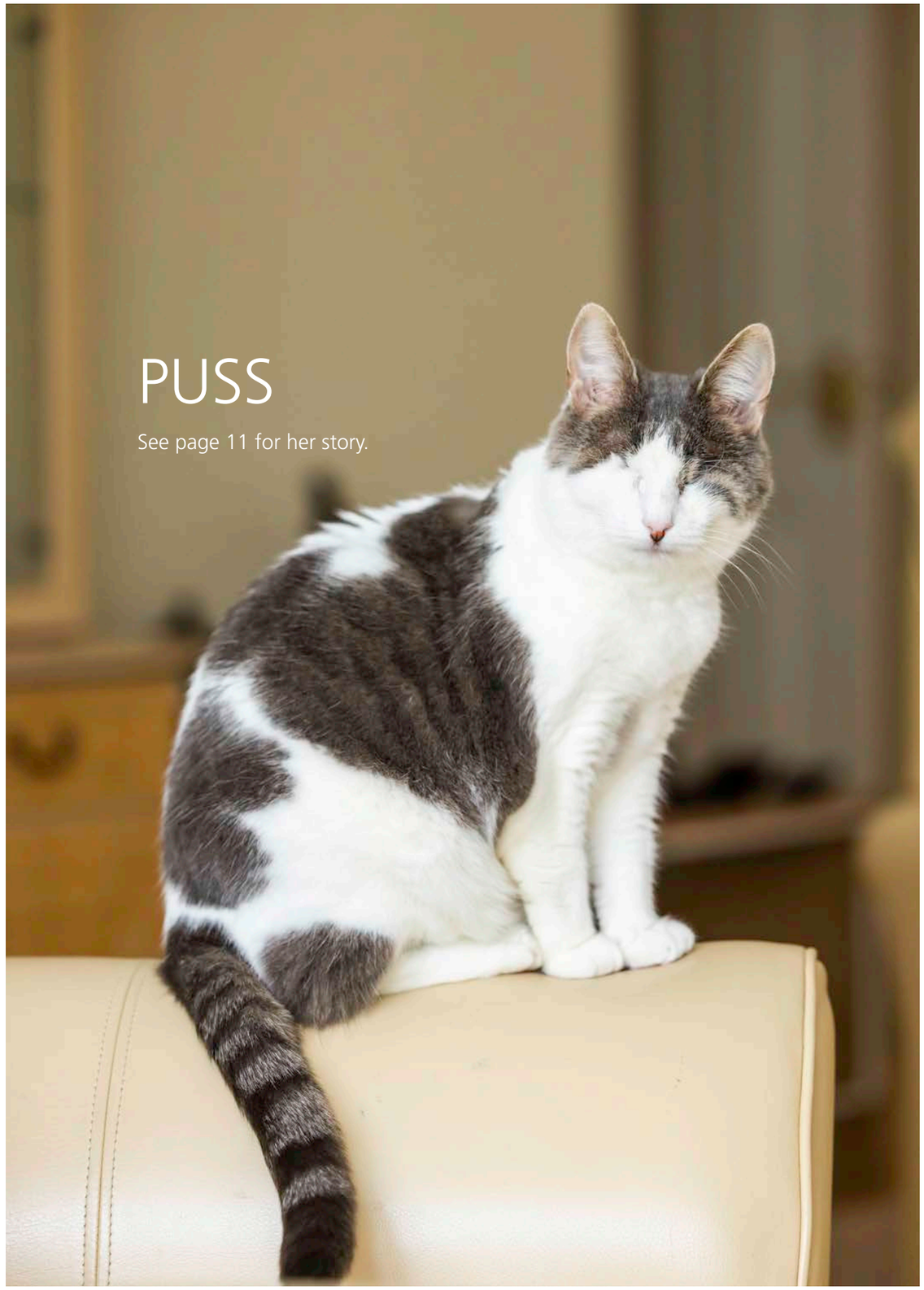
The Trustees of Cats Protection have given careful consideration to, and complied with, the Charity Commission's guidance on public benefit. This is reflected in the review of the activities undertaken by the charity contained in this report.

1 CATS (Cats and Their Stats) 2022 UK. Visit www.cats.org.uk/stats



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."



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

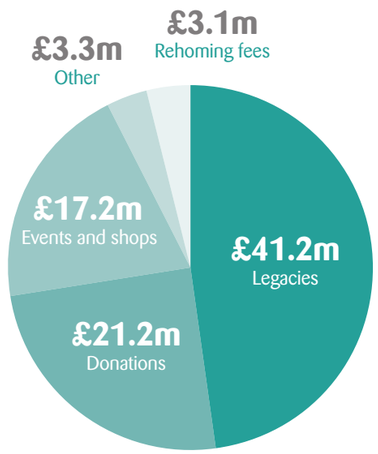
(2021: £78.2 million)

Total expenditure

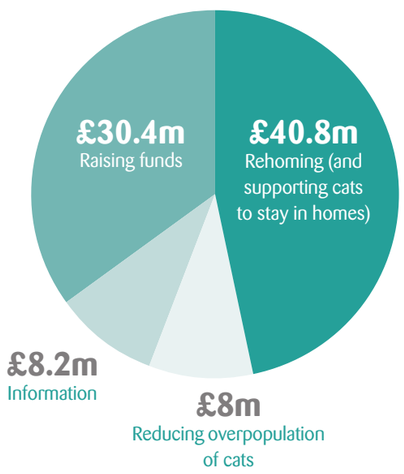
£87.4m

(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**

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.

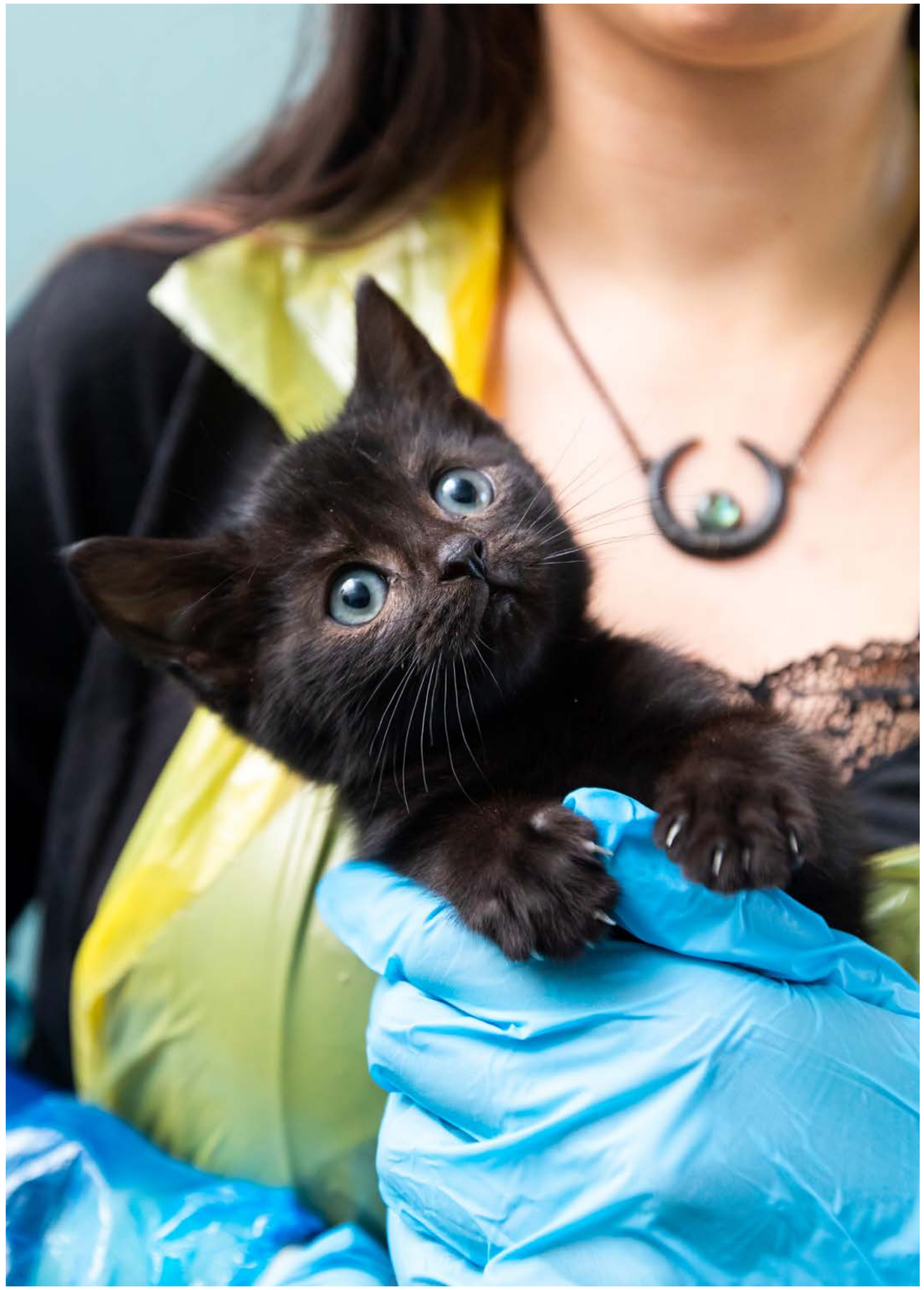
Northern Ireland

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 oftens 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.

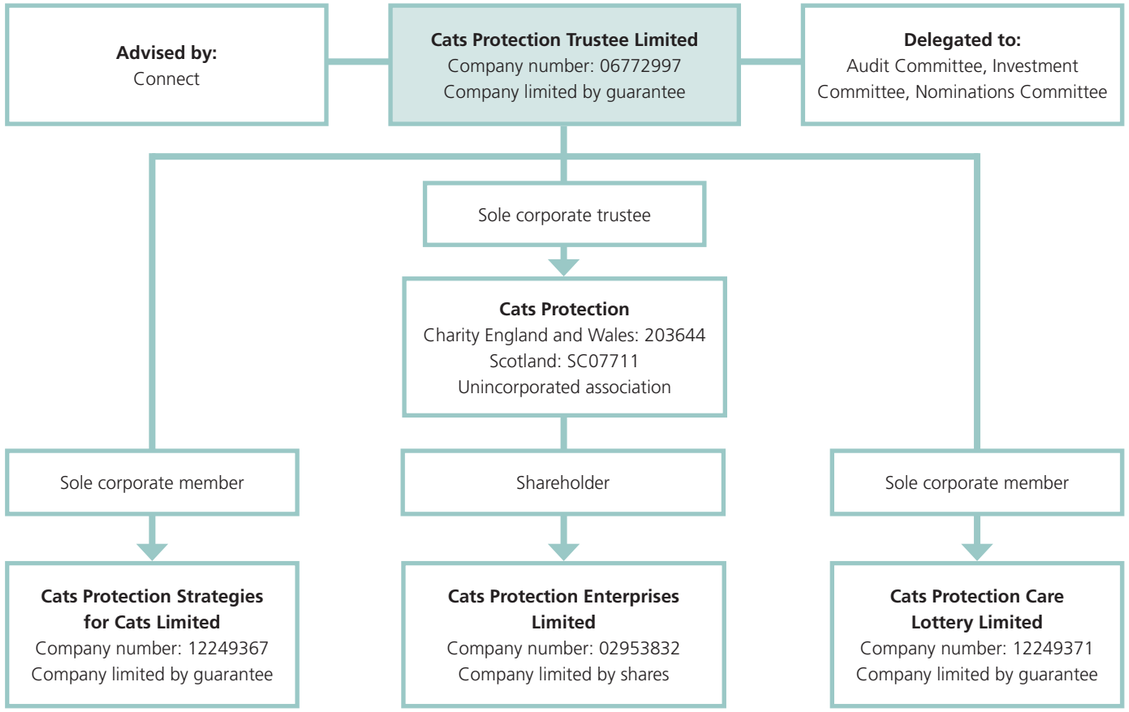
BEING MORE EFFICIENT AND EFFECTIVE

- 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.

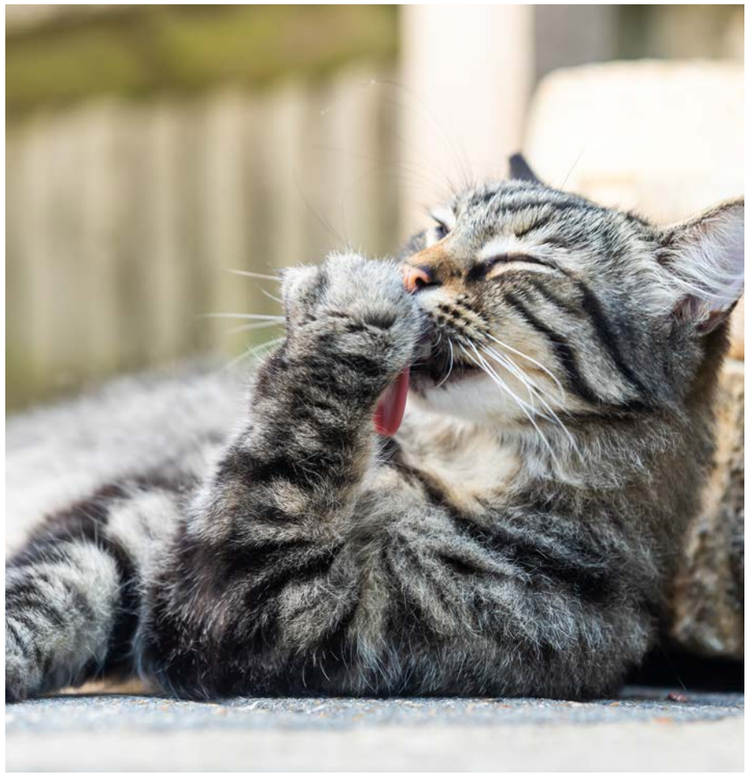
In 2022, the Audit & Risk Committee approved the plans of both internal and external audit and received reports on findings from their respective audit reviews. Terms of reference for individual audit reviews were also approved by the Committee. Reports by internal audit on the following areas were received 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.



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** 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**

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**

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**

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

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 OUF



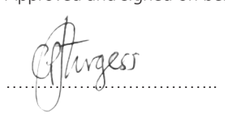
DISCLOSURE OF INFORMATION TO AUDITOR

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 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

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

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

	Note	2022 £'000	2021 £'000
Cash flows operating activities			
Net cash provided by operating activities	a	**1,496**	9,822
Cash flows operating activities			
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)
Net cash used in investing activities		**(2,883)**	(6,232)
Change in cash and cash equivalents in the year	b	**(1,387)**	3,590
Cash and cash equivalents at 1 January		**12,286**	8,696
Cash and cash equivalents at 31 December		**10,899**	12,286

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

Net movement in funds for the reporting period	**(8,899)**	11,539
Adjustments for:		
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)
Net cash provided by operating activities	**1,496**	9,822

b) Analysis of cash and cash equivalents

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

3. SUMMARY FINANCIAL PERFORMANCE OF THE CHARITY ONLY

	2022 £'000	2021 £'000
Income and expenditure		
Income	**85,128**	77,572
Expenditure	**(86,534)**	(70,004)
Net operating income	**(1,406)**	7,568
Gains/(losses) on investments	**(7,493)**	3,971
Net income/(expenditure)	**(8,899)**	11,539
Total funds brought forward	**126,999**	115,460
Total funds carried forward	**118,100**	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	-	**13,829**	13,989
Philanthropy and partnerships	3,780	308	**4,088**	2,358
Community fundraising	3,288	-	**3,288**	3,357
	20,897	308	**21,205**	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	**2,028**	1,944
Ancillary income	**1,028**	-
	3,056	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

	2022 £'000	2021 £'000
Sale of donated goods and Retail Gift Aid	**7,779**	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.

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

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:

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

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.

	Percentage proceeds returned to charity 2022	Percentage proceeds returned to charity 2021
Lottery name		
Weekly Lottery	**85%**	86%
Raffles	**84%**	83%

9. INVESTMENT INCOME

	2022 £'000	2021 £'000
Income from listed investments	**1,511**	1,102
Bank and other interest	**53**	9
	1,564	1,111

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
	126	2,051

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
Costs of raising funds						
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
Total income	**27,887**	**2,517**	**30,404**	23,417	1,893	25,310
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
Total cost of charitable activities (unrestricted)	**43,401**	**11,393**	**54,794**	35,192	8,568	43,760
Costs of charitable activities (restricted)						
Rehoming cats	**2,203**	**-**	**2,203**	1,560	-	1,560
Reducing overpopulation of cats	**14**	**-**	**14**	37	-	37
Total cost of charitable activities (restricted)	**2,217**	**-**	**2,217**	1,597	-	1,597
Total expenditure	**73,505**	**13,910**	**87,415**	60,206	10,461	70,667

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

	2022 £'000					
	People costs	Corporate resources	IT	Facilities	Governance	**Total indirect costs**
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**
Total	3,571	4,546	4,500	1,142	151	**13,910**

	2021 £'000					
	People costs	Corporate resources	IT	Facilities	Governance	**Total indirect costs**
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**
Total	2,347	3,259	3,669	1,012	174	**10,461**

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
Total	**33,682**	27,683

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
Total	**1,079**	949	**929**	799

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**
Cost						
At 1 January 2021	48,378	1,159	7,965	12,450	5,554	**75,506**
Additions	-	5,240	285	15	202	**5,742**
Transfers	783	(3,486)	-	2,672	31	**-**
Disposals	-	-	-	(312)	(198)	**(510)**
At 31 December 2022	**49,161**	**2,913**	**8,250**	**14,825**	**5,589**	**80,738**
Depreciation						
At 1 January 2021	17,362	-	5,150	8,870	4,596	**35,978**
Charge for the year	1,080	-	406	1,555	498	**3,539**
Disposals	-	-	-	(258)	(192)	**(450)**
At 31 December 2022	**18,442**	**-**	**5,556**	**10,167**	**4,902**	**39,067**
Net book value						
At 31 December 2022	**30,719**	**2,913**	**2,694**	**4,658**	**687**	**41,671**

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**
Cost						
At 1 January 2021	48,516	309	7,628	10,859	5,564	72,876
Additions	-	1,139	233	1,723	289	**3,384**
Transfers	17	(179)	104	58	-	**-**
Disposals	(155)	(110)	-	(190)	(299)	**(754)**
At 31 December 2022	**48,378**	**1,159**	**7,965**	**12,450**	**5,554**	**75,506**
Depreciation						
At 1 January 2021	16,249	-	4,763	7,370	4,266	32,648
Charge for the year	1,113	-	387	1,630	627	**3,757**
Disposals	-	-	-	(130)	(297)	**(427)**
At 31 December 2022	**17,362**	**-**	**5,150**	**8,870**	**4,596**	**35,978**
Net book value						
At 31 December 2022	**31,016**	**1,159**	**2,815**	**3,580**	**958**	**39,528**

15. INVESTMENT FIXED ASSETS

	2022 £'000	2021 £'000
Market value at 1 January	**73,614**	65,471
New funds introduced	**8,000**	7,000
Funds withdrawn	**(10,500)**	(3,000)
Disposals	**-**	(664)
Reinvested income	**1,516**	1,109
Management fees	**(279)**	(247)
Net gain/(loss) on revaluation	**(7,493)**	3,945
Market value at 31 December	**64,858**	73,614
Historical cost at 31 December	**64,034**	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	**10,800**	13,556
UK equities	**8,238**	8,623
Overseas equities	**28,558**	26,730
Alternatives	**9,147**	8,328
Cash and cash equivalents	**7,559**	15,821
Investment property	**556**	556
	64,858	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	**7,999**	7,789	**8,047**	7,842
Other debtors	**1,336**	1,686	**94**	240
	9,335	9,475	**8,141**	8,082

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity		Group	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Trade creditors	**2,957**	2,918	**2,980**	2,920
Taxation and social security	**769**	652	**810**	691
Accruals and deferred income	**2,373**	939	**2,378**	960
Other creditors	**625**	1,493	**625**	1,493
Amount owing to subsidiary	**-**	299	**-**	-
	6,724	6,301	**6,793**	6,064

18. PROVISIONS FOR LIABILITIES AND CHARGES

	2022 £'000	2021 £'000
Dilapidations provision		
At 1 January	**604**	681
Raised during the year	**287**	-
Utilised during the year	**(8)**	(77)
Released unused	**(20)**	-
At 31 December	**863**	604
VAT provision		
At 1 January	**45**	130
Raised during the year	**-**	-
Utilised during the year	**-**	(85)
At 31 December	**45**	45
Total provisions at 31 December	**908**	649

The provisions relate to dilapidations on properties rented by the Group and a potential liability for backdated VAT.
The payment of dilapidation liabilities falls due as and when we vacate leased premises at the end of the lease period.
The VAT liability is expected to be settled in 2023.

19. STATEMENT OF FUNDS

	2022 £'000					
	Balance at 1 January 2022	**Income**	**Expenditure**	**Investment gains/(losses)**	**Transfers**	**Balance at 31 December 2022**
Unrestricted funds						
At 1 January 2021	**50,530**	84,155	(82,517)	(7,493)	(5,577)	**39,098**
Designated funds						
Fixed assets	**39,528**	-	-	-	2,143	**41,671**
Capital development fund	**26,415**	-	-	-	753	**27,168**
Change fund	**5,000**	(2,681)	(2,681)		2,681	**5,000**
Total unrestricted funds	**121,473**	**(85,198)**	**(85,198)**	**(7,493)**	**-**	**112,937**
Restricted funds						
By area	**4,834**	1,178	(2,074)	-	-	**3,938**
By centre	**663**	576	(114)	-	-	**1,125**
By activity or service	**29**	100	(29)	-	-	**100**
Total restricted funds	**5,526**	**1,854**	**(2,217)**	**-**	**-**	**5,163**
Total funds	**126,699**	**86,009**	**(87,415)**	**(7,493)**	**-**	**118,100**

	2021 £'000					
	Balance at 1 January 2022	Income	Expenditure	Investment gains/(losses)	Transfers	Balance at 31 December 2022
Unrestricted funds						
At 1 January 2021	42,661	76,064	(68,670)	3,971	(3,496)	**50,530**
Designated funds						
Fixed assets	40,228	-	-	-	(700)	**39,528**
Capital development fund	27,121	-	-	-	(706)	**26,415**
Change fund	498	-	(400)	-	4,902	**5,000**
Total unrestricted funds	**110,508**	**76,064**	**(69,070)**	**3,971**	**-**	**121,473**
Restricted funds						
By area	3,924	2,007	(1,096)	-	-	**4,834**
By centre	926	135	(398)	-	-	**663**
By activity or service	103	29	(103)	-	-	**29**
Total restricted funds	**4,952**	**2,171**	**(1,597)**	**-**	**-**	**5,526**
Total funds	**115,460**	**78,235**	**(70,667)**	**3,971**	**-**	**126,699**

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

The purpose of each designated fund is:

- fixed assets – this represents the net book value of fixed assets in use by the charity
- capital development fund – this fund has been established to meet the cost of the charity's 10-year capital plan. The funds 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)**
Balance at 31 December 2022	**39,098**	**73,839**	**5,163**	**118,100**
Represented by:				
Tangible fixed assets	-	41,671	-	**41,671**
Investments	27,527	32,168	5,163	**64.858**
Net current assets	11,571	-	-	**11,571**
Total net assets	**39,098**	**73,839**	**5,163**	**118,100**

	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
Represented by:				
Tangible fixed assets	-	39,528	-	39,528
Investments	36,673	31,415	5,526	73,614
Net current assets	13,857	-	-	13,857
Total net assets	50,530	70,943	5,526	126,999

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
	4,424	4,034

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
Cats Protection Enterprises Limited 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
Turnover	**1,622**	2,310
Cost of sales	**(882)**	(653)
Gross profit	**740**	1,657
Administrative expenditure	**(113)**	(130)
Profit on ordinary activities before taxation	**627**	1,527
Taxation on current year profits	**-**	-
Profit on ordinary activities after taxation for the year		1,527
Changes in equity:		
Equity brought forward	**-**	-
Profit for the year	**627**	1,527
Gift Aid payment	**(627)**	(1,527)
Equity carried forward	**-**	-

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

	31 December 2022 £'000	31 December 2021 £'000
Current assets:	**232**	202
Stock	**134**	435
Debtors	**1,031**	954
Cash at bank and in hand	**1,397**	1,591
Creditors: amounts falling due within one year	**(1,397)**	(1,591)
Net assets	**-**	-
Funded by:		
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

	31 December 2022 £'000	31 December 2021 £'000
Financial assets held at amortised cost	**11,950**	13,379
Financial liabilities held at amortised cost	**(6,595)**	(6,087)
Financial assets measured at fair value	**64,858**	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:

	2022 £'000	2021 £'000
Within one year	**210**	210
Within two to five years	**106**	316
	316	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**

Thank you, on behalf of the cats!

FIND US ONLINE:

www.cats.org.uk

Facebook: /CatsProtection

Twitter: @CatsProtection

Instagram: @CatsProtection

TikTok: @Cats_Protection

YouTube: /CatsProtectionUK

GET IN TOUCH:

Email us: 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**



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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CATS PROTECTION

England & Wales - Charity number 203644

Accounts

ANNUAL REPORT & ACCOUNTS 2021



CATS PROTECTION IS THE UK'S LEADING CAT WELFARE CHARITY

OUR VISION IS A WORLD WHERE EVERY CAT IS TREATED WITH KINDNESS AND AN UNDERSTANDING OF ITS NEEDS.



OUR VALUES

Cats and their welfare are at the centre of everything we do

We never put a healthy cat to sleep

We value and respect our volunteers, supporters and employees

We are committed to providing a high-quality service

We are open and honest

OUR AIMS

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OUR IMPACT

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FINANCIAL REVIEW

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This report covers the period 1 January 2021 to 31 December 2021 and was approved by the Trustee on 21 April 2022.



CHAIR'S REPORT

AN INTRODUCTION FROM ANGELA SWARBRICK, CHAIR

With more of us spending more time at home as a result of the pandemic, it's no surprise that the demand for feline companions increased dramatically. According to our CATS (Cats and Their Stats) 2021 report, the number of pet cats in the UK grew by 600,000, meaning there are now roughly 10.8 million cats in homes across the nation.

While we're pleased to see that around a quarter of these cats were adopted from rehoming charities like Cats Protection, 28% were purchased, and this trend for buying cats seems to be on the rise. What's more, over half of all cats purchased are now found online, and this has unfortunately attracted unscrupulous sellers who put profit before cat welfare.

As a charity, we've been contacted by a growing number of people who have been mis-sold kittens who are sick, diseased and often too young to be separated from their mothers. It's absolutely heartbreaking that many of these poor, vulnerable kittens don't make it, and the ones that do rely on the kind teams at our branches and centres to nurse them back to health.

To help protect these helpless kittens, and prevent buyers from being scammed, we provide lots of advice on how to purchase cats safely and we're working with the government to try to stamp out the mis-selling of pets for good.

Helping these cats, and the growing number of cat owners in the UK, is all made possible by our wonderful volunteers who do so much for cat welfare. To ensure their voices were heard as we developed our new strategy, we set up our new volunteer consultative body, Connect, and look forward to shaping the future of the charity with their valued expertise.

In 2022 we're moving forward with a new Chair, Chief Executive and three new Trustees on the Board, who will bring unique talents and perspectives to help us implement our new strategy effectively. Finally, I'd like to say thank you to Linda Upson, who left the role of Chair in early 2022, for her dedication to our organisation's work on cat welfare for the past two decades.



CHIEF EXECUTIVE'S REPORT

AN INTRODUCTION FROM DOMINIC SULLIVAN, INTERIM CHIEF EXECUTIVE

Despite the ongoing challenges of the COVID-19 pandemic, Cats Protection managed to achieve considerable successes in 2021. We continued to find cats new homes through our hands-free homing scheme (a way of homing cats that minimises the risks of catching or transmitting COVID-19), we launched our second comprehensive CATS report about the nation's felines, and after years of campaigning we were delighted to see the government finally commit to making the microchipping of all owned cats compulsory by law. We are currently considering plans to offer free microchipping to more cat owners on low incomes to help ensure that as many lost cats as possible can be identified and reunited with their owners quickly.

Cats Protection was also instrumental in bringing about changes to the law on commercial sales of kittens in England in 2018 and was behind the introduction of similar legislation and guidance in Wales and Scotland in 2021. However, as our Chair points out, problems with the commercial sale of kittens persist and so we shall continue our efforts to address these problems.

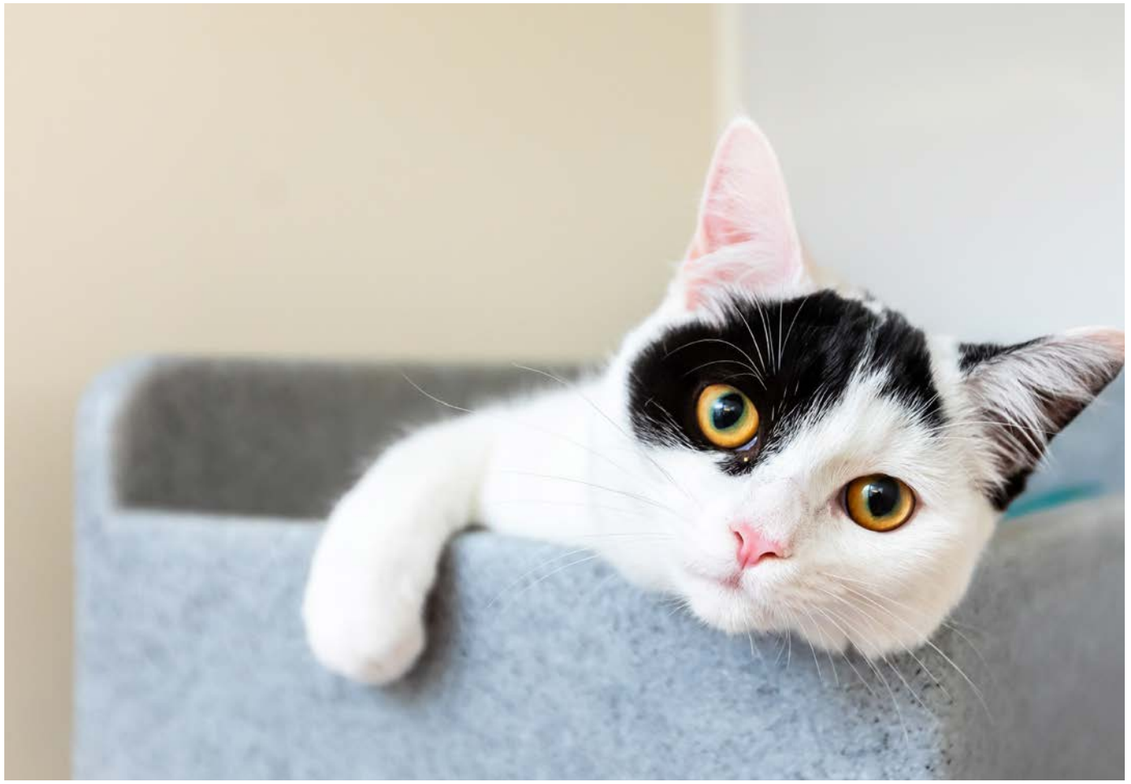
Throughout 2021, a great deal of work was done to develop a new 10-year strategy for the charity. To implement this new strategy we need sufficient finances in reserve to properly invest in our plans over the next decade and so we are incredibly grateful to everyone who has donated, raised funds, volunteered and raised awareness of our cause to help make this possible. We have robust plans in place for how to spend this money effectively and enough capacity to ensure that we can make the most impact that we can on the welfare of cats in the next 10 years and beyond.

The strategy will be launched in 2022 and we shall be sharing our plans with our many volunteers and supporters during the year. In the meantime, we thank you all for your continued support for the great work that Cats Protection does.

IMPROVING UNDERSTANDING OF CATS' NEEDS

SPREADING THE WORD ABOUT GOOD CAT WELFARE TO GIVE ALL CATS A BETTER QUALITY OF LIFE

With many more people joining the joyful world of cat ownership this year, it's more important than ever that we provide trusted support and advice on how best to care for cats and meet their needs. 88% of those who acquired a cat for the first time due to COVID-19 are seeking advice about their new pet[1], and so we're here for them and all the other cat owners in the UK.



- To keep cat owners informed about important issues affecting their pets, we've kept our national website updated with vet-approved information. Our 'coronavirus hub' has helped to allay any fears about cat-to-human transmission and has provided useful advice about our services and keeping cats happy in lockdown. The hub had over 139,000 visits in 2021. We also provided cat owners with trusted advice about an unusual outbreak of feline pancytopenia which hit the headlines this year, supporting those who were concerned about their cat's health

- Our Contact Centre is there to answer any cat queries from members of the public, providing help and reassurance via phone, email, webchat and social media. It also provides support to our branches with their incoming calls when needed so people can always get information about our local services

- As well as delivering virtual talks to schools and community groups about cat welfare, we've returned to giving our incredibly popular face-to-face talks when restrictions have allowed. We also launched a guest lecture programme for those studying Animal Management at college, delivering talks on specific aspects of cat welfare and what Cats Protection does to care for cats. On our education web hub we developed a bundle of fun activities for children about the domestic cat's ancestor, the African wildcat, for our Go Wild at Home series, and also had a video chat with TV presenter and author Dermot O'Leary about his rescue cats who inspired his children's book series

- An update to our *Behaviour Guide* means that people have a useful resource for the most current information about the complex topic of cat behaviour. We also produced our first *Cat Care Guide* for our teams, combining all of our advice and processes into one place to help them look after the cats in our care as effectively as possible

CATS (Cats and Their Stats) report

Our second annual CATS report has given us a fascinating insight into the lives of cats across the UK, including how they and their owners have fared during a particularly difficult period. This year's comprehensive survey took place approximately one year after the start of the COVID-19 pandemic and reveals useful stats about how many cats were acquired as a result of lockdowns, where people have been getting their cats from, how our pets came to our aid during times of great stress, and much more. We plan to use this information to help us better tailor the support we provide cats and their owners. Read the report at **www.cats.org.uk/stats**

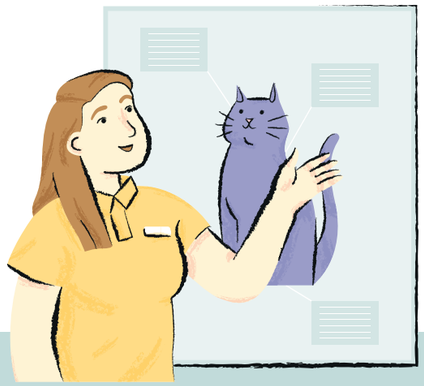
1 CATS (Cats and Their Stats) 2021 UK. Visit **www.cats.org.uk/stats**

Working with vets

- A reduction in the capacity of veterinary practices across the UK due to COVID-19, staffing issues and burnout has had an effect on our neutering work and the speed at which we can get cats health checked, vaccinated and ready for rehoming. To look at solutions to this growing problem, we participated in a workforce summit run by the Royal College of Veterinary Surgeons. There has also been a shortage of cat vaccines due to the glass vials being needed for COVID-19 vaccines, but we managed to negotiate with our suppliers to keep the cats in our care safe

- Our second annual Feline Behaviour Conference was held virtually in September, with over 300 vets, vet nurses, behaviourists and people from other animal welfare organisations attending along with some of our own Cats Protection teams. 21% of the attendees were from overseas helping us reach a wide audience. Highlights from the conference include how cat training can make a huge difference in reducing cat stress or accepting medication, showing the use of Nest cameras to understand cat behaviour and how to introduce cats and dogs together

- We delivered virtual presentations and talks to veterinary professionals and other animal welfare organisations to improve their understanding of shelter medicine and feline welfare and to encourage them to work with us. We increased our contact with vet students and we now have 13 Cats Protection student ambassadors at all but one of the UK's vet schools to increase their understanding of Cats Protection and the charity sector. We have delivered over 90 hours of virtual talks to vet and vet nurse students



IN 2021...

We gave 1,000 cat welfare talks to 23,400 adults and children (2020: 500 talks to 13,600 people) and our education packs were downloaded over 4,700 times (2020: 16,000)

We handled over 123,000 enquiries from members of the public (2020: 120,000)

PLANS FOR 2022

- Recruit more feline behaviourists and feline welfare researchers to improve our understanding of cats and to increase our capacity to give much needed advice and support to owners and animal welfare workers

- Develop a cat welfare assessment tool to help us assess the wellbeing of the cats in our care. Hopefully this can be the foundation of a tool for owned cats too

- Develop creative campaigns to get owners to set their cats up for a happier, less stressful life where all their welfare needs are met

- Organise an even bigger and better Feline Behaviour Conference to spread good welfare messages as widely as possible

- Establish a number of major change programmes to support the implementation of our new strategy through ever greater cat welfare



CASE STUDY

Skirmish's story

Shortly after Boots arrived at our Bridgend Adoption Centre following the death of her owner, the team noticed a lump beneath one of her ears.

An x-ray revealed the lump was in fact a shotgun pellet, and poor Boots had a further 13 of them lodged in her body. It was a miracle she had survived the shooting as some of the pellets had narrowly missed vital organs and her spine.

Vets managed to remove nine of the pellets, with the other five deemed too dangerous to take out, although they won't cause her any further problems.

Once she had recovered from her surgery, Boots went home with her new owner Marieke, who has renamed her Skirmish.

"She is very clingy and has been from day one," said Marieke. "She lies on my desk when I am working. At night, she sleeps on my bed and no matter how I sleep, she always needs to have one paw on my body somewhere.

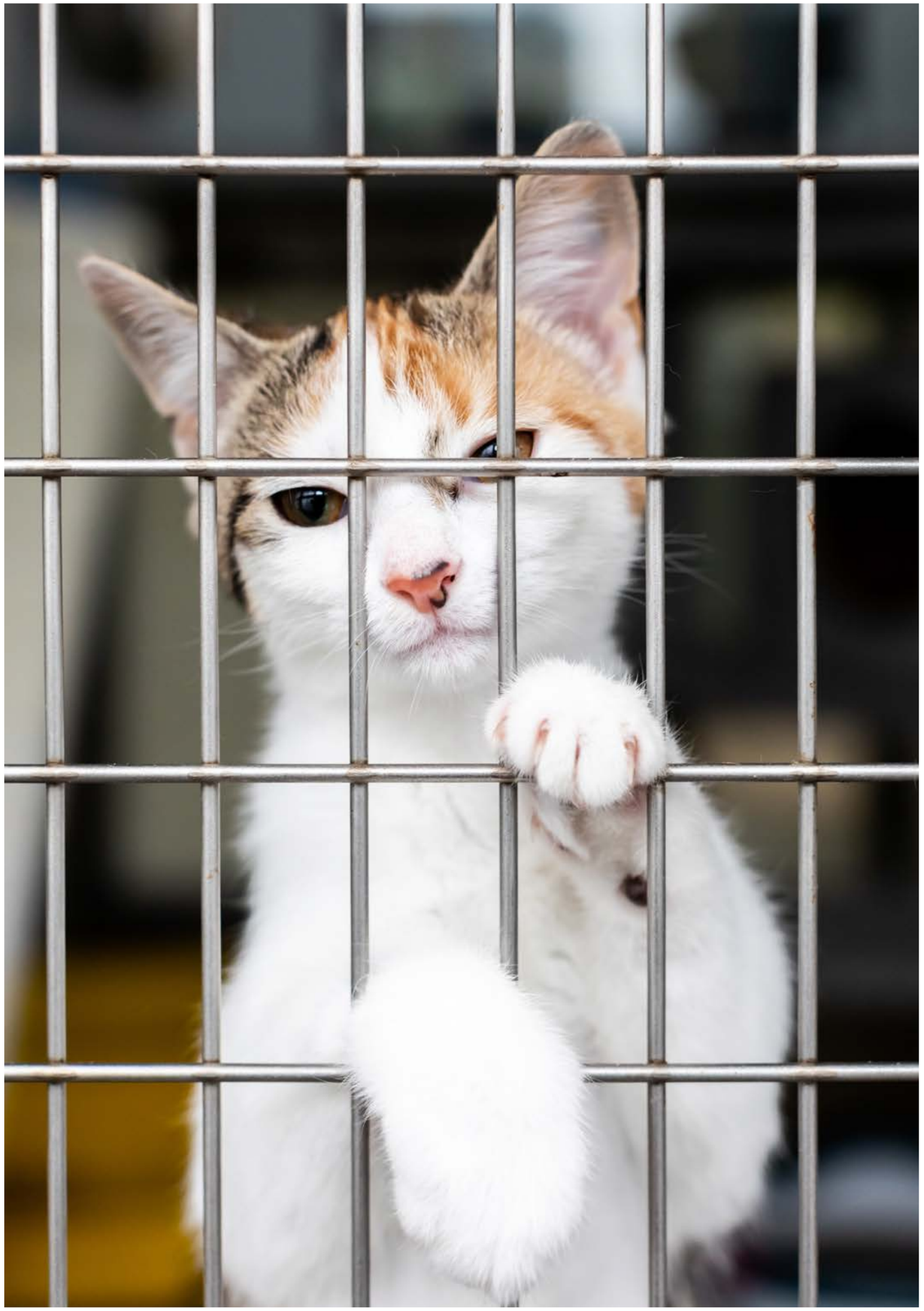
"She does not seem to have any lasting problems from having been shot although there is a very specific spot on her body that I can't stroke without getting a little hiss. I spend most of my evenings trapped on the sofa with Skirmish making herself at home on my lap. It's blissful."

REDUCING OVERPOPULATION OF CATS

WORKING WITH OTHERS TO PROMOTE NEUTERING AS THE BEST WAY TO PREVENT UNWANTED CATS

Access to neutering has continued to be limited this year due to capacity issues within the veterinary profession. The continued effects of the COVID-19 pandemic, including reduced staff numbers due to illness and the backlog of appointments postponed during lockdowns, meant that there were fewer operating slots for preventative surgeries such as neutering. The ongoing effect of Brexit reducing the number of European vets working in the UK and poor staff retention rates due to stress have exacerbated these issues. This has of course had an impact on the number of cats we've been able to neuter, meaning that while our neutering figures have increased from 2020, they are still not back to pre-pandemic levels. Nevertheless, we've still been providing the public with as much support as we can to help avoid unwanted litters from being born, and getting cats neutered as and when we can. Approximately 1.3 million owned cats in the UK are not neutered[1] so we need to continue to spread the message about this important part of responsible cat ownership.

1 CATS (Cats and Their Stats) 2021 UK. Visit **www.cats.org.uk/stats**



- Our Neutering Support team has been helping cat owners understand how to manage their unneutered cats while they wait for vet appointments to become available, and assisting them with finding a nearby vet surgery that is able to perform the operation as soon as possible. For those who have been able to get neutering appointments but need financial support to pay for it, we have continued to offer vouchers towards the cost

- Once COVID-19 guidelines allowed, our Community Neutering teams started to get back out into communities across the nation again, engaging with the public about the importance of neutering, helping to trap, neuter and return feral cats as well as assist with community and stray cats in the area

- We launched our first *Feral Guide*, a comprehensive document informing people about unsocialised, free-living cats and how to help them in the most compassionate way, mainly through trap, neuter and return programmes

- Getting to the root cause of why cats are not neutered, and encouraging more people to neuter their cats is a collaborative effort, and so we work with local councils, social housing providers, human welfare organisations and other animal charities such as the RSPCA and PDSA to further this cause

- As a founding member of Cat-Kind (formerly known as the Cat Population Control Group), we encourage kitten neutering at four months of age to prevent unwanted litters. We were pleased to see that the number of cats neutered at this age or younger has increased from 22% to 24%[1], but more work still needs to be done to support this practice. For more information, visit **www.kind.cats.org.uk**

For more information about how we support neutering, visit **www.cats.org.uk/neutering**

Cat Watch

Our community projects to understand and help with unowned cat populations in areas of Nottingham, Liverpool and Luton were of course affected by the COVID-19 pandemic. With our Cat Watch teams unable to go out and talk to residents about cat welfare and get local feral cats neutered while lockdown restrictions were in place, they found new ways to engage with local residents online, offering help and advice about cat care and neutering. The projects were able to restart in person in August, with a proper relaunch planned for 2022.

Thanks to the Cat Watch projects we can now give the first ground-breaking national estimate of the number of unowned cats living in the UK's towns and cities. Published in the journal *Scientific Reports*, our evidence-based research shows that there are around a quarter of a million stray and feral cats in the UK's urban areas – that's roughly the human population of Southampton. This is a major step towards understanding the true scale of the unowned cat population, which will help us plan our future efforts to deliver neutering advice and support.
This research forms part of a bigger project to create a comprehensive cat population model, showing how many cats of all types – owned, stray, in shelters and feral – there are in the UK. This is a huge undertaking and the first time anything like this has been done for cats in the UK. Already we have had several academic peer-reviewed papers published on each stage of the model's development.

For more information about Cat Watch, visit **www.cats.org.uk/cat-watch**

1 CATS (Cats and Their Stats) 2021 UK.
Visit **www.cats.org.uk/stats**

IN 2021…

We neutered 116,000 cats and kittens, including around 12,000 feral cats (2020: 109,000, including 11,750 ferals)



PLANS FOR 2022

- Undertake a consultation with the veterinary profession to review and improve our subsidised neutering campaigns

- Complete our West Midlands neutering campaign research to show impact and use learnings for future campaigns in order to reach more owners of unneutered cats

- Work with Cat-Kind to disseminate our behaviour change interventions encouraging more vets to neuter at four months and plan a public campaign for launch in 2023

- Expand our Community Neutering team to provide more support in areas of greatest need where there is currently only one Community Neutering Officer



CASE STUDY

Roman's story

Severely dehydrated and in need of intensive care, stowaway Roman had travelled for nearly a week in the back of a truck delivering furniture from Romania to the UK.

The four-week-old kitten was discovered when warehouse staff unloading the truck in Bedford heard his pitiful cries and they quickly called their colleague Tamsin, who also happens to volunteer for our Bedford & Biggleswade Branch, for help.

Tamsin took Roman to vet Jasmine, who helped give him all the treatment he needed before he was transferred to a quarantine facility for three months, as is procedure for undocumented stowaways.

"I could tell while nursing him back to health that his personality was unique, inquisitive, independent, clever and loud!" said Jasmine. "I fell in love with how strong a character he has despite the difficulties he's faced at such a young age, and once he'd completed his quarantine and came back for his vaccines, I adored how cheeky he was."

Roman had made such an impact on Jasmine that she decided to adopt him, and he's now settled in his new home.

"I knew I'd need to put some work in teaching him boundaries that he hadn't had the chance to learn from his mother and litter mates, but I've enjoyed watching him learn and having fun at every step."



Learn about Scarab's story on page 37.

FINDING GOOD HOMES FOR CATS

HELPING CATS TO FIND, OR STAY IN, THEIR PERFECT HOME NO MATTER HOW LONG IT TAKES

The top reason people give for wanting a pet cat is to provide companionship and to reduce stress and feelings of loneliness[1], something that has been particularly valuable during the turmoil of the pandemic. We've been honoured to help create so many feline friendships this year, giving unwanted cats a second chance and new owners someone to love and cherish in difficult times. While the number of cats we rehomed this year increased from 2020, spending a large part of the year still operating under COVID-19 restrictions has meant that our rehoming figures have not yet returned to pre-pandemic levels. However, thanks to the launch of our successful hands-free homing service in 2020, we were able to continue some rehoming throughout lockdowns, matching cats with their new owners virtually and then arranging a safe collection or delivery of their new pet. When COVID-19 restrictions allowed, we began reopening our centres to the public by appointment only, giving adopters the chance to meet the cats they'd been matched with. Our webpage providing advice about hands-free homing had 152,400 visits in 2021.

1 CATS (Cats and Their Stats) 2021 UK. Visit **www.cats.org.uk/stats**

- In partnership with Pets at Home, we opened our very first cat adoption lounge in their Hemel Hempstead store, providing their customers with a convenient place to come and talk to us about all things cat as well as meet a few felines looking for new homes. We will be opening a second cat adoption lounge in the Milton Keynes store soon, helping us reach more people with our rehoming and welfare messages

- The development of our existing sites was put on hold in 2020, but work has now resumed to complete the redevelopment of our Exeter Adoption Centre. While the work is underway, the centre team are based at a local cattery working with the community to offer advice and support and develop new ways of meeting the needs of cat owners

- Our first two Cat Action Teams, groups of volunteers carrying out activities such as lost and found cat support and trapping, neutering and returning feral cats in the local area, have proved very successful, enabling the centres they are linked with (St Helens and Harrow) to be more active in their communities. We have now launched a new team in Wrexham and are recruiting volunteers for a Gildersome team too

- In September 2021, Scotland became the first UK jurisdiction to introduce animal welfare establishment legislation, meaning that our Scottish branches and centres need to be licensed with their local authority to deliver certain activities. We have worked with the Scottish Government and others (including the SSPCA) to help develop the legislation

Keeping cats in good homes

Supporting cat owners to keep their cats despite difficult circumstances has become an increasingly important part of our work. By providing advice and guidance to people considering giving up their pets we've successfully helped over 600 cats and their owners stay together in 2021. Not only does this help keep more cats and owners happy, it also keeps space free in our centres and branches for the cats who need us most, ultimately enabling us to help more cats.

We've been able to help cat owners in several different ways, including assisting those facing personal health issues or experiencing difficulties finding pet-friendly tenancies, or working with them to solve problem cat behaviours that are affecting their bond with their cat. We can also support those experiencing financial issues through our Community Kitty scheme which involves working with local agencies, organisations and other charities providing food relief to people. The scheme is currently operating in 10 areas of the UK, with branches and centres encouraging supporters to donate cat essentials that are then passed on to cat owners who are struggling to meet their pets' needs via community partner organisations. Engaging with communities also enables us to provide support with neutering and other cat welfare information before people get to the point of considering giving up their cat.

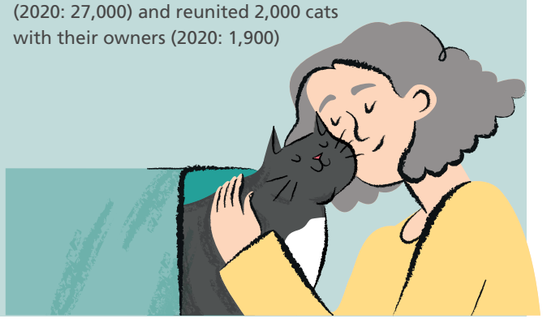
Promoting microchipping

In December 2021, after years of campaigning, we were delighted to hear that the government has committed to making microchipping compulsory for pet cats. There are currently 2.8 million unchipped owned cats in the UK[1] and if they go missing then they may get rehomed unnecessarily because their owners cannot be traced easily. Not only is microchipping the best way of identifying lost cats, but it also means strays need to spend less time in our care while we try to find their owners, freeing up more capacity for us to help other cats in need. To assist cat owners we provide lots of information and advice about microchipping and offer discounted microchipping at the same time as neutering to those on low incomes in some parts of the UK. In 2021 we microchipped over 22,000 cats through this scheme (2020: 18,000). To coincide with the new legislation, which we hope will be introduced towards the end of 2022, we plan to organise a campaign to offer free microchipping much more widely to cat owners on low incomes, including for those whose cats are already neutered. This will predominantly be through participating vet practices. Find out more about our campaign for compulsory microchipping on page 35.

1 CATS (Cats and Their Stats) 2021 UK.
Visit **www.cats.org.uk/stats**

IN 2021...

We rehomed 29,000 cats and kittens (2020: 27,000) and reunited 2,000 cats with their owners (2020: 1,900)



PLANS FOR 2022

- Introduce new initiatives, activities and services to help keep cats in good homes, including the expansion of our Paws Protect service

- Continue to focus on ensuring that the cats in our care have the best welfare experience while they wait to find their new homes

- Introduce new Cat Action Teams, branches and other services to meet the needs of cats and cat owners

- Work with the UK government and the devolved administrations in Wales and Northern Ireland as they follow Scotland's lead towards animal welfare establishment legislation



CASE STUDY

Paddington's story

At just four weeks old, Paddington and his siblings were cruelly dumped in a plastic box on the doorstep of one of our volunteers.

They were placed in the care of Diane, a fosterer for our Gildersome Homing Centre, and she soon helped them grow in confidence until they were old enough to find new homes.

Paddington proved the perfect match for Leonie, whose children, 12-year-old Drew and eight-year-old Megan, had been desperate to get a kitten for years.

"We decided to adopt rather than to buy as we recognised the need for loving homes for cats and kittens in need," said Leonie. "It makes me sad to think how differently things could have turned out for Paddington and his litter, but I'm so grateful that Cats Protection was there to take care of him, and all the other cats they help.

"Paddington has very much settled in and is part of our family now. He loves a fuss from his favourite humans. Drew and Megan both adore him and treat him as the big softy he is.

"I still have contact with Diane from Cats Protection, she has just been wonderful. She is a fountain of knowledge and offers sensible, practical advice with a twist of humour! I have felt very supported throughout the adoption process and beyond."

INCREASING AWARENESS OF OUR WORK

MAKING SURE PEOPLE KNOW TO COME TO US – THE CAT EXPERTS – FOR ALL THEIR CAT NEEDS

As the UK's leading cat welfare charity, we help more cats than any other national organisation. That's why we want people to know that if they're looking to help cats in need, adopt a new feline friend, or find advice about caring for their moggy, we're the ones to come to. By reaching the growing number of cat lovers across the nation, we can be here for even more cats and improve their welfare.

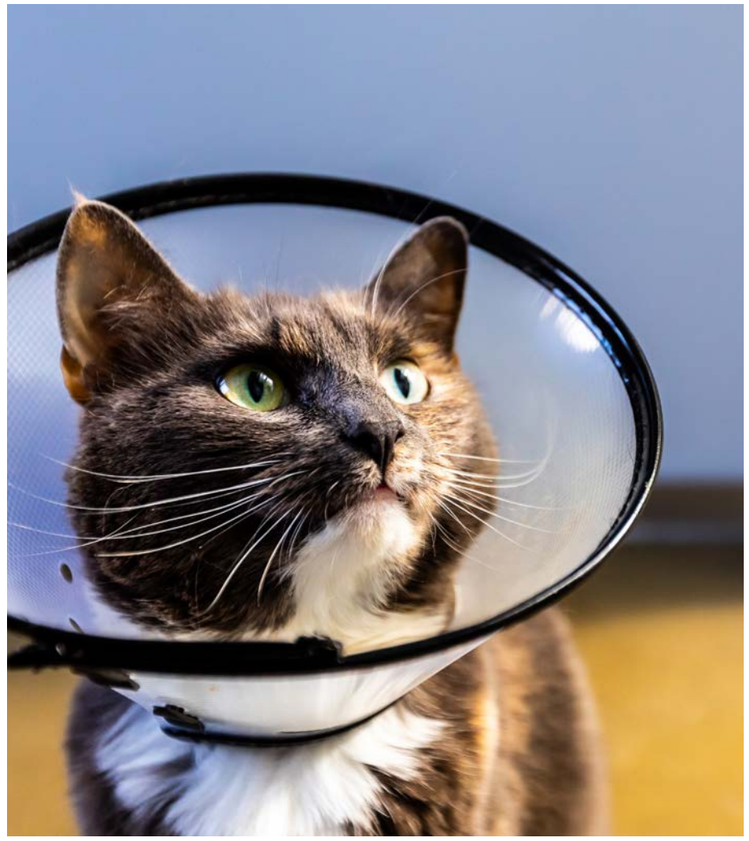


- Whether you're looking for cat care information or fundraising inspiration, our national website has all of the expert advice you need. We've been working on the search engine optimisation of the site to help people find our trusted advice and services more easily and the project to develop our individual branch and centre websites is fully underway, with support from the dedicated volunteers who update them

- Supporters have been receiving helpful cat advice, appeals and updates about our services into their inboxes, and can now sign up for these emails via our website homepage. 1.9 million people opened our email communications in 2021 (2020: 1.9 million)

- We've been reaching new cat-loving audiences with our adverts on television and online, raising awareness of how people can support our work

- On social media we've continued to create content to entertain and inform our thousands of followers, and have also been working with more influencers and celebrities to help us reach an even bigger online audience. This year we launched our official TikTok account (@cats_protection) and our fun videos promoting good cat welfare have already had over 3.7 million views. The regional social media pages run by our enthusiastic volunteers continue to help raise awareness of our work and we've been providing extra support and guidance to the teams that run them



- Success stories about our work and topical cat welfare information have been appearing in the national and regional press throughout the year, thanks to the hard work of our employees and volunteers. In 2021 there was a 40% increase in the visibility of published articles that mentioned the charity, with over 10,000 articles published

- When COVID-19 restrictions have allowed, our teams having been attending conferences, local shows, fairs and open days to speak to the public about how we help cats and how they can support us

Our campaigns…

The Purrfect Home
To help cat owners decorate their homes in a stylish but cat-friendly way, we worked with interior design influencers on social media to provide inspiration for creating #ThePurrfectHome. This helped us promote our Cat Care Collection of essential cat products and spread the word about how to provide the perfect environment for cats. We reached over 1 million people on social media, and our content was shared by influencers with over 500k followers, helping us gain new audiences on Instagram.

Mature Moggies Day
Sadly, older cats take over three times longer to find new homes than the kittens in our care, so to show that senior 'kitizens' don't deserve to be overlooked, we launched our first #MatureMoggiesDay on 16 June. Throughout the month we shared stories and advice about older cats and on the day encouraged supporters to celebrate their mature moggies. The campaign gained support from TV presenter Dermot O'Leary, reached over 1.9 million people on social media and was featured in *The Sun, Sunday Mirror* and *Daily Star*.

Virtual Cat Awards
Due to the uncertainty around COVID-19 we weren't able to host our National Cat Awards in person again this year, so instead we went virtual. The finalists and winners were announced in videos online by our celebrity judges, including Bob Mortimer, Russell Kane, Tuppence Middleton and Deborah Meaden, with Minty from Wales chosen as the National Cat of the Year for helping six-year-old Connor cope with his learning difficulties. The awards reached over 1.9 million people on social media and were featured in over 500 articles in the press.

Eight Precious Weeks
According to our CATS 2021 report, just over half of all cats purchased are found online, and the anonymity some sites provide has attracted unscrupulous sellers who put profit before cat welfare. To raise awareness of the issue of kitten mis-selling and raise funds to help us look after vulnerable kittens, our #EightPreciousWeeks campaign highlighted that kittens should not be separated from their mother before they are eight weeks old. The campaign video has had over 8 million views and the campaign was featured by *The Independent* online and several regional BBC radio stations. It also raised over £470,000 for our work.

IN 2021…

608,000 Facebook followers (2020: 585,000)

124,000 Twitter followers (2020: 121,000)

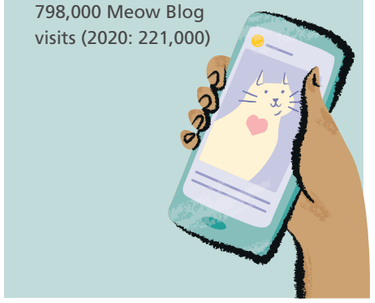
130,000 Instagram followers (2020: 114,000)

8,000 TikTok followers

1.5 million YouTube views (2020: 2.6 million)

7 million website visits (2020: 6 million)

798,000 Meow Blog visits (2020: 221,000)



PLANS FOR 2022

- Launch a welfare campaign designed to improve the lives of all owned cats and to build engagement and relationships with cat owners in order to positively impact on cat welfare
- Launch a brand campaign to raise brand awareness with new and existing cat owners and drive engagement levels
- Reinstate the live National Cat Awards event in August 2022, COVID-19 regulations permitting, for our annual celebration of the companionship of cats
- Continue to raise awareness and tackle the issue of kitten mis-selling
- Establish a greater customer focus, including through the use of our own brand



CASE STUDY

Margot's story

Mischief had been advertised for sale on a local website as a 10-week-old kitten, but when her new family bought her home, they realised something wasn't quite right.

They called our Lichfield & Tamworth Branch for help and transferred her into their care, where it became clear she was nearer four or five weeks old, far too young to be separated from her mother.

The seller had also handed her over with a tin of adult cat food and a packet of cat biscuits, which would surely have made the tiny kitten choke if she'd eaten them.

Volunteers at the branch spent months nursing the frail kitten back to health, until eventually she was old enough and well enough to be adopted by Anton, who renamed her Margot.

"Margot is fairly confident and easily makes friends when treats are involved!" said Anton. "She gives lots of fuss and head boops, but when she's had enough, she lets us know about it and tears away!

"Recently, we've started to let her out as she'll sit and stare out the windows, mewing and trilling at the birds for hours! She hasn't gone any further than the bottom of the garden just yet and stays close to us or our dog, Tula."

OUR IMPACT

HOW OUR WORK IMPROVES THE LIVES OF CATS AND PEOPLE ACROSS THE UK

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 193,500 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 670,000 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 25 million times and we currently have a combined total of over 870,000 followers on social media

Public benefit

We believe that our vision of a world in which every cat is treated with kindness and an understanding of its needs benefits society as a whole. Cats play a huge part in the lives of millions of people in the UK. According to our research, 26% of UK households have at least one pet cat, with an estimated owned cat population of 10.8 million cats[1]. 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 6

- providing our Paws Protect, Paws to Listen and Cat Guardians services. Find out more on page 25

- providing advice to governments on animal welfare legislation. Find out more on page 36

- 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.

1 CATS (Cats and Their Stats) 2020 UK.
Visit www.cats.org.uk/stats

HELPING CAT OWNERS

THE SERVICES WE OFFER TO GIVE CAT OWNERS MUCH-NEEDED SUPPORT

In the course of our work helping cats, we also help cat owners in a variety of different ways, offering a range of services to help give them peace of mind.



Paws Protect

As a specialist temporary fostering service, Paws Protect offers a lifeline for people experiencing domestic abuse. Many survivors say they wouldn't leave a perpetrator for fear of what would happen to their beloved cat, so Paws Protect supports families to leave for safety knowing their cats will be well cared for until they are able to be reunited. Despite the lockdown measures at the start of the year, Paws Protect has been continuing to operate with additional COVID-19 protocols in place to protect all involved. The specialist team is able to offer a safe, confidential foster placement, providing owners with regular updates about their cats until a happy reunion can be arranged. The year has been busy for the Women's Aid member service, and we are proud to have reunited 78 cats with their loving families in 2021.

For more information, visit **www.cats.org.uk/paws-protect**

Cat Guardians

Our cats are part of the family, so it's natural to wonder what would happen to them if you are no longer around to care for them. That's why we have our free Cat Guardians service, offering cat owners reassurance that should they pass away before their cat, we'll take care of their feline friend until we can find them a loving new home. Owners are encouraged to tell us as much about their cats as possible, so we can match them to the perfect new home that suits their unique personality. Nena Saunders is signed up to the service and said: "When my adoption pack came there was a leaflet regarding Cat Guardians enclosed, so I registered straight away as it gives me peace of mind, if anything should happen to me, knowing Pumpkin will be looked after or go on to a loving home."

For more information, visit **www.cats.org.uk/catguardians**

Paws to Listen

We feel the loss of our beloved feline companions deeply. Coping with bereavement is never easy but we know that it has been particularly difficult over recent times. Our free and confidential Paws to Listen grief support service provides emotional support and practical information for those struggling to cope with the loss of a cat. Our compassionate volunteer team support those who may be bereaved; face difficult decisions regarding their cat's quality of life or rehoming; or are anxiously waiting for a missing cat. We have continued to expand our dedicated team of volunteer listeners, and this year we have supported more people by telephone and email than ever before. In the coming year, we plan to introduce a support group on social media to further complement the service and support even more cat lovers.

For more information, visit **www.cats.org.uk/grief**

IN 2021...

Paws Protect helped 88 families flee domestic abuse safely (2020: 53)

Cat Guardians took in and rehomed 175 cats, helping 116 supporters (2020: 145 cats from 95 supporters)





RAISING VITAL FUNDS

THE KIND DONATIONS FROM CAT LOVERS THAT ENABLE US TO CARRY OUT OUR VITAL WORK

Starting 2021 in another national lockdown meant we saw further impact to our income this year, with many fundraising events postponed and our charity shops having to temporarily close their doors again. However, thanks to the generosity of our wonderful supporters we have still received the funds we need to be able to continue caring for cats, now and into the future. There are lots of ways cat lovers can support us, and we're incredibly grateful for every kind gift we receive.





Legacies and in-memory giving

Against the challenging backdrop of COVID-19, it continues to feel more poignant and powerful than ever that so much of our work is made possible by individuals remembering us in their Wills or giving in memory of a loved one. This year saw us informed of more legacy gifts than any year in our history, and nearly half of everything we do continues to be funded by gifts in Wills. We are incredibly grateful to all those who helped us raise £35.1 million through these special gifts in 2021 (2020: £33.3 million).

Similarly, an incredible £453k was raised in loving memory and celebration of people and cats in 2021 (2020: £470k). During a time where it has often been so difficult to honour those we have lost, the support and emotion we've experienced from those individuals has regularly moved us. 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 2021.

Regular giving

Together, Cats Protection Members, Sponsors, Weekly Lottery players and other regular donors raised £14.9 million for our work this year (2020: £14 million), our second largest source of income. In return for their support they receive regular updates about our work and lots of other benefits. This consistent support is crucial in helping us plan for the future, so we can help many more cats in the years to come.

- Our Cat Sponsors receive regular updates about the cats in their sponsor pens in return for their kind donations and raised £5.6 million in 2021 (2020: £5.4 million)
- Over 23,000 Cats Protection Members get benefits including a free subscription to *The Cat* magazine, a pin badge and access to advice from qualified vet nurses via the 24-hour Vetfone™ helpline
- Our Weekly Lottery players have the chance to win one of 500 cash prizes every week when they buy a ticket, and generated £6.2 million for us in 2021 (2020: £5.6 million)

Donations and raffles

Individual one-off gifts, either in response to our appeals, raffles or other activity, give cat lovers the flexibility to support our work without an ongoing obligation. In 2021 over, 39,000 generous supporters contributed to our appeals in this way, raising an incredible £1.5 million for the cats in our care. Entering our quarterly raffles gives players the chance to win one of 1,000 cash prizes in each draw and they raised £2.2 million to help us provide vital care for cats and kittens in 2021 (2020: £1.7 million)

Cat Champions

With in-person events still disrupted for much of the year, our supporters have continued to be wonderfully creative with their fundraising activities. From virtual balloon races to online photo competitions, we are in awe of the many ways they've shown their kindness for cats from home. We have been offering our Cat Champions lots of support to help them reach their fundraising goals and are grateful for every penny they have worked so hard to raise. When COVID-19 restrictions allowed, we returned to hosting community events and it was great to see the smiling faces of so many generous cat lovers again.

As well as our regular fundraising events, such as Pawsome Afternoon Tea and the Nine Mile Challenge, we also launched our Craft for Cats event this year, which proved to be a roaring success. Thousands of keen crafters signed up for our live online tutorials showing how to create felted kitties, raising £102,000 by taking part.

Retail

Although we started 2021 in lockdown again, with all of our 107 shops (2020: 109) temporarily closed, we were thrilled to reopen our doors again in April. The support from our customers and donors has been fantastic and although the closure at the start of the year had a big impact on our income, we still managed to generate £8.3 million in 2021 (2020: £6.6 million). All of our shops now offer a customer loyalty card, helping customers show support and save money at the same time. As well as raising vital funds, our shops also help to raise awareness of our work and provide the public with cat advice.

We've continued to explore exciting ways to sell new and donated goods. Our new clothing range launched online, with t-shirts, hoodies and tote bags featuring cute cat-themed designs. We expanded the number of shops selling items on eBay and relaunched our Cat Care Collection, a range of essential vet-approved products designed specifically for our feline friends. All profits from the sale of these items go directly towards helping cats in our care.

People's Postcode Lottery

Thanks to players of People's Postcode Lottery, we have received an amazing £4.8 million since 2018. During 2021 we were awarded £1.28 million by Postcode Animal Trust which is currently helping to cover the cat care costs in our centres as well as supporting our Paws to Listen grief support service and our advocacy work speaking up for cats. Funding is also helping 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, major donors and trust funders have been incredibly important this year to help 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:

- Ceva
- Petplan®
- Pets at Home and The Pets at Home Foundation
- PURINA®
- Shark®
- *Simon's Cat*
- Sure Petcare

For more information about our partners, please visit **www.cats.org.uk/corporatepartners**

Plans for 2022

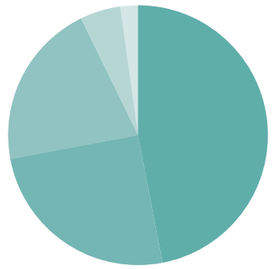
- Focus on getting to know and retaining our supporters so we can anticipate what they need, and continue to develop our relationships with them to provide a great experience for all those who choose to support us
- Attract new supporters by creating new ways of interacting with Cats Protection fundraising and retail products for people who love cats
- Take a more innovative approach when designing or improving our fundraising offers to ensure they are sustainable, fundable and scalable
- Cultivate and nurture long-lasting and successful partnerships with organisations that share our mission and values

FINANCIAL SUMMARY

OUR TOTAL INCOME IN 2021 WAS £78.2M, AN INCREASE OF £6.3M FROM 2020.

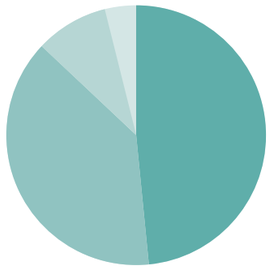
This growth in funds has meant we have increased our expenditure from £66.5m in 2020 to £70.7m in 2021.

A summary of our income and expenditure for 2021 is presented in the charts opposite. These figures are based on those in the full, audited and unqualified accounts for the year ended 31 December 2021. For further details of these figures, turn to the financial review section starting on page 48.



Where our £78.2m income came from

£36.2m	Legacies
£19.7m	Donations
£14.9m	Events and shops
£5.5m	Other
£1.9m	Rehoming fees

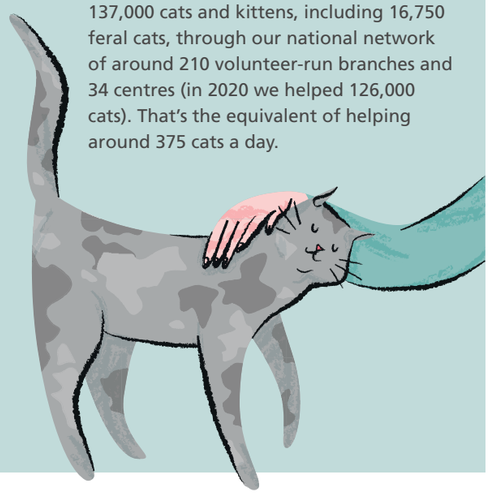


How we spent £70.7m

£34.1m	Rehoming
£25.4m	Raising funds
£6.0m	Reducing overpopulations of cats
£5.2m	Information

IN 2021...

Despite the challenges we faced as a result of the COVID-19 pandemic, we helped 137,000 cats and kittens, including 16,750 feral cats, through our national network of around 210 volunteer-run branches and 34 centres (in 2020 we helped 126,000 cats). That's the equivalent of helping around 375 cats a day.



PLANS FOR 2022

- Deliver planned capital construction projects and complete work on our estate strategy. This will help to maximise the effect and efficiency of our work for cats and continue to help ensure that we comply with all legislation and regulation affecting our activities to help cat
- Design and implement a performance measurement framework to ensure that our progress against the new strategy can be accurately communicated, enabling informed decisions across the organisation
- Procure a modern finance system that will help streamline processes and create better visibility of the charity's spend, allowing for real-time analysis and business-focused decision making
- Continue our work to strengthen our cybersecurity, while developing new and innovative capabilities for our volunteers and employees, focusing on the technology that will enable our new 10-year strategy to be realised

CASE STUDY



Joss' epic running challenge

Rather than using the excuse of cold weather and another lockdown to hibernate indoors, eight-year-old Joss Tyson set himself the challenge of running every day in January 2021, all to raise money for cats in need.

Having got the family cat Margherita from a local rescue centre, Joss was inspired to combine his love of running around his hometown of Ambleside with his desire to help unwanted cats, initially setting himself a fundraising target of £50.

However, as the donations rolled in, he smashed his target on day one, and by the end of the month had raised an amazing £1,600. Joss completed his challenge while juggling home schooling and didn't let freezing temperatures or snow deter him from lacing up his running shoes.

"I'm not worried about the cold or wet weather," said Joss. "I just want to help cats! I run for my local running club, Ambleside AC, in all kinds of weather so I am used to it."



CASE STUDY

Jean-Louis' 10,000km bike ride

Along with many others, Jean-Louis Button struggled with his mental health during lockdown, but at just the right moment, stray cat Jess walked into his life.

Jean-Louis said: "Over eight or nine weeks we became incredibly close companions for one another and because of the amount of love, happiness and comfort she brought me, I felt the desire to give back. I honestly don't know how I would have coped without Jess's loving company! I didn't rescue a cat, a cat rescued me!"

Although Jean-Louis was not in a position to adopt Jess, he wanted to support his local Swansea Branch who took her in and found her a new home. He set himself the challenge of cycling 10,000km around the UK coastline between June and September, raising £2,000 to split between the Swansea Branch and two other charities close to his heart.

"The ride itself was full of ups and downs, literally and figuratively!" added Jean-Louis. "But knowing that my pain and suffering was helping to support even more cats like Jess to be looked after and cared for when no one else can, gave me all the strength and determination that I needed to keep pushing those pedals."

SPEAKING UP FOR CATS

HOW WE BRING ABOUT POSITIVE CHANGE FOR CATS AND THEIR OWNERS

Our Advocacy & Government Relations team has continued to meet virtually, or in person when COVID-19 restrictions have allowed, with politicians and decision makers to make sure cat welfare is not forgotten in their work.

Microchips Reunite

Our campaign to make cat microchipping compulsory achieved huge success in 2021, thanks to the efforts of our dedicated supporters. At the beginning of the year, the Westminster Government ran a 12-week consultation on introducing the compulsory microchipping of pet cats in England, and we encouraged cat lovers to respond. We were blown away by the enthusiasm they showed, as an astonishing **22,000 emails were sent to the government via our website, which accounted for 65% of the total number of responses the government received.** Our petition supporting compulsory microchipping also now has over 40,000 signatures.

In December we were delighted that the government announced that it intends to introduce regulations to make microchipping of owned cats compulsory in England in 2022. 99% of respondents to the government consultation expressed support for these measures. This will be a huge benefit for cat welfare, helping to reunite more lost and stolen cats with their owners. We will be campaigning for similar regulations in the devolved nations.



Stop a Kitten Smuggling Scandal

In September the government announced proposals to tighten the regulations for the commercial import and non-commercial movement of dogs from abroad, but this did not include cats. Without changes to the pet travel arrangements for cats and kittens, we are concerned that there is a risk that unscrupulous pet smugglers may switch their focus from puppies to kittens, compromising their welfare. In response we launched our Stop a Kitten Smuggling Scandal campaign which received an amazing response from our supporters; **14,000 emails were sent to the government asking them to protect kittens from trafficking, trauma and tragedy.**

Cats Protection's Director of Veterinary Services Dr Maggie Roberts was invited to give oral evidence to the MPs on the Environment, Food and Rural Affairs (EFRA) committee on the welfare issues for cats and kittens that are moved across borders and how they could be better protected under new laws following the UK's departure from the European Union. The committee supported our calls for cats to be given the same protections as dogs.

Purrfect Landlords

Our campaign calling for more cat-friendly tenancies to allow more people to rent with cats had a brilliant breakthrough this year. In 2021 the Westminster Government recognised the importance of pets and **published a new model tenancy agreement for landlords which includes a default clause allowing pets**, unless the landlord has a valid reason for pets not to be in the property.

In March, the All-Party Parliamentary Group on Cats (APGOCATS), of which we are a founding member, held a roundtable on pet ownership and the rental market. We were delighted that over 25 representatives attended bringing together animal charities, housing charities, landlords and politicians. We are now talking directly to the Ministry of Housing Communities and Local Government (MHCLG) to promote the model tenancy agreement and the use of pet CVs for renters.

Other advocacy work across the UK

- In September we worked closely with the Scottish Government on new licensing laws which include regulation of cat breeding, animal welfare establishments and pet selling. Now, anyone breeding three or more litters of kittens in any 12-month period in Scotland must be licensed and the breeding of cats with extreme traits that can lead to health conditions is not permitted

- Both the Welsh and Scottish Governments have now introduced a ban on the sale of kittens by anyone other than the breeder. Since September 2021 sellers can no longer sell kittens commercially (in Wales under six months and in Scotland under 12 months) unless they have bred them. Commercial third-party sales of kittens under six months have been prohibited in England since 2018, now our focus is to press for this in Northern Ireland

- In November we were delighted that the Welsh Government introduced an Action Plan for Animal Welfare and committed to bringing forward legislation to license animal rescue centres and sanctuaries and ban snares and glue traps – we are pressing the rest of the UK for a similar ban on snares and glue traps

- In a meeting with the Scottish Cabinet Secretary for Rural Affairs and Islands we pressed for stricter pet travel regulations and for the Scottish Government to promote pet friendly rentals

- As a member of the More for Scotland's Animals (MFSA) coalition we ran a campaign ahead of the 2021 Scottish election in May asking all prospective MSPs to pledge to do more for Scotland's animals. 176 MSP candidates and 40 elected MSPs signed the MFSA pledge – that's 31% of elected MSPs

- As a founding member of the Companion Animal Welfare Group Wales (CAWGW) we helped develop and launch a joint manifesto for companion animals ahead of the Senedd Elections in 2021 and held a round table with senior Assembly Members. As a result, CAWGW was invited to give evidence to the Economy, Trade and Rural Affairs Committee where we outlined priority areas to improve the welfare of companion animals in Wales, including regulation of animal welfare establishments and introducing compulsory microchipping for pet cats

PLANS FOR 2022

- Tackle the ongoing mis-selling of sick and underage kittens, particularly through online sites

- Launch a petition calling for cat breeding to be regulated across the UK and not restricted to Scotland

- Relaunch our campaign work to get more landlords to consider allowing pets

- Work on a joint manifesto for companion animals as part of the Northern Ireland Companion Animal Welfare Group

For more information about how we're speaking up for cats, visit **www.cats.org.uk/campaigning**



CASE STUDY

Scarab's story

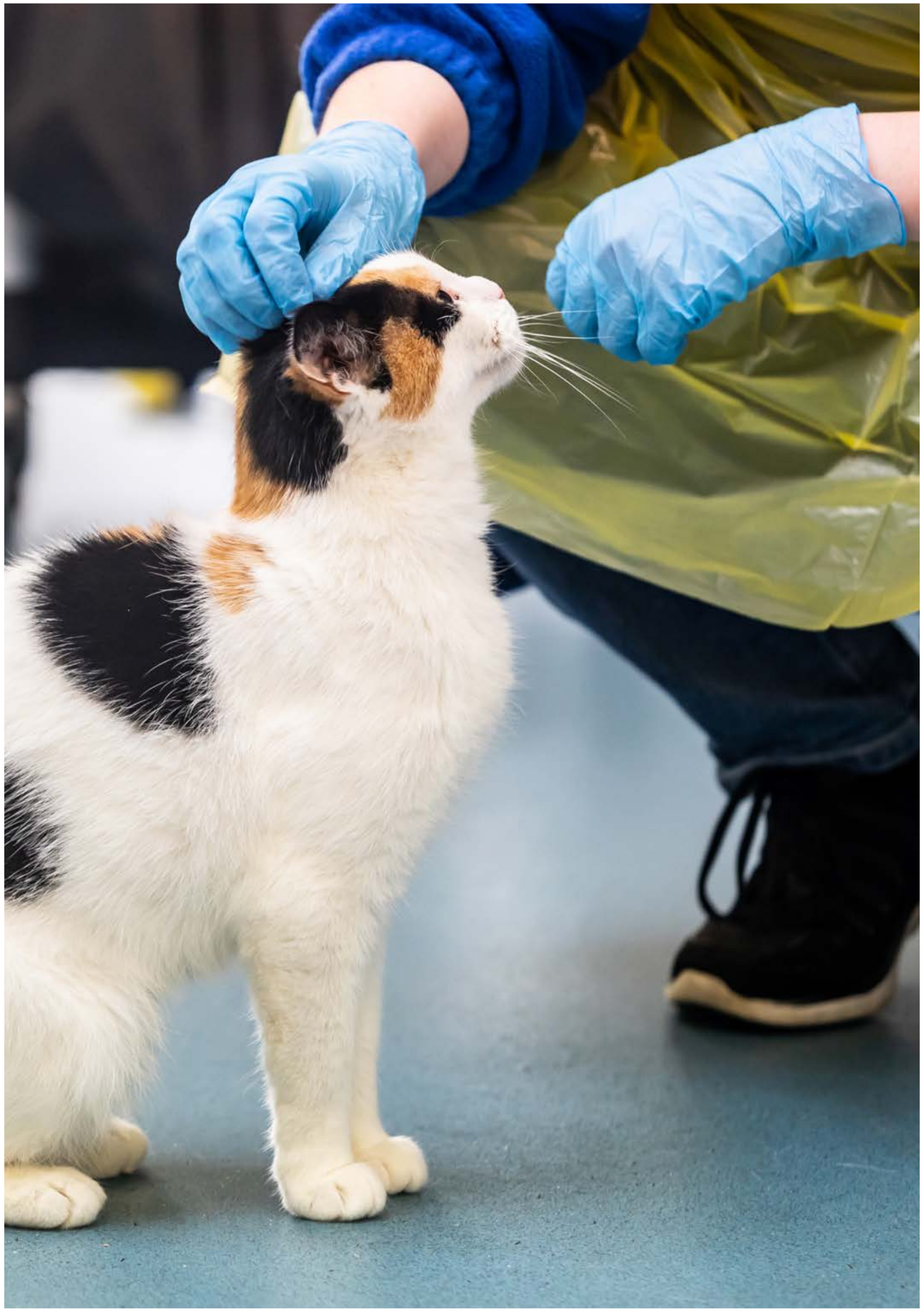
When Scarab was locked out of his home by a faulty cat flap in September 2020, his owner Jayne was beside herself with worry when her little companion didn't return.

She did everything she could to find him, looking for him at all hours, putting up posters, and making sure his microchip details were up to date.

Then, 11 months later, she got the call she'd been hoping for. Our Cornwall Adoption Centre had picked up Scarab after a lady found him wandering the streets, and a quick scan of his chip had revealed Jayne's details.

"I was shocked and don't remember much of the call," said Jayne. "I burst into tears and arranged to collect him right away. I'm so grateful to everyone at the centre and to the lady who found him. He was only two streets away from me and may even have been there all the time I was looking for him.

"Luckily, he remembers me and still knows how to high-five, a trick that I taught him before he went missing. I'm so glad I had him microchipped, I might never have seen him again otherwise."



SUPPORTING OUR PEOPLE

MAKING SURE OUR VOLUNTEERS AND EMPLOYEES HAVE EVERYTHING THEY NEED TO HELP CATS

2021 continued to be a somewhat turbulent time for our people, with various COVID-19 restrictions causing disruption to our usual ways of working. We have endeavoured to provide as much support as possible to our volunteers and employees as they adapt to new ways of carrying out their roles, enabling them to have an important impact on cats and people across the UK.

The safety and wellbeing of our people has been our main concern as our volunteers have gone back out into their communities and many of our employees have been trialing hybrid working. We continue to ensure we have the right measures in place to help them feel confident in delivering their roles.

By embracing technology we have been able to connect with each other like never before to share experiences and expertise as well as improve our systems and processes to ensure continuous improvement in the ways we deliver our services. We recognise the importance of engaging with our people and celebrating everything we do for cats. As part of this focus we have introduced our volunteer consultative body, Connect, and continue to support our Employee Forum, to ensure their voices were at the centre of our decision making as we developed our new 10-year strategy.

Learning and development for our people has expanded dramatically as we've embraced new digital opportunities over the past year. Developing knowledge and skills benefits and engages our employees and volunteers, and most importantly directly delivers impact for our cats.

This year over 80 branches and 400 individuals participated in our cat welfare workshops and our offer for people development training increased by 100%, teaching new skills in resilience and wellbeing, remote working and personal development. We also hosted sessions supporting people management, and over 400 learners participated in our 'Welcome to Cats Protection' induction module this year.

The reach of our online learning peaked during lockdown when course completions were up more than 400%. Post-lockdown, despite individuals returning to their usual activities, we still saw an increase in 2021 of over 40% compared to 2019, with our people accessing more content than before.

There was another slight drop in the number of people volunteering with us in 2021, likely due to the continuing disruption of the pandemic, but we hope to see our cat-loving community grow again in the future. Without the time, skills and expertise of our kind volunteers we wouldn't be able to help so many cats and kittens in need, so we are incredibly grateful for their dedication.

IN 2021...

Our team of over 10,000 dedicated volunteers provided much-needed support to cats across the UK



PLANS FOR 2022

- Focus on the wellbeing of our people so that we can continue to do the very best for cats
- Implement systems to support our volunteers in their roles, and help them develop their learning
- Develop our safeguarding approach to ensure our people and customers are safe
- Build engagement with our new 10-year strategy to ensure it can be properly implemented across the organisation
- Develop Cats Protection as an efficient organisation with effective processes, structures, values and culture, and begin to move towards carbon neutrality



CASE STUDY

David's dedication

David Moulden started volunteering as a cat carer at our Bridgend Adoption Centre in November 2019, but when COVID-19 restrictions meant his role was put on hold, he was determined to find other ways to help the cats.

He set himself several ambitious fundraising challenges, not only climbing two Welsh mountains, but also completing four-and-a-half marathons, four of which he ran in just one month, to raise over £1,500 for the centre.

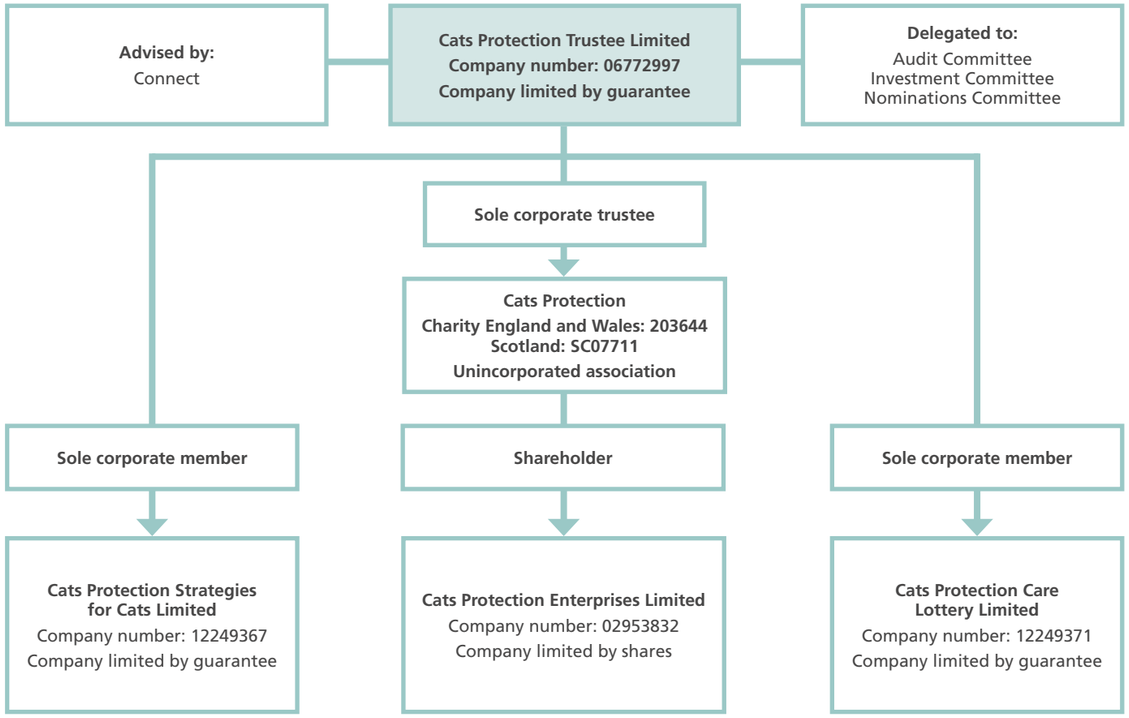
"I wanted to pick difficult challenges," said David. "Things that would really stretch me so that I felt I'd truly earned people's donations and tried things that other people might be less likely to do. People are so generous and give really remarkable amounts so I wanted to really push myself."

As a result of his incredible efforts, David was awarded a special commendation at the Petplan & ADCH Animal Charity Awards, leading to a further donation of £250 from the Petplan Charitable Trust to the Bridgend Centre.

"It's never been about me," added David. "The cats and work of the centre have always been my focus. Everybody at the centre is so hard-working and supportive, I was really shocked, surprised and humbled to receive the letter telling me I'd been commended. But it was a lovely surprise."

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 Trustees (the Board) who are unpaid. Trustees 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 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 Trustees on the Board of the Corporate Trustee are recruited through an open, competitive process. This involves interviews with the Nominations Committee. Appointment of Trustees is the responsibility of the Board. Board Trustees 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. Trustees may not be members of Connect but meetings are chaired by a Trustee.

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 Trustees met six times during the year. Meetings have been held both virtually and in person as COVID-19 restrictions have allowed. Connect met once during 2021 with the second scheduled meeting postponed until January 2022. Members met at the Annual General Meeting which was held virtually.

Three new Trustees were appointed during 2021 and one resigned having reached the end of their term. Sixteen new members were appointed to Connect during 2021. The induction programme has consisted of familiarisation with the workings of the charity and its policies through visits to branches and centres (as COVID-19 restrictions have allowed), and meetings with the Chair, other Board Trustees and members of the Executive Management Team. Ongoing training and support for all Trustees is provided through formal and informal briefings from the Chief Executive, Executive Management Team, third-party specialists or external courses as appropriate.

The Audit & Risk 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 Trustees and at least one external, independent member, with no more than eight members in total. There was one resignation during 2021 as the member reached the end of their term, and one new appointment to the Committee in October 2021. A new independent member joined in April 2022.

During 2021, 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 2021, 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:

- safeguarding
- fosterer due diligence
- people processes
- property management

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 Trustees and up to four independent advisors, but no more than seven members in total. During 2021, the Committee met three times 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. A transfer of £5m from cash and liquid holdings into the portfolio was approved by the Committee.

The Nominations Committee normally meets twice in the year however this year met eight times to support the recruitment of new Trustees and new members of Connect. There were no changes to the Nominations Committee in the year.

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.

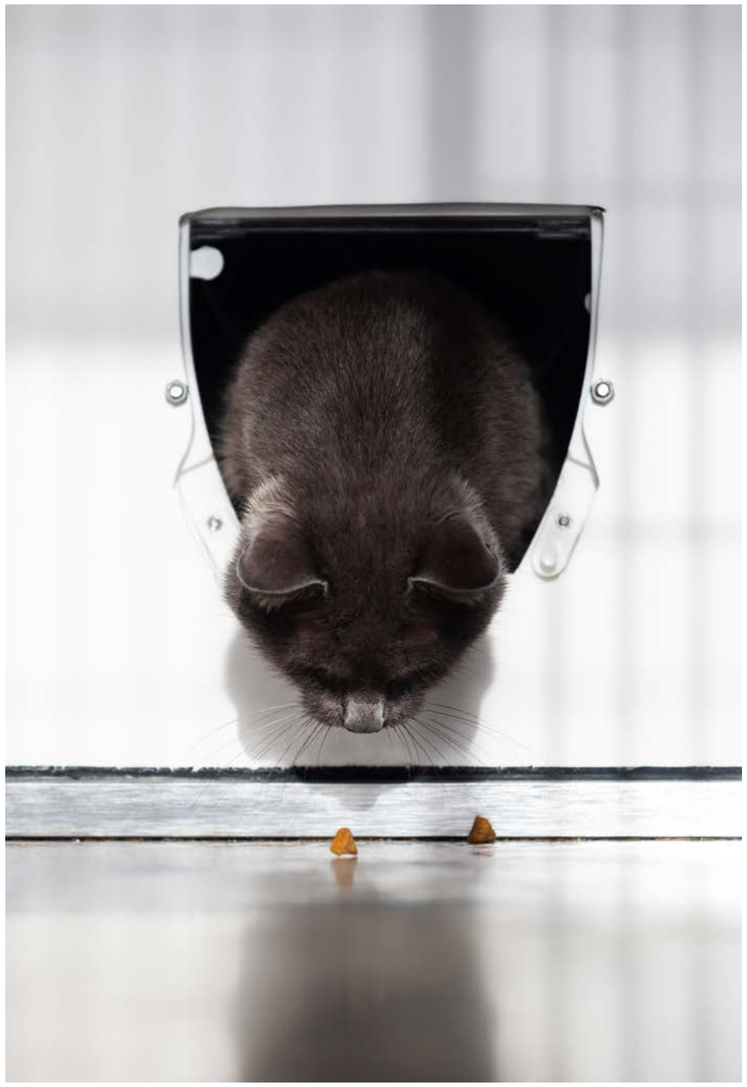
Management

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 19 areas. 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, some of our management is located away from the National Cat Centre and nearer to our branches and centres across the UK. This gives more focus and support for the branches and helps provide an integrated service across branches and centres.

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

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.

In order to provide the funds required for a large charity like Cats Protection to do its work, we fundraise in a number of different ways. We invite people to become donors, through one-off or regular donations, in several different ways; as members of Cats Protection, as sponsors of cat pens from which we rehome cats that we look after, or as raffle or lottery players.

In 2021, we promoted these methods of giving 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 that we thought would be interested in and 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, although at a lower level than pre-pandemic due to the continued lockdown restrictions and the need to protect both our employees and supporters. By using agencies, we are able to vary the level of activity depending on our requirements, which is much more cost-effective than carrying out the work in-house. This means that more money can go directly towards caring for cats in need of our help.

We also raise funds from trusts, foundations, companies and major donors who have an affinity with our work and with whom we have partnerships, such as People's Postcode Lottery. Through our chain of shops we sell mainly donated goods (again hugely affected by lockdowns) and we also sell new goods through our website and catalogue. We ask our supporters and potential supporters to consider including a gift to the charity in their Will.

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, online gaming and social media tools such as Facebook Donate, though they have been limited in their ability to do this during the pandemic.

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 **www.fundraisingregulator.org.uk/code-of-fundraising-practice** Our face-to-face fundraising agencies also abide by the Institute of Fundraising's code of conduct for face-to-face fundraising, which can be viewed at **www.ciof.org.uk/about-us/what-we-stand-for/excellent-fundraising/compliance/standards**

We have a number of controls in place to try 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 set up 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**

Despite these controls, we do occasionally receive complaints. In 2021, we received a total of 30 complaints about our fundraising (2020: 20).
We aim to resolve all complaints as soon as possible, and in 2021 we resolved 86% within 21 days (2020: 90%). 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 **www.ciof.org.uk/events-and-training/resources/treating-donors-fairly**

FINANCIAL REVIEW

Financial performance in 2021

The ongoing pandemic and associated restrictions have continued to impact the operations of the charity during the year both in our fundraising activities and in our ability to carry out our charitable work. Our shops and centres were impacted by restrictions in social contact with our shops remaining closed until mid-April. As in 2020 we applied for available government and local authority grant support where entitled, meaning that we were able to avoid diverting funds from our charitable objects to support temporary shop closures.

Rehoming activity continued throughout lockdown through our hands-free homing initiative and through our usual collections approach once restrictions lifted, meaning that rehoming numbers during the year have exceeded those in 2020. Vets were only able to provide limited services throughout the early part of the year, and capacity constraints within the profession continue to impact access to routine services. The increase in overheads for vet practices also inevitably affected costs despite the generous discounts Cats Protection often receives. Nevertheless, more cats have been neutered in 2021 than 2020. We have continued to incur additional cost in managing our response to COVID-19 restrictions, but have worked carefully to manage our cost base in other areas to mitigate this effect.

Despite some of the COVID-19 challenges, our regular donors continued to generously support us through this time; our fundraising activities have mostly resumed, and when shops were able to reopen, our customers returned. This has left the charity well-positioned to invest in its new strategy for the benefit of cats.

Income

Overall, total income for the Group was £78.2m, which is £6.3m (8.7%) higher than in 2020. Legacy income has increased by £2.8m (8.5%) compared to last year. We received two very large legacies totalling £2.5m in the year and underlying legacy income has performed in line with 2020. Donation income increased by £2.4m (13.7%). £1.3m of this relates to the change in the way income from People's Postcode Lottery is treated (see below). The remaining increase is due to the continued investment in recruiting new donors and investment in maintaining our existing donors.

Adoption fee income has increased by £0.3m (15.8%) over 2020 as the number of cats rehomed increased following the relaxation of pandemic rules.

While our shops have significantly outperformed 2020 by £1.4m (34.3%), income remains some way behind pre-pandemic levels due to the closures in the early part of the year. Commercial income is in line with 2020 as the Visitor Centre and café which closed during 2020, remain shut. The very welcome ongoing government grant support enabled the shop chain to return a net profit of £0.4m after allowing for support costs compared with the previous year's losses of £2.5m.

Income from fundraising events was £0.6m (6.5%) below 2020 as a result of the change in classification of People's Postcode Lottery (PPL) income. Following the lifting of limits on lottery licences for charities by the Gambling Commission, all charities which were funded by PPL as promoting societies have been reclassified as grant recipients. As a result of this change income received from PPL is classified as donations (previously income from fundraising events). On a like for like basis, income from fundraising events increased by £0.6m (7.4%) over 2020. The Weekly Lottery and raffles generated £7.8m income in 2021 which was £50k more than 2020 (see Note 7). Income from the proceeds of People's Postcode Lottery grants was £1.3m in 2021, and was classified as donations (2020: £1.3m classified as funding events).

We received grant income of £0.6m under the Job Retention Scheme, also known as furlough, and retail grants of £1.1m from local authorities. These are included as other income in the statement of financial activities (SOFA) and Note 9 explains the year-on-year movement in that line.

Expenditure

Total expenditure in 2021 was £70.7m, which is £4.3m (6.4%) higher than in 2020.

Expenditure on rehoming cats was £34.1m, an increase of £2.4m (7.6%) compared to 2021. 2021 saw more cats coming into our care and being rehomed initially through hands-free homing, and later in the year through our traditional approach. This has led to a volume-related increase in costs compared with the prior year. We continue to incur higher costs per cat in care largely as a result of higher vet costs due to increased overheads, and costs of cat supplies (food and litter) driven up by supply chain issues.

Expenditure on reducing the overpopulation of cats was £6.0m, an increase of £0.8m (15.7%) compared to 2020. Access to vets has been challenging with capacity constraints across the profession, which inevitably led to increases in costs of services as well as increases in costs of medicines and other consumables.

Expenditure on our education and information charitable activities was £5.2m, which is £0.1m (1.5%) higher than 2020. We have not yet been able to fully resume our pre-pandemic programme of activities however we continued with online delivery to some audiences.

Expenditure on raising funds totalled £25.4m in 2021, which represents an increase of £0.9m (3.8%) compared to 2020. As in 2020 some of our shop running costs were avoided due to closures, however, the savings on shop costs did not offset the fall in income as some costs, such as rents, are fixed and employee costs continued to be incurred. A small number of unsustainable shops were closed during 2021. Expenditure in other areas of fundraising increased to build our base of regular givers.

Outturn

Income has increased in 2021 over 2020, while we have maintained ongoing strong management of central costs, and full delivery of our charitable activities has been constrained. In 2019, we adopted a lower risk investment strategy which helped protect the value of our investments from falls in the value of equities through the pandemic. Markets have been more stable in 2021 and our investments recorded a gain of £4.0m. Our outturn for the year was therefore £11.5m. The net assets on our balance sheet are now £127.0m (2020: £115.5m).

We could not achieve all that we do without the valued input and support from our 10,000 volunteers. Prior to the pandemic we have included an estimate of the equivalent monetary value of the time our volunteers so generously give to Cats Protection. However, as the nature of many roles will have changed in light of the pandemic during 2021, with some volunteers contributing more hours and some fewer, it is not possible to provide a reasonable estimate of the total hours contributed and therefore to calculate a reasonable equivalent monetary value. However we remain extremely grateful for all the support given so generously by all our volunteers and the continued generosity of all our supporters.

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
- receiving commission on pet insurance purchased for cats adopted from the charity
- sales relating to licensing the use of the Cats Protection brand to other commercial entities

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 2021 is £1.53m (2020: £1.33m). 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 2021 amounted to £1.5m (2020: £1.3m). Turnover in 2021, at £2.3m, represents an increase of £0.2m (10.1%) compared to the previous year (2020: £2.1m). Cost of sales in 2021 was 27% of turnover (2020: 27%). Administrative expenditure was £130k for 2021, a decrease of £60k compared to last year (2020: £190k) due to the overhead recharge from the parent charity reducing to reflect the change in activity levels. The full profit of £1.5m will be paid to the charity in 2022 as a Gift Aid payment.

Following the closure of the Visitor Centre in 2020, a review of its future use is underway, with recommendations due to be presented to the Board in 2022.

The chain of retail shops run by the charity was impacted negatively by lockdowns and regional restrictions in the early part of the year. These closures impacted on the trading subsidiary in particular reducing sales of new goods.

The pandemic also continued to impact on the charity's ability to rehome cats in the early part of the year with numbers increasing as reopening began. The number of cats adopted in 2021 was 29,000, 4% more than in 2020, but still down on pre-pandemic levels. Consequently our insurance commission income from Petplan®, which is received every time a new policy is purchased or an existing policy renewed for an adopted cat has increased over 2020. Petplan® commission income in 2021 was £1m compared to £0.9m in 2020.

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 2021 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. We have appointed two professional fund managers to manage the portfolio, Rathbones and Sarasin & Partners. The portfolio is allocated broadly equally between them. The charity has specified the objective for the fund managers to achieve, being a total return of CPI+2.0%, measured after fees and annualised over five years. For 2022 the charity has approved a total return of CPI+3%.

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. Rathbones have outperformed the annual benchmark for 2021 while Sarasin & Partners have delivered a return of 6.5% against a target of 7.4%. The portfolio in total achieved the investment objective of a return of CPI +2.0% in the year. The portfolio also tracked in line with an index of similarly structured charity investment portfolios and there were no breaches of our ethical policy. The charity does not hold any mixed motive investments. Mixed motive investments have the joint purpose of providing a financial return while delivering directly the aims of the charity.

Ethical policy

Cats Protection operates an ethical policy. The policy encompasses all areas of our work, 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 2021 and agreed that a minimum level of unrestricted general funds, also known as free reserves, equal to three months' expenditure (£22.9m) 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 2021 were £50.5m (2020: £42.7m), which is £27.6m above the minimum required by our current reserves policy. Unrealised investment gains totalling £6.3m across 2020 and 2021 have contributed to the balance on free reserves, recovering from market volatility and consequent unrealised investment losses at the outset of the pandemic. In addition, as we entered lockdown in March 2020, we faced great uncertainty and took prudent action to realise savings and pause areas of significant project spend. While we have embarked on some project spend during 2021 this has been cautious and targeted, and we have continued to closely monitor revenue spend. Nevertheless, we have again continued to make focused investment in raising funds, investing in maintaining our existing donors as well as recruiting new donors, and this has resulted in most of our income sources improving in the year.

The approved 2021 budget for the charity was predicated on there being no further lockdowns in 2021. This was proven not to be the case and once again, our shop income has suffered. Despite the unexpected fall in this income stream, we are progressing with our plans and will draw on free reserves as necessary rather than reducing our services to find compensating savings. Uncertainties about the long-term impact of COVID-19 on all of our income streams and the way we work may also result in the charity encountering unforeseen dips in income and increases in expenditure; free reserves can be used to fund such eventualities without jeopardising the long-term financial sustainability of the Group.

During 2021, we have progressed our strategic review and we now understand that significant investment is required in parts of the charity's infrastructure in order to take us forward. As our free reserves are above the minimum level, we are well placed to deliver our 10-year strategy launching in 2022 to deliver 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 £39.5m at 31 December 2021
- the capital development fund exists to support the charity's 10-year capital plan. Expenditure of £0.7m on capital projects included in the capital plan during 2021 has been charged to this fund. The main item of expenditure relates to work on the redevelopment of the Exeter Axhayes Adoption Centre. The balance on this fund at 31 December 2021 was £26.4m
- 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. This fund was renamed the change fund and additional funds were transferred to create a total designated fund of £5m at 31 December 2021 (2020: £0.5m). Expenditure of £0.4m was charged against this fund during 2021



At 31 December 2021, the charity held £5.5m (2020: £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 18 to the financial statements.

Risk management

The Board is required to identify and evaluate the risk that an event or events might occur that impact significantly on the charity's ability to deliver its strategic objectives. Appropriate actions are then taken to manage or mitigate each identified risk.

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

The Charity Risk Register was reviewed regularly with a full refresh twice during the year. At the start of the pandemic in 2020, our most significant risk was the ongoing financial sustainability of the charity due to the uncertainty over future income streams and the impact on investment values. The charity's current financial position has resulted in this risk morphing into how the perceived wealth may impact on future fundraising strategies. This is being addressed through our strategy development programme that incorporates the development of a 10-year financial plan, demonstrating how the funds are to be utilised.

The principal risks now facing the charity are diverse and include compliance with internal policies and regulation, the limited availability of veterinary services, increasing numbers of unneutered cats and cyber security. The charity has an ambitious transformation programme to invest in our IT infrastructure, our people and the cat welfare services we deliver. In order to deliver this successfully, we have increased the project management capability within the charity and developed a programme and portfolio management approach to ensure that the individual projects are appropriately prioritised, sequenced, progress is monitored and the desired benefits are delivered. Our 2022 plans and budget incorporate these activities.

The Board recognises that ultimately any approach to risk management can only provide reasonable, and not absolute, assurance that major risks have been identified and are being managed adequately.

Executive remuneration

In order to perform as an effective and professional charity, we need to recruit the best candidates and retain our highly skilled and motivated employees. We aim to ensure that we offer salaries that are competitive both locally and within the charitable sector. The Board determines the salary of the Chief Executive and to assist the process takes account of data provided by the National Council for Voluntary Organisations (NCVO), the Association of Chief Executives of Voluntary Organisations (ACEVO) and other organisations providing market data. The Board, taking advice from the Chief Executive, determines the salaries of other senior employees in line with the same salary policy. An overriding factor in salary setting is always affordability under the budgets.

Scotland

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

Cats Protection undertakes between 10% and 15% of its welfare work in Scotland. The work is delivered through two staffed adoption centres (2020: two), two branch volunteer-run centres (2020: two), 24 branches (2020: 28) and eight shops (2020: 11), involving around 887 volunteers (2020: 1,145) and 50 employees (2020: 57).

Going concern

The Trustees regularly consider the short and longer term financial projections and other risks that may affect the Group. The Trustees have reviewed financial projections and cash flow forecasts for the period to 31 December 2023 incorporating the latest financial information in respect of 2022.

The Trustees 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 changes in death rates, the housing market, administrative delays and general economic conditions. We have used expert advice to model the potential impact. This has concluded that legacy income is projected to increase in 2022 to in excess of £40m with a drop off of 4.1% in 2023. This will still deliver legacy income in the region of £38.8m in 2023

- donations – we continued to invest in donor recruitment during 2021 contributing to increased donation income for the year. Year on year our donor base has continued to grow both through improved retention and recruitment. We have budgeted for further investment in donor acquisition and retention in 2022 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 2021 and have budgeted for further player recruitment in 2022. 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 have partially resumed and we expect to see these returning to near normal levels from 2022

- shops – following the planned consolidation of our shop chain in 2020, a small number of unsustainable shops have closed during 2021. We are carrying out a detailed review of each of our shops to further secure the future profit potential of this income stream and valuable brand asset

- expenditure – we have reviewed our expenditure and identified those areas where savings could be quickly realised should reductions in income make this necessary

- investments – the move to a more risk-averse investment objective in 2019 has reduced our exposure to more volatile assets, such as equities, which has reduced the impact on our portfolio of falls in the stock market

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 Trustees 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) and SC037711 (Scotland)

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

Email: **cp@cats.org.uk**
Website: **www.cats.org.uk**
Telephone: 03000 12 12 12

Trustee:
Cats Protection Trustee Limited,
company registration number 06772997

Trustees of Cats Protection Trustee Limited:
(referred to as "the Trustees" and in this Annual Report & Accounts as the Board):

Linda Upson DipLGD — Chair (to Jan 2022)
Angela Swarbrick BSc (Hons) — Chair (from Jan 2022)
Wendy Bosler BA (Hons) (to June 2021)
Nikki Butcher
Irene Campbell
Marion Price
Christopher (Kit) Sturgess MA, VetMB, PhD, CertVR, DSAM, CertVC, FRCVS
Amanda Farnsworth (from October 2021)
Sarah Hunt (from October 2021)
Robert Parkinson (from October 2021)

Connect members:

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

Investment Committee:

Irene Campbell Chair
Wendy Bosler BA (Hons) (to June 2021)
Marion Price
Amanda Farnsworth (from October 2021)
Ian Enslin (advisor)
Chris Ringrose (advisor)
Alex Soulsby (advisor) (from March 2021)

Audit Committee:

Angela Swarbrick BSc (Hons) Chair (to Jan 2022)
Sarah Hunt FCA Chair (from Jan 2022)
Nikki Butcher
Christopher (Kit) Sturgess MA
Janet Armstrong (advisor)
Phil Bloor (advisor)
Kate Elis-Williams BA(Hons), ACA (advisor) (to May 2021)
Katalin Horvath (advisor)
Jerry Yeung (advisor from April 22)

Nominations Committee:

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

Chief Executive and Executive Management Team

Chief Executive
Dominic Sullivan LLB (Hons) (Interim from Jan 2022)
Charles Darley BSc (Hons) (Interim from Oct 2021 to Jan 2022)
James Yeates BVSc BSc DWEL DipECAWBM(WEL) PhD FRCVS (to Sept 2021)

Executive Management Team
Kevin Adams BSc (Hons); Director of Digital Transformation
Judith Barnard; Director of Communications (to November 2021)
Caroline Bendelow; Interim Director of People & Engagement (from December 2021)
Catherine Cottrell MA, PGDip, MInstF; Director of Marketing & Income Generation
Michael Elliott BSc (Hons), MBA, FCMI; Director of Field Operations (from May 2021)
Sue Field BA (Hons); Director of People & Engagement (to Jan 2022)
Maggie Roberts BVM&S, MRCVS; Director of Veterinary Services
Katrina Leighton-Hearn, MAAT, CIPFA; Interim Director of Finance & Strategy (from July 2021)
Jill Scarfield BA (Hons), CPFA; Director of Finance & Strategy (to June 2021)
Dominic Sullivan LLB (Hons); Director of Legal Services
Ian Hopper BA (Hons), MBA; Interim Director of Change (from December 2021)

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

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 OUF



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:

A Swarbrick

Angela Swarbrick
Chair of Trustees

21 April 2022

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 2021 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 2021 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 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

Crowe U.K. LLP
Statutory Auditor
London

Date: 12 May 2022

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 2021
(Full prior year comparatives are set out in Note 2)

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Income					
Legacies	4	34,055	2,101	**36,156**	33,335
Donations	5	19,634	70	**19,704**	17,333
Income from charitable activities:					
Rehoming fees		1,944	-	**1,944**	1,679
Income from other trading activities:					
Shops	6	5,657	-	**5,657**	4,213
Fundraising events	7	9,302	-	**9,302**	9,946
Commercial trading operations	21	2,310	-	**2,310**	2,098
Investment income	8	1,111	-	**1,111**	1,027
Other income	9	2,051	-	**2,051**	2,341
Total income		**76,064**	**2,171**	**78,235**	71,972
Expenditure					
Costs of raising funds:					
Seeking donations and legacies	10	10,902	-	**10,902**	8,861
Shops	10	7,539	-	**7,539**	9,055
Fundraising events	10	5,849	-	**5,849**	5,511
Commercial trading operations	10	773	-	**773**	754
Investment management	10	247	-	**247**	201
Income available for charitable activities		**50,754**	**-**	**52,925**	47,590
Costs of charitable activities:					
Rehoming cats	10	32,534	1,560	**34,094**	31,721
Reducing overpopulation of cats	10	5,992	37	**6,029**	5,216
Education and information	10	5,234	-	**5,234**	5,154
Net income/(expenditure) before gains/(losses) on investments		**6,994**	**574**	**7,568**	5,499
Gains/(losses) on investments		3,971	-	**3,971**	2,333
Net income and movement in funds		**10,965**	**574**	**11,539**	7,832
Reconciliation of funds					
Total funds brought forward at 1 January		110,508	4,952	**115,460**	107,628
Total funds carried forward at 31 December		**121,473**	**5,526**	**126,999**	115,460

All of the above results relate to continuing activities. The consolidated SOFA includes all gains and losses recognised in the year. This incorporates the income and expenditure account. The results of the charity only are set out in Note 3 and the results of the subsidiary only are set out in Note 21.

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

Consolidated balance sheet

As at 31 December 2021

		Charity		Group	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets					
Tangible assets	13	**39,528**	40,228	**39,528**	40,228
Investments	14	**73,614**	65,471	**73,614**	65,471
Total fixed assets		**113,142**	105,699	**113,142**	105,699
Current assets					
Stocks		**-**	-	**202**	264
Debtors	15	**9,475**	6,679	**8,082**	5,477
Cash at bank and in hand		**11,332**	7,951	**12,286**	8,696
Total current assets		**20,807**	14,630	**20,570**	14,437
Liabilities					
Creditors: amounts falling due in one year	16	**(6,301)**	(4,058)	**(6,064)**	(3,865)
Provisions for liabilities	17	**(649)**	(811)	**(649)**	(811)
Net current assets		**13,857**	9,761	**13,857**	9,761
Total net assets		**126,999**	115,460	**126,999**	115,460
Funds					
Unrestricted funds:					
General funds	18	**50,530**	42,661	**50,530**	42,661
Designated funds	18	**70,943**	67,847	**70,943**	67,847
Restricted funds	18	**5,526**	4,952	**5,526**	4,952
Total funds		**126,999**	115,460	**126,999**	115,460

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:

A Swarbrick

Angela Swarbrick
Chair of Trustees

21 April 2022

Consolidated cash flow statement

Year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flows operating activities			
Net cash provided by operating activities	a	**9,822**	6,343
Cash flows from investing activities			
Dividends, interest and rents from investments		**1,111**	1,027
Proceeds from the sale of property, plant and equipment		**239**	375
Purchase of property, plant and equipment		**(3,384)**	(1,672)
Investment management fees		**247**	200
Reinvestment of investment returns		**(1,109)**	(409)
Sale of investments		**664**	-
Withdrawals from investments		**3,000**	6,000
New funds invested		**(7,000)**	(13,500)
Net cash used in investing activities		**(6,232)**	(7,979)
Change in cash and cash equivalents in the year	b	**3,590**	(1,636)
Cash and cash equivalents at 1 January		**8,696**	10,332
Cash and cash equivalents at 31 December		**12,286**	8,696
a) Reconciliation of net income to net cash flow from operating activities			
Net movement in funds for the reporting period		**11,539**	7,832
Adjustments for:			
Depreciation charges		**3,757**	3,704
(Gains)/losses on investments		**(3,945)**	(2,299)
Dividends, interest and rents from investments		**(1,111)**	(1,027)
Loss/(profit) on the sale and write-off of assets		**87**	(127)
(Increase)/decrease in stocks		**62**	(50)
(Increase)/decrease in debtors		**(2,605)**	(202)
Increase/(decrease) in creditors		**2,200**	(1,375)
Increase/(decrease) in provisions		**(162)**	(113)
Net cash provided by operating activities		**9,822**	6,343
b) Analysis of cash and cash equivalents			
Cash at bank and in hand		**12,286**	8,696

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

1. Accounting policies

A. Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland published on 16 July 2014 and applicable updates. Cats Protection meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Trustees regularly consider the short and longer term financial projections and other risks that may affect the Group. To help evaluate the potential financial impact of further national lockdowns and restrictions on social contact to control the pandemic, the Trustees have reviewed detailed financial projections and cash flow forecasts for the period to 31 December 2023. This incorporates the latest financial information in respect of 2022 and draws on the experiences of how the Group's income and expenditure were impacted in 2020 and 2021 by restrictions on its activities.

The Trustees 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 changes in death rates, the housing market, administrative delays and general economic conditions. We have used expert advice to model the potential impact. This has concluded that legacy income is projected to increase in 2022 to in excess of £40m with a drop off of 4.1% in 2023. This will still deliver legacy income in the region of £38.8m in 2023

- donations – we continued to invest in donor recruitment during 2021 contributing to increased donation income for the year. Year on year our donor base has continued to grow both through improved retention and recruitment. We have budgeted for further investment in donor acquisition and retention in 2022 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 2021 and have budgeted for further player recruitment in 2022. 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 have partially resumed and we expect to see these returning to near normal levels from 2022

- shops – following the planned consolidation of our shop chain in 2020, a small number of unsustainable shops have closed during 2021. We are carrying out a detailed review of each of our shops to further secure the future profit potential of this income stream and valuable brand asset

- expenditure – we have reviewed our expenditure and identified those areas where savings could be quickly realised should reductions in income make this necessary

- investments – the move to a more risk-averse investment objective in 2019 has reduced our exposure to more volatile assets, such as equities, which has reduced the impact on our portfolio of falls in the stock market

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 Trustees 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.

B. Consolidation

These Group accounts consolidate the accounts of Cats Protection (the charity) and its subsidiary undertaking, Cats Protection Enterprises Limited, on a line-by-line basis. The results for the charity are provided in Note 3 and the results for the subsidiary are provided in Note 21.

C. Fund accounting

The charity maintains various types of funds as follows:

- general funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the charity's objectives and which have not been designated for other purposes

- designated funds are funds that have been set aside by the Trustee for particular purposes. The purpose and use of each designated fund is set out in Note 18

- restricted funds represent funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised for particular purposes. The purpose and use of each restricted fund is set out in Note 18

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

D. Income

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Policies for certain types of income are as follows:

- legacy income is recognised in the SOFA when the 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

E. Expenditure

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

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

- Charitable activities are all costs incurred in meeting the core objectives of the charity

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

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

F. Tangible fixed assets, depreciation and impairment

Freehold land and buildings are stated at cost less depreciation. Assets under the course of construction are transferred to freehold land and buildings on practical completion. Tangible fixed assets costing more than £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.

G. Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Gains and losses on the disposal of investment assets are calculated as the difference between historical and market values. Investments intended to be held for a period of more than one year are disclosed as a fixed asset on the balance sheet.

H. Stocks

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

I. Debtors

Debtors are included in the balance sheet at the amount due/invoiced. There is no bad debt provision as a review has concluded that none is necessary.

J. Pension costs

The charity operates a defined contribution pension scheme. The assets of the scheme are held in a separately administered fund. The amount charged to the SOFA represents the employer's contribution payable to the scheme in respect of the accounting period.

K. Finance and operating leases

Operating lease rentals are charged to the SOFA on an accruals basis. Finance leases are recognised when the risks and rewards of ownership of the leased asset are held by Cats Protection. These are capitalised at the lower of fair value or the present value of the minimum lease payments with a corresponding lease liability. Finance lease assets are depreciated over the lease period or asset life.

L. Taxation

Cats Protection is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Cats Protection Enterprises Limited makes qualifying donations of all taxable profit to the charity. No corporation tax liability arises in the accounts.

M. Creditors

Creditors are recognised when goods or services have been delivered or provided prior to the financial year end but the invoice has not yet been received or paid. Creditors are measured on the basis of either the invoice or order value.

N. Provisions

A provision exists when the Group has a liability that can be estimated reliably and for which there is an expectation that payment will be made. Estimation techniques involve assumptions, which are based on experience. The 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.

O. Financial instruments

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

2. Prior year comparatives for the SOFA

	2020 comparatives		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Income			
Legacies	31,706	1,629	**33,335**
Donations	17,293	40	**17,333**
Income from charitable activities:			
Rehoming fees	1,679	-	**1,679**
Income from other trading activities:			
Shops	4,213	-	**4,213**
Fundraising events	9,946	-	**9,946**
Commercial trading operations	2,098	-	**2,098**
Investment income	1,027	-	**1,027**
Other income	2,341	-	**2,341**
Total income	**70,303**	**1,669**	**71,972**
Expenditure			
Costs of raising funds:			
Seeking donations and legacies	8,861	-	**8,861**
Shops	9,055	-	**9,055**
Fundraising events	5,511	-	**5,511**
Commercial trading operations	754	-	**754**
Investment management	201	-	**201**
Total expenditure	**45,921**	1,669	**47,590**
Costs of charitable activities:			
Rehoming cats	29,203	2,518	**31,721**
Reducing overpopulation of cats	5,188	28	**5,216**
Education and information	5,154	-	5,154
Net income/(expenditure) before gains/(losses) on investments	**6,376**	**(877)**	**5,499**
Gains/(losses) on investments	2,333	-	**2,333**
Net income (expenditure) and movement in funds Net movement in funds	**8,709**	**(877)**	**7,832**
Reconciliation of funds			
Total funds brought forward at 1 January 2020	101,799	5,829	**107,628**
Total funds carried forward at 31 December 2020	**110,508**	**4,952**	**115,460**

3. Summary financial performance of the charity only

	2021 £'000	2020 £'000
Income and expenditure		
Income	**77,572**	71,405
Expenditure	**(70,004)**	(65,906)
Net operating income	**7,568**	5,499
Gains/(losses) on investments	**3,971**	2,333
Net income/(expenditure)	**11,539**	7,832
Total funds brought forward	**115,460**	107,628
Total funds carried forward	**126,999**	115,460

4. Contingent legacy income

In addition to the legacy income recognised in the SOFA of £36,156k (2020: £33,335k), the charity had been notified of 523 residuary legacies (2020: 453 residuary legacies) with a total estimated value of £24,156k (2020: £22,146k). 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 2021 £'000	2020 £'000
Donations				
Individual gifts and regular giving	13,989	-	**13,989**	13,043
Philanthropy and partnerships	2,293	65	**2,358**	1,054
Community fundraising	3,352	5	**3,357**	3,236
	19,634	**70**	**19,704**	17,333

Donations totalling £407k (2020: £390k) were received in our shops and these are included in donations income in the SOFA classified as individual gifts.

6. Shop income

	Total 2021 £'000	2020 £'000
Sale of donated goods and Retail Gift Aid	**5,657**	4,213

Shop income of £5,657k (2020: £4,213k) 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.

	Total 2021 £'000	2020 £'000
Total retail income		
Sale of donated goods	**5,657**	4,213
Sale of new goods	**650**	523
Donations	**407**	390
Job Retention Scheme	**524**	991
Retail grants	**1,023**	698
Other grants	**53**	-
	8,314	6,815

Our shop chain receives income which is classified elsewhere in the SOFA. Donations totalling £407k (2020: £390k) were received in our shops and these are included in donations in the SOFA. Our shops also sold £650k (2020: £523k) of new goods that generated a gross profit of £306k (2020: £276k). 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. In 2021, grant income under the Job Retention Scheme of £524k (2020: £991k) was received in relation to employees across the charity's retail chain and the charity also received COVID-19 retail grants from local authorities totalling £1,023k (2020: £698k). This grant income is recorded against other income in the SOFA (see Note 9). A circular economy grant of £53k was received from Denbighshire County Council which has been classified as other grants, and also recorded against other income in the SOFA. Therefore, total gross income relating to the shop chain in 2021 was £8,314k (2020: £6,815k).

7. Fundraising events

The total of £9,302k 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 Licence (Non-Remote Licence – 004905-N-300168-012) (Remote Licence – 004905-R-300167-013), during the year the charity has operated four raffles and a Weekly Lottery. In 2020 the charity was also the beneficiary of two People's Postcode Lottery (PPL) draws.

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

	Ticket sales 2021 £'000s	Ticket sales 2020 £'000s
Weekly Lottery	**5,567**	5,609
Christmas 2019 Raffle (drawn 3 January 2020)	**-**	461
Christmas 2020 Raffle (drawn 18 December 2020)	**-**	605
Spring Raffle	**566**	297
Summer Raffle	**583**	418
Autumn Raffle	**493**	364
Christmas 2021 Raffle (drawn 17 December 2021)	**593**	-
Total for Cats Protection lottery draws	**7,802**	7,754
Ticket sales from People's Postcode Lottery	**-**	4,011
Total ticket sales	**7,802**	11,765

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.

Lottery name	Percentage proceeds returned to charity 2021	Percentage proceeds returned to charity 2020
Weekly Lottery	**86%**	86%
Raffles	**83%**	85%
People's Postcode Lottery	**-**	32%

Following the lifting of limits on lottery licences for charities by the Gambling Commission, all charities which were funded by PPL as promoting societies have been reclassified as grant recipients. As a result of this change income received from PPL in the year is classified as donations (previously events income). Cats Protection received the proceeds of two lottery draws held by PPL in 2020. Cats Protection had no ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL was treated as acting as the principal, and so only net proceeds due to Cats Protection are recognised under events income in the statement of financial activities. The net proceeds received are recorded against fundraising events and are analysed as follows:

	2021 £'000	2020 £'000
Ticket value	**-**	4,011
Prize fund	**-**	(1,603)
Management fee	**-**	(1,126)
Net proceeds received	**-**	1,282

8. Investment income

	2021 £'000	2020 £'000
Income from listed investments	**1,102**	1,000
Bank and other interest	**9**	27
	1,111	1,027

9. Other income

	2021 £'000	2020 £'000
Job Retention Scheme	**639**	1,330
Retail grants	**1,063**	695
Other grants	**53**	3
Surplus on disposal of tangible fixed assets	**121**	127
Rental income	**121**	129
Miscellaneous income	**54**	57
	2,051	2,341

Income for the Job Retention Scheme 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. Claims for the grant were submitted monthly in arrears. There were no amounts in respect of 2021 outstanding at the year end.

Retail grants were paid by various local authorities where retail premises were forced to close as a result of lockdowns due to COVID-19. The value of the grant received for each shop was determined by its rateable value. All grants were received during the year and there were no amounts outstanding at 31 December 2021.

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

10. Analysis of expenditure

	2021 £'000			2020 £'000		
	Direct costs	Allocated support costs	Total	Direct costs	Allocated support costs	Total
Costs of raising funds						
Seeking donations and legacies	**10,399**	**503**	**10,902**	8,501	360	8,861
Shops	**6,357**	**1,182**	**7,539**	7,698	1,357	9,055
Fundraising events	**5,641**	**208**	**5,849**	5,271	240	5,511
Commercial trading operations	**773**	**-**	**773**	754	-	754
Investment management	**247**	**-**	**247**	201	-	201
Total cost of raising funds	**23,417**	**1,893**	**25,310**	22,425	1,957	24,382
Costs of charitable activities (unrestricted)						
Rehoming cats	**25,301**	**7,233**	**32,534**	23,185	6,018	29,203
Reducing overpopulation of cats	**5,343**	**649**	**5,992**	4,689	499	5,188
Education and information	**4,548**	**686**	**5,234**	4,465	689	5,154
Total cost of charitable activities (unrestricted)	**35,192**	**8,568**	**43,760**	32,339	7,206	39,545
Costs of charitable activities (restricted)						
Rehoming cats	**1,560**	**-**	**1,560**	2,518	-	2,518
Reducing overpopulation of cats	**37**	**-**	**37**	28	-	28
Total cost of charitable activities (restricted)	**1,597**	**-**	**1,597**	2,546	-	2,546
Total expenditure	**60,206**	**10,461**	**70,667**	57,310	9,163	66,473

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

	2021 £'000					
	People costs	Corporate resources	IT	Facilities	Governance	Total indirect costs
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**
Total	**2,347**	**3,259**	**3,669**	**1,012**	**174**	**10,461**

	2020 £'000					
	People costs	Corporate resources	IT	Facilities	Governance	Total indirect costs
Seeking donations and legacies	96	106	118	36	4	**360**
Shops	362	401	444	136	14	**1,357**
Fundraising events	64	71	79	24	2	**240**
Rehoming cats	1,606	1,780	1,968	602	62	**6,018**
Reducing overpopulation of cats	133	148	163	50	5	**499**
Education and information	184	204	225	69	7	**689**
Total	**2,445**	**2,710**	**2,997**	**917**	**94**	**9,163**

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.

11. Additional analysis of expenditure

	2021	2020
	£'000	£'000
Auditor's remuneration – statutory audit of Group accounts	**35**	35
Auditor's remuneration – statutory audit of subsidiary accounts	**3**	3
Auditor's remuneration – assurance, tax or other financial services	**-**	-
Depreciation of tangible fixed assets	**3,757**	3,704
Operating lease rentals	**1,947**	2,067

12. Employee costs

	2021	2020
	£'000	£'000
Wages and salaries	**23,389**	23,915
Social security costs	**2,253**	2,209
Employer's contribution to the pension scheme	**1,555**	1,608
Employee benefits – private medical insurance	**200**	215
Apprenticeship levy	**116**	119
Agency staff	**170**	48
Total	**27,683**	28,114

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 Trustees 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.

The note above represents the total employee costs and has not been reduced by the value of furlough grant received (see Note 9).

In 2021, the charity paid a total of £144,693 (2020: £116,122) in redundancy and termination payments in respect of 29 employees (2020: 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 £120,093 was outstanding in respect of these payments at year end (2020: £nil).

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

	2021 average	2020 average	2021 FTE	2020 FTE
Charitable activities	**638**	641	**546**	523
Generating funds	**311**	396	**253**	294
Total	**949**	1,037	**799**	817

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 increase in employees engaged in charitable activities is mainly due to the increase in the number of employees in our adoption centres. 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:

	2021	2020
	£'000	£'000
£60,001 - £70,000	**11**	8
£70,001 - £80,000	**3**	5
£80,001 - £90,000	**3**	5
£90,001 - £100,000	**3**	3
£100,001 - £110,000	**2**	2
£110,001 - £120,000	**0**	1
£140,001 - £150,000	**0**	1

Emoluments include salary and allowances, benefits in kind (company car and medical insurance) and exit costs. All 22 of the higher paid employees are members of defined contribution schemes (2020: 25) and in 2021 the charity paid £126,530 (2020: £156,289) to the scheme on their behalf. These costs are excluded when calculating emoluments. Additional pension contributions totalling £587 in respect of carried forward annual leave was accrued at year end.

As a result of the pandemic, in 2020, employees were allowed to carry forward up to 10 days annual leave. The cost of the annual leave carried forward, together with any time off in lieu (TOIL), was accrued and included in the 2020 salary costs with the result that more employees earned total benefits in excess of £60,000. Most employees took their carried forward annual leave during 2021, and untaken TOIL was paid during the year.

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 54) during 2021 was £1,149,414 (2020: £1,049,965).

Trustee expenses

Travel and subsistence expenses amounting to £1,574 (2020: £3,247) were reimbursed directly to four Trustees of Cats Protection Trustee Ltd (2020: five Trustees). A further £7,703 of payments (2020: £1,102) were paid directly to suppliers for travel and overnight hotel accommodation in respect of 10 Trustees (2020: seven Trustees). There were six Trustees of Cats Protection Trustee Ltd who did not claim for reimbursable expenses in 2021 (2020: four). None of the Trustees has been paid any remuneration or received other benefits from an employment with the charity or a related entity (2020: none).

13. Tangible fixed assets

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

Freehold land and buildings includes freehold land with a value of £3,168k (2020: £3,323k) that is not depreciated. All assets are held for charitable purposes.

	2020 £'000					
	Freehold land and buildings	Assets under the course of construction	Pens and centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
Cost						
At 1 January 2020	48,410	185	7,432	10,501	5,436	71,964
Additions	-	562	169	502	439	1,672
Transfers	298	(438)	27	113	-	-
Disposals	(192)	-	-	(257)	(311)	(760)
At 31 December 2020	48,516	309	7,628	10,859	5,564	72,876
Depreciation						
At 1 January 2020	15,153	-	4,401	6,001	3,901	29,456
Charge for the year	1,123	-	362	1,551	668	3,704
Disposals	(27)	-	-	(182)	(303)	(512)
At 31 December 2020	16,249	-	4,763	7,370	4,266	32,648
Net book value						
At 31 December 2020	32,267	309	2,865	3,489	1,298	40,228

14. Investment fixed assets

	Total 2021	2020
	£'000	£'000
Market value at 1 January	**65,471**	55,463
New funds introduced	**7,000**	13,500
Funds withdrawn	**(3,000)**	(6,000)
Reinvested income	**(664)**	-
Management fees	**1,109**	409
Write-off of historic balance	**(247)**	(200)
Net gain/(loss) on revaluation	**3,945**	2,299
Market value at 31 December	**73,614**	65,471
Historical cost at 31 December	**63,773**	56,932

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 have now been made and taking into account the first distribution, £9.9m in total has been received, equivalent to 87p in £1. Two distributions, totalling £26k were received in 2021 (2020: two distributions totalling £34k).

Analysis of investments held at 31 December

	2021	2020
	£'000	£'000
Represented by:		
Fixed interest securities	**13,556**	15,713
UK equities	**8,623**	7,911
Overseas equities	**26,730**	16,732
Alternatives	**8,328**	6,143
Cash and cash equivalents	**15,821**	17,752
Investment property	**556**	1,220
	73,614	65,471

Alternatives include property and infrastructure funds and commodities. As at 31 December 2021, the charity held no single investment which was in excess of 5% of total market value of the portfolio (31 December 2020: 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. The adjoining house was sold during the year.

15. Debtors: amounts falling due within one year

	Charity		Group	
	2021	2020	**2021**	2019
	£'000	£'000	**£'000**	£'000
Prepayments and accrued income	**7,789**	5,087	**7,842**	5,135
Other debtors	**1,686**	1,592	**240**	342
	9,475	6,679	**8,082**	5,477

16. Creditors: amounts falling due within one year

	Charity		Group	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Trade creditors	**2,918**	1,491	**2,920**	1,580
Taxation and social security	**652**	520	**691**	544
Accruals and deferred income	**939**	962	**960**	965
Other creditors	**1,493**	776	**1,493**	776
Amount owing to subsidiary	**299**	309		-
	6,301	4,058	**6,064**	3,865

17. Provisions for liabilities and charges

	2021	2020
	£'000	£'000
Dilapidations provision		
At 1 January	**681**	794
Raised during the year	**-**	-
Utilised during the year	**(77)**	(88)
Released unused	**-**	(25)
At 31 December	**604**	681
VAT provision		
At 1 January	**130**	130
Raised during the year	**-**	-
Utilised during the year	**(85)**	-
At 31 December	**45**	130
Total provisions at 31 December	**649**	811

The provisions relate to dilapidations on properties rented by the Group and a potential liability for backdated VAT. The payment of dilapidation liabilities falls due as and when we vacate leased premises at the end of the lease period. The VAT liability is expected to be settled in 2022.

18. Statement of funds

	2021 £'000					
	Balance at 1 January 2021	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 December 2021
Unrestricted funds						
General funds	42,661	76,064	(68,670)	3,971	(3,496)	**50,530**
Designated funds						
Fixed assets	40,228	-	-	-	(700)	**39,528**
Capital development fund	27,121	-	-	-	(706)	**26,415**
Strategy development fund	498	-	(400)	-	4,902	**5,000**
Total unrestricted funds	**110,508**	**76,064**	**(69,070)**	**3,971**	**-**	**121,473**
Restricted funds						
By area	3,923	2,007	(1,096)	-	-	**4,834**
By centre	926	135	(398)	-	-	**663**
By activity or service	103	29	(103)	-	-	**29**
Total restricted funds	**4,952**	**2,171**	**(1,597)**	**-**	**-**	**5,526**
Total funds	**115,460**	**78,235**	**(70,667)**	**3,971**	**-**	**126,999**

	2020 £'000					
	Balance at 1 January 2020	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 December 2020
Unrestricted funds						
General funds	30,285	70,303	(62,925)	2,333	2,665	42,661
Designated funds						
Fixed assets	42,508	-	-	-	(2,280)	40,228
Capital development fund	27,506	-	-	-	(385)	27,121
Strategy development fund	1,500	-	(1,002)	-	-	498
Total unrestricted funds	101,799	70,303	(63,927)	2,333	-	110,508
Restricted funds						
By area	4,190	1,322	(1,589)	-	-	3,923
By centre	1,564	276	(914)	-	-	926
By activity or service	75	71	(43)	-	-	103
Total restricted funds	5,829	1,669	(2,546)	-	-	4,952
Total funds	107,628	71,972	(66,473)	2,333	-	115,460

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

The purpose of each designated fund is:

- fixed assets – this represents the net book value of fixed assets in use by the charity
- capital development fund – this fund has been established to meet the cost of the charity's 10-year capital plan. The funds will be applied to building new adoption centres and fitting out new charity shops, as well as refurbishing our existing sites. In 2021, we expended £706k on projects in the capital plan (2020: £385k). The equivalent amount has therefore been transferred into general funds to finance this expenditure
- change fund (formerly strategy development fund) – this fund was originally created to finance the strategy development work started in late 2019 and covered the cost of employees working on the strategy projects, research and analysis. Now renamed as the change fund, it is intended to finance the implementation of the new strategy in 2022 and includes employees and contracted staff, IT systems development, research and specialist third-party consultancy. In 2021, we expended £400k against this fund (2020: £1,002k). The restricted funds represent funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised for particular purposes

19. Analysis of net assets between funds

	2021 £'000			
	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Balance at 1 January 2021	42,661	67,847	4,952	**115,460**
Net movement in funds	7,869	3,096	574	**11,539**
Balance at 31 December 2021	**50,530**	**70,943**	**5,526**	**126,999**
Represented by:				
Tangible fixed assets	-	39,528	-	**39,528**
Investments	36,673	31,415	5,526	**73,614**
Net current assets	13,857	-	-	**13,857**
Total net assets	**50,530**	**70,943**	**5,526**	**126,999**

	2020 £'000			
	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Balance at 1 January 2020	30,285	71,514	5,829	107,628
Net movement in funds	12,376	(3,667)	(877)	7,832
Balance at 31 December 2020	42,661	67,847	4,952	115,460
Represented by:				
Tangible fixed assets	-	40,228	-	40,228
Investments	32,900	27,619	4,952	65,471
Net current assets	9,761	-	-	9,761
Total net assets	42,661	67,847	4,952	115,460

20. Operating lease commitments

At 31 December 2021, the Group was committed to making the following payments under operating leases:

	2021	2020
	£'000	£'000
Within one year	**1,444**	1,520
Within two to five years	**2,392**	1,839
Over five years	**198**	-
	4,034	3,359

21. Subsidiaries

At 31 December 2021, the charity held 100% of the issued share capital of the following company, which is registered in England:

Cats Protection Enterprises Limited 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	2021	2020
	£'000	£'000
Turnover	**2,310**	2,098
Cost of sales	**(635)**	(577)
Gross profit	**1,657**	1,521
Administrative expenditure	**(130)**	(188)
Profit on ordinary activities before taxation	**1,527**	1,333
Taxation on current year profits	**-**	-
Profit on ordinary activities after taxation for the year	**1,527**	1,333
Changes in equity:		
Equity brought forward	**-**	-
Profit for the year	**1,527**	1,333
Gift Aid payment	**(1,527)**	(1,333)
Equity carried forward	**-**	-

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

Cats Protection Enterprises Limited balance sheet

	31 December 2021	31 December 2020
	£'000	£'000
Current assets:		
Stock	**202**	264
Debtors	**435**	441
Cash at bank and in hand	**954**	744
	1,591	1,449
Creditors: amounts falling due within one year	(1,591)	(1,449)
Net assets	**-**	-
	-	-
Funded by:		
Called up share capital	**-**	**-**
Retained earnings	**-**	**-**

The profits for the year, amounting to £1,527k (2020: £1,333k) will be donated to the charity under Gift Aid as a distribution from Cats Protection Enterprises Ltd in 2022.

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.

22. Capital commitments

At 31 December 2021, the charity had one significant (over £100k in value) capital commitment totaling £2,916k (2020: nil).

23. Related parties

As at the balance sheet date, a net total of £307k was owing from Cats Protection to Cats Protection Enterprises Ltd (2020: £309k) for income collected through the charity on behalf of Cats Protection Enterprises Ltd.

In 2021, the Trustees of the Corporate Trustee made personal donations totalling £1,480 to the charity (2020: £865). The charity has controls in place to ensure that Trustees 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 12 and 21, there were no transactions with related parties during 2021 (2020: none).

24. Financial instruments

	31 December 2021	31 December 2020
	£'000	£'000
Financial assets held at amortised cost	**13,379**	9,535
Financial liabilities held at amortised cost	**(6,087)**	(3,335)
Financial assets measured at fair value	**73,614**	64,251

Financial liabilities held at amortised cost include finance leases. At 31 December 2021, the Group was committed to making the following payments under finance leases:

	2021	2020
	£'000	£'000
Within one year	**210**	-
Within two to five years	**316**	-
	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**

Thank you, on behalf of the cats!

FIND US ONLINE

www.cats.org.uk

Facebook: /CatsProtection

Twitter: @CatsProtection

Instagram: @CatsProtection

TikTok: @Cats_Protection

YouTube: /CatsProtectionUK

GET IN TOUCH

Email us: **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**



www.cats.org.uk

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

ED_7411 CODE - 70381

CATS PROTECTION

England & Wales - Charity number 203644

Accounts



Annual Report & Accounts 2020

CATS PROTECTION





Cats Protection is the UK's leading cat welfare charity.

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

Our values

- Cats and their welfare are at the centre of everything we do
- We never put a healthy cat to sleep
- We value and respect our volunteers, supporters and employees
- We are committed to providing a high-quality service
- We are open and honest

Our aims

Improving understanding of cats' needs – page 6

Reducing overpopulation of cats – page 10

Finding good homes for cats – page 14

Increasing awareness of our work – page 18

Our impact

Public benefit – page 24

Helping cat owners – page 26

Helping us to get there

Raising vital funds – page 28

Speaking up for cats – page 34

Supporting our people – page 38

This report covers the period 1 January 2020 to 31 December 2020 and was approved by the Trustee on 22 April 2021.



Chief Executive's report

An introduction from James Yeates, Chief Executive

2020 was a tough year. We lost loved ones, colleagues and friends, who we remember and honour. We each faced unprecedented uncertainty, coped with personal challenges and dug even deeper for cats and one another.

Yet through all this, our response was amazing. We helped an enormous number of cats, prioritising those needing our emergency help. We helped thousands of owners to care for their cats through the pandemic compassionately, safely and panic-free. We found new ways to help cats while keeping our volunteers, employees, adopters and members of the public safe. Of course COVID-19 had an impact, but it was minimised by how we adapted.

Although it has not been easy, it has been enormously impressive. I am amazed at how quickly we've managed to adapt as an organisation and as individuals. We did many things in almost completely new ways, and introduced wide-sweeping changes across our hundreds of branches, centres and teams that not only tackled the crisis but also strengthened us for 2021 and beyond.

There will be long-term effects of the pandemic that we'll need to deal with too. Following the disruption to neutering provision at many vet surgeries, we are anticipating an increase in the number of kittens born without loving homes, and the economic recession will increase demand for our services, as financial pressures force cat owners to give up or abandon their pets. As by far the most successful charity at homing cats throughout the UK, so many of them will be entirely dependent on our care.

All of this comes at a time when our own finances are still impacted by the pandemic. We have avoided widespread redundancies through good financial management, a focus on our long-term ability to keep helping cats, and – particularly – thanks to the responses of our amazing supporters, volunteers and employees. This will mean we can keep helping cats even more through the longer-term impacts. Your generosity, commitment and creativity blow me away.

The challenges and responses of 2020 have made me more impressed by Cats Protection, more clear on how essential we are, more awed of how our cat-loving community has pulled together, and more hopeful for the future. We will be there to help cats ever more and even more.



James Yeates



Chairman's report

An introduction from Linda Upson, Chairman

2020 was a year like no other and one that we were all glad to see the back of, but throughout all of the challenges we've faced this year, there has at least been one reliable constant – the joy of cats.

Never before have we needed our feline companions as much as we did in 2020. When we were down they helped cheer us up and when we felt isolated, they provided much-needed comfort and companionship.

This year we conducted our first nationwide survey of cat owners and the majority agreed that their cats help relieve stress and loneliness and that they see their cats as members of the family. You can read more about what the public had to say about cats at www.cats.org.uk/stats

Despite the challenges of the COVID-19 pandemic, we did manage to continue with many of our activities, mainly around fostering and caring for cats. This was a welcome diversion, especially for those of us who foster in our own homes, who had the pleasure of cuddling kittens and cats throughout this time.

As soon as we could do so safely we restarted our rehoming of cats, under our new hands-free homing process. We also continued to take cats in to our care, mainly those that were most at risk of harm, including mums and kittens.

Of course some of our activities did have to stop altogether. Many of our national fundraising events and all our local branch events were cancelled and our shops were shut, which impacted on our finances and the morale of the teams, both local and national, who run them. When we can get them up and running again, we will need your support more than ever.

As we look back on a truly unprecedented year, I would like to offer my sympathies to those volunteers, employees and their families who have been directly affected by COVID-19 and I send my condolences to those who have lost loved ones.

Finally, in 2020 we also had two Trustees, Alison Ryan and Trevor Jones, step down from the Board and I would like to thank them both, on behalf of Cats Protection, for their many years of dedicated service. Trustees are also volunteers and give their time willingly and freely to help advance the cause of Cats Protection.



Linda Upson

Improving understanding of cats' needs

Spreading the word about good cat welfare to give all cats a better quality of life

2020 was often a worrying and confusing time for all of us, so as the cat experts we were pleased to be able to offer some clarity and reassurance when it came to caring for our feline friends. We also took the opportunity to encourage people to learn more about cats' needs from the comfort of their own homes, with lots of online resources explaining the reasons behind cats' seemingly curious behaviours.





- When COVID-19 started to become prevalent in the UK, we launched a 'coronavirus hub' on our national website, with lots of up-to-date, vet-approved advice around the topic of cats and coronavirus. This helped to allay people's fears that cats might transmit the virus to people as well as provide information about how lockdown had impacted our services. The hub had around 800,000 visits in 2020

- On social media we hosted Facebook Live sessions with our vets and cat behaviour team, giving the public the chance to get their cat questions answered by the experts

- Our Contact Centre continued to handle enquiries from the public, offering much-needed help, advice and reassurance as national and regional guidelines changed. When we were restricted to only taking in cats in emergency situations, the team helped prioritise urgent cases and also continued to support some branches with their incoming calls throughout the year. In June we launched a new webchat feature on our national website enabling the public to get instant answers to their queries

- The development of our new Feline Welfare Research Strategy will ensure all research projects we undertake protect the welfare of the cats involved and produce high-quality, ethically-sound research. We will never be involved in any research that is invasive or requires a Home Office licence

- While we are a UK charity, we also make our cat care advice available overseas and have attended a limited number of virtual international animal welfare conferences this year

CATS (Cats and Their Stats) report

To find out more about the lives of cats in the UK, we spoke to 10,000 cat owners and non-cat owners to produce the first ever CATS report. Full of fascinating facts and stats, it's the largest and most comprehensive report on cats ever created, and gives us a new robust insight into the world of cats and their owners. We plan to produce this report every year and use the stats to inform everything we do to help cats. The report has been viewed over 3,000 times online. Read it at www.cats.org.uk/stats

Online education

- Lockdowns meant we could no longer go into schools and community groups to deliver our cat welfare talks, so instead we created our Moggy Modules and Feline Focus education packs, full of fun activities kids can do at home. We also produced educational Facebook Live streams and videos, which had over 48,000 views. We then worked hard to develop engaging and interactive virtual versions of our talks which are now proving very popular with our audiences

- At the beginning of the year we launched our new Understanding Cats' Needs interactive online course, which explores why cats do what they do. It's designed to give an appreciation of cats' needs, how this relates to their behaviour and how owners can provide the best environment for them. The course has been accessed over 9,100 times so far!

- 2020 saw the inaugural Cats Protection Feline Behaviour Conference. Originally planned as an in-person event, it had to be moved online due to lockdown restrictions and featured a full day of informative sessions and engaging Q&As with cat behaviour experts. Over 450 people from all over the world signed up for the event, including veterinary professionals and those working in the animal welfare sector

Working with vets

- Our Veterinary team delivered virtual presentations and talks to veterinary professionals and other animal welfare organisations to improve their understanding of shelter medicine and feline welfare and to encourage them to work with us

- We have improved the digital version of our *CP Clinic* journal for the veterinary profession which features articles about veterinary practice and updates on our own veterinary-related news and policies

- By meeting virtually and more readily with corporate veterinary organisations we've been able to build better relationships and share resources on kitten neutering and shelter medicine to improve cat welfare

- We continue to work closely with veterinary schools and although COVID-19 has meant we've been unable to offer students placements at our National Cat Centre vet clinic this year, we've still been supporting them through virtual lectures instead

Plans for 2021

- Develop and implement our new impact strategy for helping more cats, now and in the future

- Update our *Behaviour Guide* and produce new cat care and feral cat guides to help the public and our own teams better understand these areas of cat welfare

- Build on our relationship with the veterinary profession following the results of our vet survey, improving the ways we communicate with them

- Roll out our Cat Welfare Champions programme, encouraging best welfare practice for more teams within the charity

- Continue to identify and prioritise feline research that is ethically-sound and best supports our goals

In 2020…

We gave 500 cat welfare talks to 13,600 adults and children (2019: 1,500 talks to 41,000 people) and our education packs were downloaded over 16,000 times

We handled over 120,000 enquiries from members of the public (2019: 100,000)





Maddie and Milo's story

Despite only being a kitten herself at nine-months-old, Maddie arrived at our Birmingham Adoption Centre heavily pregnant.

Days later she gave birth to two kittens, Maddox and Micah, but the centre team noticed something wasn't quite right.

Both kittens began showing signs of having cerebellar hypoplasia, a disorder that affects cats' ability to balance and coordinate their limbs. It's usually caused when the mother has a virus that affects the development of the kittens' brains in the womb, but can be prevented by routine vaccinations prior to pregnancy.

While Micah was not held back by his 'wobbliness', his brother Maddox became very poorly alongside the condition and sadly did not survive.

With lots of help from the centre team, Micah grew in confidence and eventually began to adapt to his disability.

Once he was old enough, he found a new home alongside his mother Maddie, and was renamed Milo.

"Maddie and Milo settled really quickly," said their new owner Emma. "Although it took a while for them to come out of their shells their personalities are starting to blossom and it's wonderful to see.

"Maddie is an absolute flirt and has a little thing for Clifford, one of our dogs, and even sleeps with him in his bed. Milo is definitely becoming a cheeky chappy and races round the house like his life depends on it, he barely has his wobble anymore. He is also fascinated by my youngest son Owen and will join in and play with him, especially when the toy tractors are out.

"As a family we are so lucky to have Maddie and Milo be a part of our lives and can't wait for all the fun, cuddles and loves in the years to come."



Reducing overpopulation of cats

Working with others to promote neutering as the best way to prevent unwanted cats

During the COVID-19 lockdowns, many vets had to put all non-emergency operations on hold, including neutering. This obviously had an impact on the number of cats we were able to neuter and we estimated that this could lead to thousands of extra kittens being born in 2020, many of them unwanted and arriving into our care.
To try to prevent a kitten crisis, we continued to provide neutering advice to the public online and over the phone and support communities as best we could while following government guidelines.



- After conducting a survey that revealed 77% of people are unaware that a female cat can become pregnant from four months old, we launched our Kitten Alert campaign encouraging owners to keep their unneutered cats indoors to prevent accidental litters. We provided advice via our website, social media and emails, and even featured on BBC's *The One Show*

- Our Neutering Helpline has continued to provide cat owners with neutering advice and offer those on low incomes vouchers towards the cost of neutering, which could be used once their vet was able to perform the operation

- When government guidelines allowed, our volunteers and employees carried out their trap, neuter and return work with feral cats, making sure to follow health and safety advice while dealing with the backlog of cats needing their help

- We are continuing to work with local councils, social housing providers, human welfare organisations and other welfare charities, including the PDSA and RSPCA, to promote and fund cat neutering and help solve the root causes of unneutered cats

- With support from the Cat Population Control Group we published a study in the *Veterinary Record* journal highlighting the neutering practices of vets in the UK, helping us understand how to overcome the barriers to neutering cats at four months old and how we can support this practice. Our website also features a database to help cat owners find vets willing to perform early neutering

For more information about how we support neutering, visit www.cats.org.uk/neutering

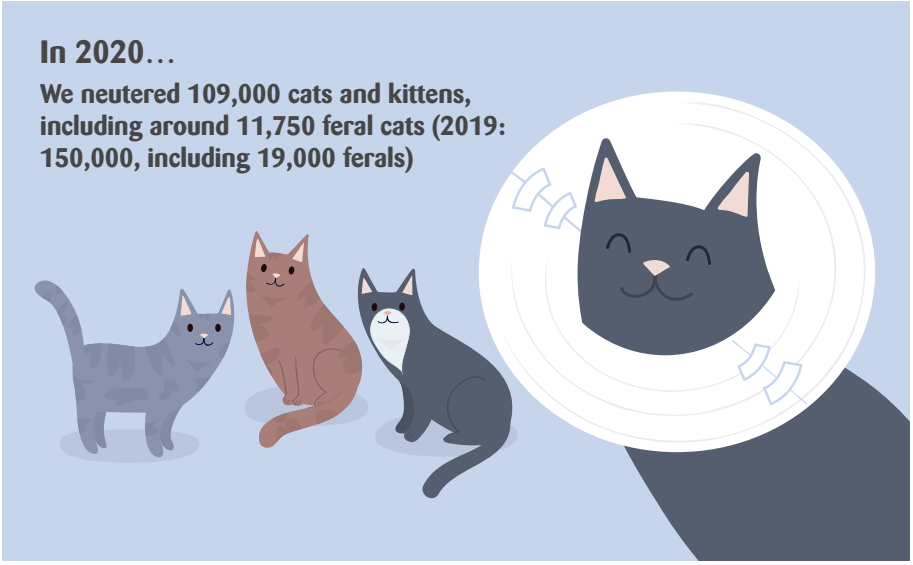
Cat Watch

Our community project to better understand and support the UK's unowned cat population continues to grow, but has also been impacted by COVID-19 this year.

Cat Watch has now expanded into new areas of Nottingham, Liverpool and Luton, with our teams encouraging residents to report stray cats to us so that we can get them neutered and make sure they are receiving the right care. Since the project first launched in 2016, over 3,900 cats have been reported to us in these areas, and as a result we have been able to get over 420 cats neutered and find homes for over 520 stray cats.

These figures would likely have been higher if it were not for the limited access to neutering and restrictions on our services caused by COVID-19, but our teams have done an excellent job of finding new ways to engage with communities online instead of in person and still offer plenty of help and advice where possible.

For more information about Cat Watch, visit www.cats.org.uk/cat-watch



Plans for 2021

- Develop training on human behaviour change to enable our neutering teams to make lasting improvements for cat welfare

- Develop a database of potential outdoor homes for feral cats that cannot return to their colonies

- Roll out our trap, neuter and return training to help more of our teams carry out this important work



Damien's story

From having just one unneutered pet cat, a man in Harrow found himself with a house full of 17 moggies during the first COVID-19 lockdown.

As the cats continued to breed, he quickly became overwhelmed with litters of kittens and so called our Harrow Homing Centre for help.

Damien, one of the kittens taken in by the centre, was in a bad way. He wasn't breathing well and after being checked by the vet, it was thought he wouldn't survive.

But Damien proved to be a little fighter, and with lots of love and care from the centre team he made a rapid recovery.

Once he was old enough to be neutered, he soon found a new home with Lyn. She said: "Amazingly, considering his start, Damien is a proper 'cat'. He is now a healthy weight, lively and well with no signs of his bad start.

"He will either be found doing zoomies all around the house, being very active, getting into everything or nudging you for affection and asking to be picked up for snuggles."

With the help of several neighbouring branches and centres, our Harrow team managed to help all 17 cats, getting them healthy, neutered and rehomed to loving new owners.



Finding good homes for cats

Helping cats to find, or stay in, their perfect home no matter how long it takes

To keep our people, cats, and members of the public safe during the first national lockdown we initially had to put all of our rehoming on hold and only take in cats in emergency situations. Small teams of employees and volunteers continued to look after the cats already in our care, keeping them happy, healthy and entertained while adapting to new ways of working in accordance with government guidelines.



In May we were able to start rehoming again through our new hands-free homing service, finally finding new owners for those cats who had been waiting with us for longer than usual and freeing up space for more unwanted cats to arrive in our care. During subsequent lockdowns we were able to continue offering this safe new homing service, although once again had to prioritise taking in cats in emergency situations.

- At the beginning of 2020, our relocated Wrexham Centre and brand new Harrow Centre officially opened. Although their star-studded opening events had to be cancelled due to COVID-19, they continued to help unwanted cats throughout the year

- Some of our centres are working with new Cat Action Teams, groups of volunteers carrying out activities such as lost and found cat support and trapping, neutering and returning feral cats in their local area. This has enabled these centres to expand their usual services and get more involved in their communities. The two pilot teams are linked to our St Helens and Harrow centres and we hope to establish more teams if these prove successful

Hands-free homing

With COVID-19 restrictions meaning people were unable to visit our centres and fosterers to meet their potential new pets, we launched our new hands-free homing service. Adopters can now find their new cat online, meet them virtually via video and then either safely collect them or have them delivered to their door. Throughout the process and beyond they receive expert advice and support from us to make sure they're the perfect match and to help the cat settle in and become part of the family. Launching this new process meant our people had to quickly change their usual ways of working, learning to use new technology and even becoming delivery drivers to get the cats to their new homes. Thanks to their dedication and perseverance, the new scheme has been a huge success and by the end of 2020 over 15,000 cats had found new homes hands-free.

Keeping cats in good homes

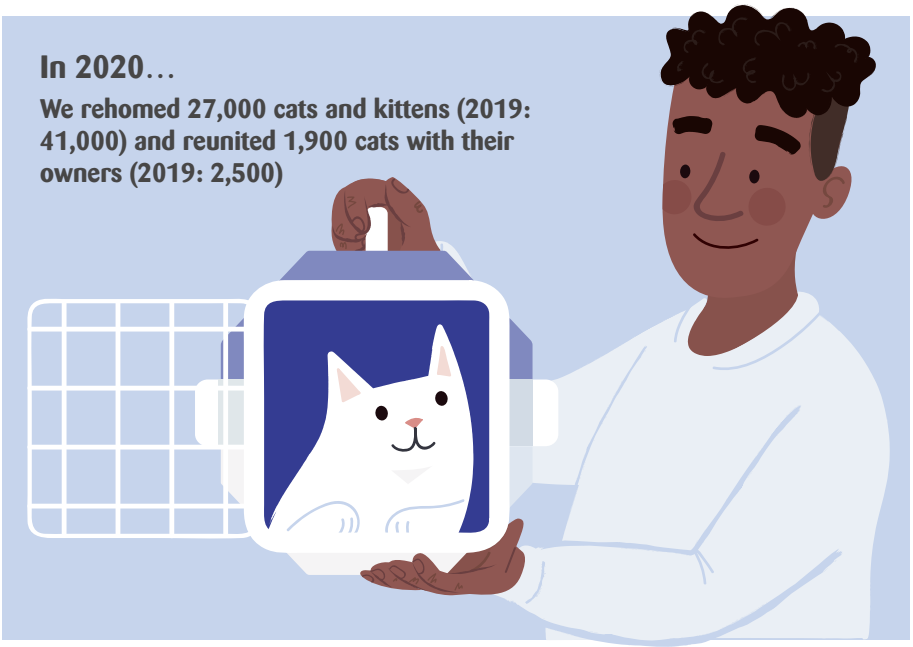
Wherever we can, we try to help cats remain in their existing homes so they do not need to come into our care. This includes providing information and advice to worried cat owners to prevent them having to rehome their cat due to issues such as their cat's behaviour, their allergy to cats or a change in their circumstances. This work was more important than ever during 2020, as we had to limit the number of cats we were able to take into care. As providing this advice in person at our centres, shops and events wasn't possible for much of 2020, we focused on giving support online via our website and social media, via email and over the phone to keep cats in the best place they can be, a loving home.

An unexpected lack of finances can also be a reason owners may need to give up their cat, so a small number of our branches have begun working together to trial a Community Kitty scheme. They have been working with agencies, organisations and other charities providing food relief to people, to identify cat owners who are struggling to meet their pets' needs and may feel they need to give them up. This has enabled them to supply cat food and other cat essentials to those unable to afford it, as well as offer support with neutering and information about cat welfare. The scheme is now being explored by other branches to determine local demand.

Promoting microchipping

Reuniting lost cats with their owners is made much easier by microchipping, a safe, permanent and low-cost way of identifying owned cats. But despite this, over 2.6 million owned cats in the UK are still not microchipped[1]. These unchipped cats may get lost and end up in our care, and we may need to rehome them unnecessarily if we are unable to trace their current owners. To encourage more owners to get their cats chipped, we offer discounted microchipping at the same time as neutering for those on low incomes in some areas of the UK, and we've been campaigning to make cat microchipping compulsory in UK law. Find out more about our Microchips Reunite campaign on page 35.

1 CATS (Cats and Their Stats) 2020 UK.
Visit www.cats.org.uk/stats



Plans for 2021

- Improve how we support cat owners to prevent cats coming into our care unnecessarily, focusing on allergy advice, housing issues and cat behaviour problems

- Redevelop our Exeter Adoption Centre, upgrading the facilities to ensure the best welfare standards for the cats in our care

- Continue to develop new ways of delivering our services in a safe way for both people and cats as the pandemic continues



Ethel's story

At the grand age of 21 (that's 100 in human years) Great Aunt Ethel should have been cosy and safe in a warm home. Instead she was sleeping on an abandoned sofa in a cold Norfolk car park, all alone.

When the team at our Downham Market Adoption Centre received a call about Ethel, they went to rescue her and found a sweet, affectionate cat who had clearly once been well-loved.

A scan of her microchip revealed that she was born in 1999, but her previous owner had died and her chip details had not been updated since.

With no owner to be found, the centre team were worried it would be difficult to find Ethel a new home in which to live out her autumn years, as sadly mature moggies regularly get overlooked for younger cats and kittens.

They put out a plea in the local press and were thrilled to be inundated with offers from kind cat lovers. Ethel soon went to live with Alison, who said: "I can't believe how well Ethel has settled in to her new home. Within an hour we had made friends and she was sat on my lap purring. It already feels as if we have been together for ages.

"I am so pleased I was able to offer her somewhere safe and warm to spend her twilight years. She's a dear little thing - you would never know she is a grand old lady of 21."



Increasing awareness of our work

Making sure people know to come to us – the cat experts – for all their cat needs

While COVID-19 has prevented us from going out and spreading the word about our work in person, it hasn't stopped us engaging with cat lovers online. We want people to come to us, the UK's leading cat welfare charity, for all things cat, whether they're looking for a new pet, helpful cat care advice or information about how they can help improve cat welfare.





- Our national website is kept up to date with trusted information for cat lovers and is also now home to our relaunched Meow Blog, featuring fascinating cat articles and stories of cats we've helped. Work to develop our individual branch and centre websites is ongoing, so they can better provide local cat care information to the public

- We've continued to send cat advice, fundraising appeals and updates on our work to our supporters via email, with 1.9 million people opening our email communications in 2020 (2019: 1.7 million)

- Our adverts have continued to appear on television and online, raising awareness of the charity and cat welfare to new audiences

- Thousands more people have followed us on social media for fun and informative cat content, engaging with our national pages and our individual branch and centre accounts run by dedicated volunteers

- *The Cat*, our quarterly magazine for supporters, has been revamped with a fresh new look and lots of fascinating news and features to keep cat lovers informed about cat welfare

- Our volunteers and employees have been getting coverage for the charity in both the regional and national press by sharing success stories and important cat welfare information. In 2020 there was a 25% increase in the number of articles published that mentioned the charity, and we were the second highest ranked animal welfare charity in terms of media coverage

Our campaigns…

Here For The Cats

To celebrate our cat companions providing comfort and entertainment during lockdown, we encouraged cat owners to share photos and stories of their kitties using #HereForTheCats. The campaign reached over 2 million people online via social media and was featured by inyourarea.co.uk and dailyrecord.co.uk We also created videos to show how our employees and volunteers were still here for the cats in our centres and branches, encouraging people to donate to our Special Coronavirus Appeal to help fund our work.

Purrfectly Imperfect

Cats with disabilities can often get overlooked for adoption, as people assume they will need lots of extra care. To show that these cats are surprisingly adaptable and just as loving, we created videos and advice pages on our website explaining the care they need and encouraged owners of #PurrfectlyImperfect cats to share their stories on social media. Stories of some of the disabled cats we've rehomed were also featured by dailymail.co.uk and yahoo.com

Alternative Cat Awards

As our National Cat Awards had to be postponed due to COVID-19 restrictions, we hosted an online Alternative Cat Awards instead. We asked the public to send in their best cat videos and our celebrity judges picked the finalists of five categories. It was then up to the public to vote for their People's Purrfect Choice, which was announced online by comedian Bob Mortimer. Coverage featured in over 700 articles including in the *Daily Mirror* and *Daily Star* and the campaign reached 5 million people online.

National Black Cat Day

2020 marked 10 years of National Black Cat Day, so we took the opportunity to celebrate just how much things have changed for black and black-and-white cats in the last decade. It now takes the black cats in our care 10 days less to find new homes than it did in 2011, with fewer people overlooking them in favour of their colourful counterparts. On 27 October we once again encouraged people to share photos of their own black cats, and the #BlackCatDay message reached 3 million people via social media. The campaign was also featured on *BBC Radio 2* and CBBC *Newsround*.

Make Christmas Magical

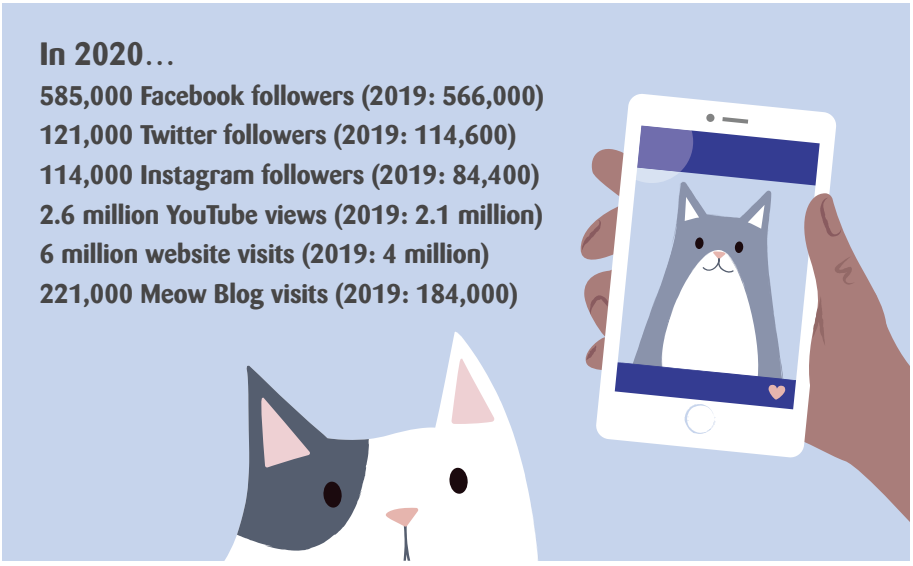
For this year's Christmas animation, we celebrated the magic of microchipping by telling the story of Casper, a cat we reunited with his owners after he went missing for three years. Casper's Magical Journey was created with the help of Aardman Animations and stars the voice of Holly Willoughby as Casper's owner. The film has been watched 520,000 times online and appeared on TV, including on ITV's *This Morning*. Casper also helped us Make Christmas Magical for the cats in our care, as our accompanying appeal raised over £1.2 million.

Plans for 2021

- Continue raising awareness of our work and building our reputation as the UK's leading cat welfare charity
- Carry out another UK-wide survey about cats to influence our work in the future
- Continue to quickly adapt to the changing needs of the public regarding the content about cats they require
- Run engaging and informative campaigns to reach new audiences with our cat welfare messaging

In 2020…

585,000 Facebook followers (2019: 566,000)
121,000 Twitter followers (2019: 114,600)
114,000 Instagram followers (2019: 84,400)
2.6 million YouTube views (2019: 2.1 million)
6 million website visits (2019: 4 million)
221,000 Meow Blog visits (2019: 184,000)





Casper's story

When the team at our Cornwall Adoption Centre scanned five-year-old Casper for a microchip, they were shocked to discover that he was registered to an address 55 miles away in Plymouth.

They quickly phoned his owner Anna to let her know he was safe, and she revealed that he'd in fact been missing for three years!

After receiving the call Anna jumped in the car and made the 110-mile round trip to collect Casper, who has settled back in with the family like he'd never been away.

"It was such an unexpected surprise to hear than not only had he been found but that he was alive and we could collect him and bring him home," said Anna. "We have no idea how he came to be in Truro but he's always been a friendly laid-back cat who explores and roams, loving to make friends with people.

"Before he went missing he was very much loved by the local community and well known for his trips to the local school and for sitting outside the church asking to be stroked as people walked inside.

"I was heartbroken when he didn't come back. I certainly didn't expect to see him again but I'm so glad that not only did we have him microchipped but that we kept our details up-to-date."

Casper was also the star of our heart-warming Christmas animation, which you can watch at www.cats.org.uk/christmas



Cardboard box kittens' story

When the team at our Isle of Wight Adoption Centre noticed a taped-up cardboard box outside the centre gates, they were shocked to open it up and find seven tiny kittens inside.

Believed to be from two different litters, all of the abandoned kittens were too young to be separated from their mothers and were all underweight and dehydrated.

The centre team took them in and gave them round-the-clock care, hand-feeding them every few hours to help build up their strength.

Despite a few worrying vet visits, all of that love and care worked and the kittens grew up to be happy and healthy and find new homes.

Rebecca, who adopted two of the kittens, said: "My husband, Martin, and son, Leon, and I were very pleased to hear that Cats Protection had introduced hands-free homing during these strange times. Leon named the coffee-coloured girl Mistie and the beige-and-white tabby boy Cosmo. They were very confident and grounded from day one and are a joy to have!"

Rowan, who adopted Moses, said: "Moses joined our family in July and very quickly showed that he was as curious, playful, affectionate and chatty as we'd been told. We love him, and we think he quite likes us too!"

Kitten Trevor was adopted by Pete, who said: "Since the first day he arrived Trevor, or Trev as he is known, ruled the house. The boy is a prince and that is how he acts. He is our first real pet and everyone loves him."



Our impact

How our work improves the lives of cats and people across the UK

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 over 200,000 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 over 700,000 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, we have delivered over 6,000 educational talks

Public benefit

We believe that our vision of a world in which every cat is treated with kindness and an understanding of its needs benefits society as a whole. Cats play a huge part in the lives of millions of people in the UK. According to our research, 23% of UK households have at least one pet cat, with an estimated owned cat population of 10.2 million cats[1]. 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 7

- providing our Paws Protect, Paws to Listen and Cat Guardians services. Find out more on page 27

- providing advice to governments on animal welfare legislation. Find out more on page 35

- providing volunteering opportunities for those who wish to support our work, including through the Duke of Edinburgh programme

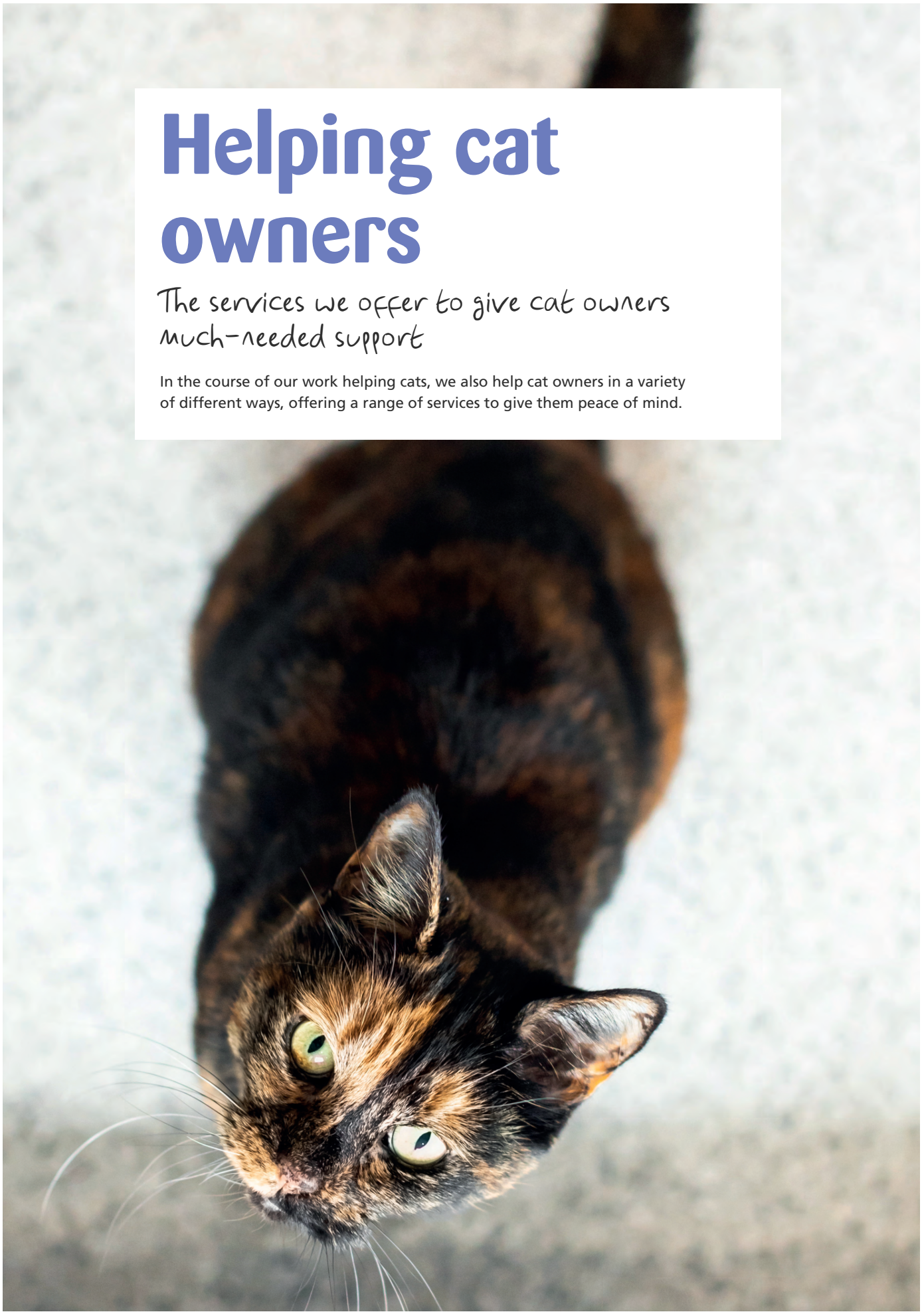
The Directors of the Corporate Trustee have given careful consideration to, and complied with, the Charity Commission's guidance on public benefit. This is reflected in the review of the activities undertaken by the charity contained in this report.

1 CATS (Cats and Their Stats) 2020 UK. Visit www.cats.org.uk/stats

Helping cat owners

The services we offer to give cat owners much-needed support

In the course of our work helping cats, we also help cat owners in a variety of different ways, offering a range of services to give them peace of mind.



Paws Protect

In a year when those experiencing domestic abuse have faced more difficulty than ever getting access to support services, we're proud to have been able to continue offering our Paws Protect temporary fostering service. Owning a pet can be a barrier to people fleeing abusive situations, and so we offer to care for their beloved cat until they can be safely reunited. Our team has been able to adapt their working practices in-line with COVID-19 restrictions to ensure the safety of all the owners, volunteers, employees and of course cats involved. We have seen a reduction in the number of referrals and cats coming into care since March, due to limitations in refuge space and move-on accommodation and a reduction in opportunity for survivors to leave abusive situations. However, we have still been able to create happy, safe reunions for 87 cats this year.
For more information, visit www.cats.org.uk/paws-protect

Cat Guardians

For cat owners who are concerned about who will care for their cat when they pass away, we offer our free Cat Guardians service. This gives them peace of mind that, in the event of their death, we promise to take care of their cat for as long as it takes to find them a suitable new home. We encourage those registered with the service to give us as much detail as possible about their cat's likes and dislikes, so that we can match them with their ideal new family. One cat lover said: "I signed up to the Cat Guardians service so that in case anything happened to us, our cats would be taken care of. It's such a hard thing to think about but I needed to make sure that arrangements were in place should anything happen."
For more information, visit www.cats.org.uk/catguardians

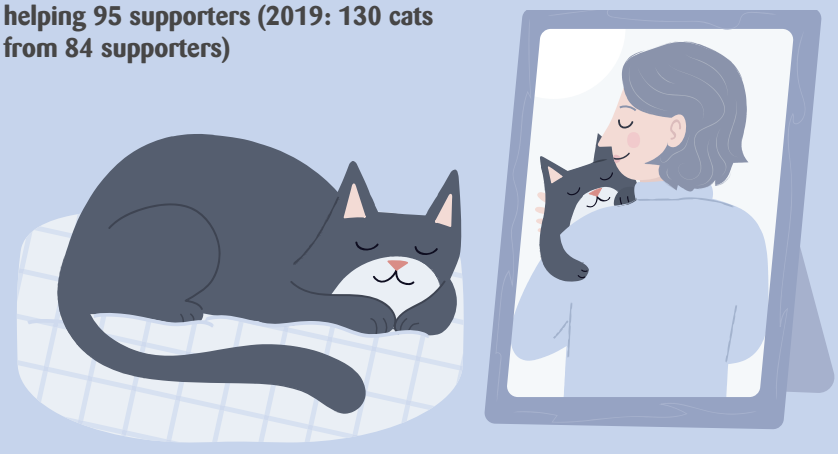
Paws to Listen

Losing a beloved pet is always heartbreaking but this year that pain and grief has been intensified for many by the COVID-19 lockdown restrictions. From not being able to be with their cat while they were put to sleep, to feeling isolated and alone as they grieve, it has been a particularly difficult time to lose a feline friend. Our free and confidential Paws to Listen grief support service has been there for so many people during this time, providing a sympathetic ear and useful resources for those struggling to cope with the loss of a cat. At the start of 2020 we expanded our team of volunteer listeners, and have seen a steady increase in the number of people getting in touch via email as well as over the phone. Our next step is to look into launching a live webchat function.
For more information, visit www.cats.org.uk/grief

In 2020…

Paws Protect helped 53 families flee domestic abuse safely (2019: 75)

Cat Guardians took in and rehomed 145 cats, helping 95 supporters (2019: 130 cats from 84 supporters)





Raising vital funds

The kind donations from cat lovers that enable us to carry out our vital work

2020 has been a challenging year for most charities, with lockdown restrictions causing a significant drop in income. It has been no different for us, with fundraising events cancelled and our charity shops forced to close we have not been able to raise as much money as we'd hoped. While we have been making use of government support and making savings wherever possible, we're also more grateful than ever for the cat lovers who have kindly supported us through these difficult times. Your creative fundraising and generous donations have enabled us to continue helping unwanted cats and kittens across the UK and given us hope for the future of the charity.





Donations

- To recoup some of our losses we launched a Special Coronavirus Appeal which raised £1 million to help us continue our work
- While face-to-face fundraising was on hold, we made sure supporters could donate via our website and national Facebook and Instagram pages. As lockdown restrictions eased we made sure our fundraisers followed government guidelines while out meeting cat lovers

Cat Sponsorship and Membership

- Our Cat Sponsorship scheme gives supporters regular updates about the cats in their sponsor pens in return for their kind donations and raised £5.8 million this year
- Over 20,000 Cats Protection Members get benefits including a free subscription to *The Cat* magazine, a pin badge and access to the 24-hour Vetfone™ helpline for support with cat health advice from qualified vet nurses

Cat Champions

From cake sales to the London Marathon, so many fundraising events had to be cancelled or postponed this year, resulting in a significant drop in our income. To try to offset this loss, we created lots of new online fundraising alternatives and were truly blown away by how many Cat Champions got involved and even thought up their own creative ways to raise money from home. We were there to support them every step of the way and are truly grateful for their dedication during a very difficult year. They got involved in the nationwide 2.6 Challenge, taking on a sponsored activity based around the number 2.6; our Pawsome Afternoon Tea moved online, with a baking competition judged by *The Great British Bake Off* finalist Kim-Joy; cat lovers walked, ran or cycled in our Nine Mile Challenge and hosted virtual Black Cat Quizzes for their family and friends; gamers also got involved in Pawsome Players, live-streaming their gaming to raise money for cats.

Lottery and raffle

- Our Weekly Lottery gives players the chance to win one of 300 cash prizes every week and in 2020 players generated £5.6 million for our cause (2019: £4.15 million)
- Players in our quarterly raffles have the chance to win one of 500 cash prizes each time while also helping cats and kittens

Legacies and high value giving

- Nearly half of everything we do is funded by gifts in Wills, so we are very grateful to all those who helped us raise £33.3 million through these special gifts in 2020 (2019: £35.4 million)
- Our incredibly generous major donors and funders continue to make a significant difference to the lives of cats and kittens across the UK



Plans for 2021

- Develop and implement our new income generation strategy to provide the income we need to deliver the charity's aims
- Continue to strive to improve the experience and satisfaction of our supporters. Without them our work would not be possible
- Develop and test new fundraising products and channels

Retail

When lockdown began in March we sadly had to close our 109 shops (2019: 131) and were only able to gradually begin opening them again in July. With extra health and safety measures in place to keep our volunteers and customers safe, we were thrilled to start receiving and selling donated items again, but then had to close our shops for the second lockdown in November. These closures obviously had a big impact on our income, but we still managed to generate £6.6 million in 2020 (2019: £9.5 million). As well as raising vital funds, our shops also help to raise awareness of our work and provide the public with cat advice and support.

We've also been exploring ways to sell new and donated goods online, setting up some of our charity shops on eBay to help customers buy their items from home. In November we launched our brand new Cats Protection branded Cat Care Collection, featuring lots of stylish and practical products for cats. All profits from the sale of these items go directly towards helping the cats in our care.

People's Postcode Lottery

Thanks to players of People's Postcode Lottery, we have received an amazing £3.5 million since 2018. At the end of 2019 we received £1.2 million, which in 2020 has been used to fund cat care assistant and volunteer team leader roles at our centres, 10,000 microchips for the cats in our care, plus two roles in our Behaviour team, helping them provide cat behaviour advice to the public as well as our own centres and branches. This year we received a further £1.28 million which is helping to cover the cat care costs in our centres in 2020 and 2021, as well as funding our work speaking up for cats with politicians and decision makers to create a better world for our feline friends. This funding will make a huge difference for cats and so we are very grateful to players of People's Postcode Lottery for their support.

Thanks to our partners

Funds and support from our corporate partners have been more important than ever this year to help us continue our work with cats and so we are incredibly grateful for the generous support we have received.

- Ceva
- Petplan®
- Pets at Home and Support Adoption For Pets
- PURINA®
- Shark®
- *Simon's Cat*
- Sure Petcare

Thank you to the many others who support our work through corporate partnerships. For more information about our partners please visit www.cats.org.uk/corporatepartners



Hallie's bike ride

Self-confessed crazy cat lady Hallie decided to take on an equally crazy cycling challenge to raise money for her favourite animals.

Eight-year-old Hallie rode her bike from Eastbourne to Heathfield and back, covering a distance of 48km in just five hours and 36 minutes.

Her kind sponsors helped her raise an incredible £245 for Cats Protection, which will ensure lots of cats and kitten receive the care they need.

Hallie said: "I have loved cats since the day I was born. My first cat was called Mr Harry Cat, he was a ginger tabby. He used to follow me everywhere and follow me when I rode my scooter around my street. I even have a book about him.

"I now have a tabby cat called Bonnie and a black-and-white cat called Mallie. They often sleep on my bed.

"I love cats so much my mummy calls me the crazy cat lady. I have cat bedding, cushions, clothes, ornaments and many more cat things.

"I am doing this cycle so I can raise money for Cats Protection because I love cats and I want to help them as much as I can."

Financial summary

Our total income in 2020 was £72 million, a decrease of £1.2 million from 2019.

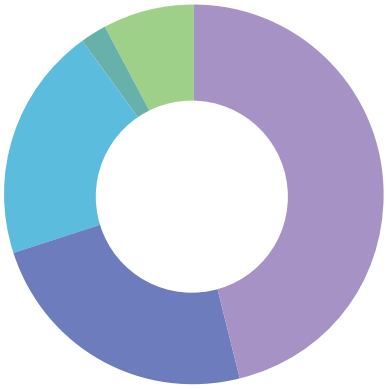
- Legacy income decreased by £2m as 2019 had been an exceptional year
- Donation income increased by £2.4m due to recruiting new donors and the success of our Special Coronavirus Appeal
- Our retail income reduced by £3.9m as many of our shops had to close
- Income from fundraising events rose by £1.8m thanks to an increase in players of our raffles and Weekly Lottery

Our total expenditure also decreased to £66.5 million, a reduction of £4.8 million from 2019.

- As we were able to take fewer cats into our care, we spent £2.1m less on rehoming
- With many vet services disrupted, we spent £1.3m less on reducing the overpopulation of cats through neutering
- We spent £0.1m less on providing cat welfare information to the public, as much of this support moved online
- We spent £1.3m less on generating more income for the charity, due to the closure of our shops

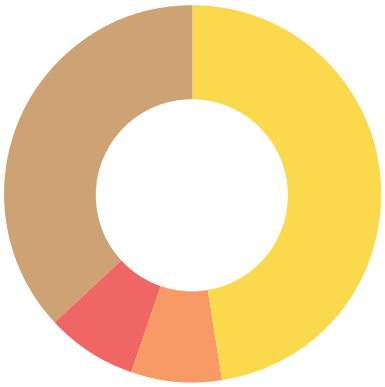
A summary of our income and expenditure for 2020 is presented in the charts opposite. These figures are based on those in the full, audited and unqualified accounts for the year ended 31 December 2020. For further details of these figures, turn to the financial review section starting on page 48.

Where our £72m income came from



£33.3m – Legacies
£17.3m – Donations
£14.2m – Events and shops
£1.7m – Rehoming fees
£5.5m – Other

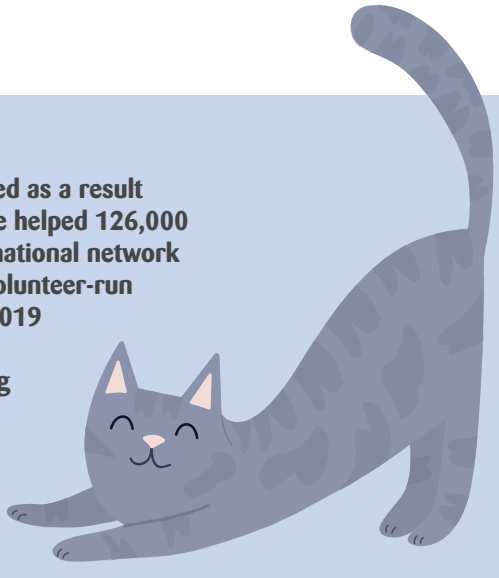
How we spent £66.5m



£31.7m – Rehoming
£5.2m – Reducing overpopulation of cats
£5.1m – Information
£24.5m – Raising funds

In 2020...

Despite the challenges we faced as a result of the COVID-19 pandemic, we helped 126,000 cats and kittens through our national network which includes around 210 volunteer-run branches and 37 centres (in 2019 we helped over 191,000 cats). That's the equivalent of helping around 345 cats a day.





Speaking up for cats

How we bring about positive change for cats and their owners

Although much of their work had to move online due to the COVID-19 pandemic, our Advocacy & Government Relations team continued to influence politicians and decision makers to improve cat welfare across the UK.



The Time is Meow

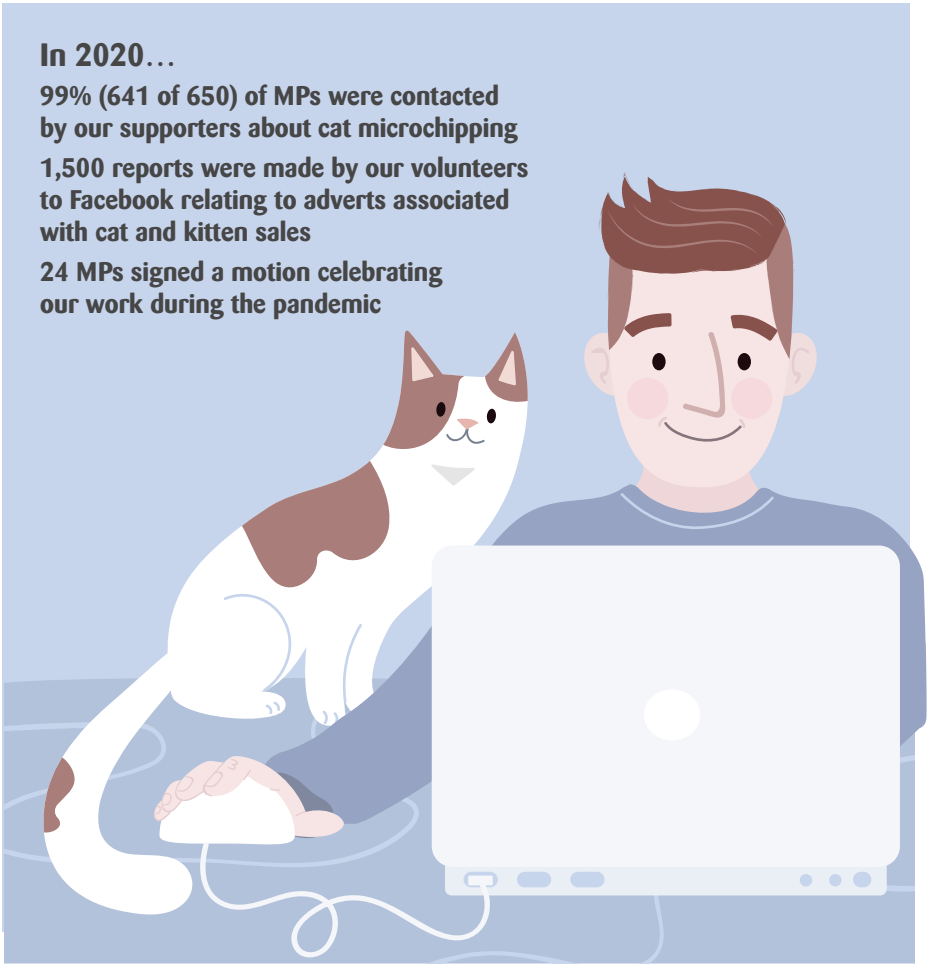
Central to our engagement at Westminster was the launch of our new manifesto 'The Time is Meow: A cat welfare action plan for Westminster'. The document covers 12 priority policy areas to improve cat welfare, including control of the unplanned use of fireworks, regulating cat breeding, ensuring pet-friendly tenancies, tackling unscrupulous online sellers and banning snares. The Time is Meow is the policy platform for all our engagement at Westminster and has already been used in numerous debates and Parliamentary questions.

Microchips Reunite campaign

Thanks to the help of our amazing supporters, we're very hopeful that the microchipping of owned cats will soon be made compulsory by law, just as it is for dogs. At the end of 2019 the government held a call for evidence on cat microchipping which had an overwhelmingly positive response. When the COVID-19 pandemic stalled the progress on this issue we were keen to get the topic back on the political agenda and so asked our supporters to contact their MPs and encourage them to attend our virtual event on microchipping. Nearly 5,000 emails were sent to MPs and as a result over 50 signed up to attend our event, including the Minister of State for Animal Welfare Zac Goldsmith. Following the event, the government launched a consultation on proposals on cat microchipping and we are optimistic that this will result in a change in the law.

Other advocacy work across the UK

- We had over 70 virtual meetings with politicians across the UK to discuss Cats Protection's priorities, prioritising engagement with the new intake of MPs following the 2019 General Election
- Our Chief Executive James Yeates was appointed as a member of the Animal Welfare Committee, an expert panel advising the government on important animal welfare issues
- We supported the government's Petfished campaign, which aims to educate people about the dangers of buying pets online and how to spot the signs of a deceitful seller
- As one of the founding members of the All-Party Parliamentary Group on Cats (APGOCATS), we co-authored a major report on how cats can help tackle loneliness which was praised by Baroness Barran MBE, the responsible government minister



- We set up a group of volunteers to find and report adverts for cats for sale on Facebook, which are against the social media platform's guidelines
- We put together a video of politicians being interrupted by their cats on video calls and shared it on social media. The video has been viewed 55,000 times and you can watch it at bit.ly/pawlitical-interruptions
- As a member of the Companion Animal Welfare Group Wales (CAWGW) we launched a joint manifesto ahead of the 2021 Welsh Senedd election and met with key members of the Welsh Senedd and Welsh Government to promote it
- We responded to a consultation on banning third-party kitten sales in Wales and are delighted that the Welsh Government will be introducing a ban on the sale of kittens under six months by anyone other than the breeder
- We started working with the Scottish Government to develop regulations on cat breeding and animal welfare organisations in Scotland
- Working with the More for Scotland's Animals coalition we presented a joint agenda ahead of the 2021 Scottish Parliament election calling for a ban on snares, inclusion of animal welfare in the curriculum and more pet-friendly tenancies
- As one of the founding members of the Northern Ireland Companion Animal Welfare Group we are working with the Northern Ireland Assembly on companion animal welfare issues such as the selling of pets

For more information about how we're speaking up for cats, visit www.cats.org.uk/campaigning

Plans for 2021

- Continue promoting our Microchips Reunite campaign to ensure a change in the law
- Hold a round table discussion with housing and government representatives to ensure more pet-friendly rented housing
- Press for a committee enquiry into the impact COVID-19 has had on the animal welfare sector
- Ensure that regulations to license animal welfare establishments and cat breeding and selling is passed in Scotland
- Press for the compulsory microchipping of owned cats in Wales
- Encourage improvements to the pet passport scheme for cats entering the UK after its exit from the European Union



Hope's story

Three-year-old Hope was suffering unimaginable pain when she was found covered in blood, sheltering in a shed in Hampshire. She had been cruelly shot three times with an air gun, leaving her unable to walk because of her injuries.

She arrived in the care of our Southampton Branch, where it was discovered that poor Hope was also pregnant when she'd been viciously attacked.

Thankfully she managed to give birth to four healthy kittens just days after receiving surgery to remove one of the air gun pellets still lodged in her body.

Hope needed lots of veterinary assistance to get through her terrible ordeal, and so the branch put out an appeal to the public to help cover her vet bills. They were incredibly grateful to raise over £5,000 from kind supporters, ensuring they could keep helping more cats like Hope.

Once fully recovered, Hope found a new home with Debbie. She said: "She is adorable. I work long hours in the NHS and she sits on the windowsill waiting for me to come home. Literally her tail goes straight up, she purrs, kneads her paws and runs to the door every time I walk through it. Hope is just the perfect little cat for me. Fun, feisty, but enjoys a fuss."

Cats Protection is calling for the government to introduce the licensing of air guns in England and Wales, to prevent cats like Hope being cruelly shot. To sign our petition visit www.cats.org.uk/airgunspetition



Supporting our people

Making sure our volunteers and employees have everything they need to help cats

2020 was an incredibly challenging year for our people. We had to adapt our ways of working and volunteering at speed and many were unable to carry out their roles as they had previously.



We supported them through furloughing and redeployments, changes in our practice and rapidly changing health and safety guidance and protocols, responding to the government guidance as the pandemic continued.

We quickly moved our support online, finding new ways of engaging with our people and bringing them (and often their cats) together virtually from across the UK. We supported their wellbeing through sharing resources and regular communication, connecting via a parents' group, our employee forum, our learning programme, our pride network and virtual get-togethers. Tailored support was also provided to those experiencing bereavement.

While in-person training had to be cancelled, we provided plenty of online workshops to help our people develop their skills. This included new cat welfare workshops, enabling volunteers and employees to share and discuss good cat welfare practice to benefit the cats in our care, and new customer service training to help those in our centres and shops provide the best possible experience for our supporters. The use of our online courses increased by 400% in 2020, with over 14,000 online courses completed by the end of the year.

Although the number of people volunteering for us fell in 2020, the determination of our dedicated teams did not falter. People had so many demands on their time and of course we had to stop some of our activity, but we hope in 2021 we can welcome back those that have taken a break and start growing our team of cat lovers again.

Plans for 2021

- Build on our values and culture to ensure we have more impact on cats in the future, support our volunteer managers in creating rewarding and safe volunteer experiences and help our employee managers to support and develop their teams to do their best for cats, whatever their role
- Continue to work collaboratively across the charity, developing even more engaging and impactful learning. In particular, increasing training and induction support to volunteers, focus on customer impact, understanding of cats and their needs and strengthening management and leadership development across the charity
- Continue to increase the support and development for our people, taking what we've learned in 2020 and building on what's made us stronger as a charity





Debbie's deliveries

Due to COVID-19 restrictions, some of our volunteers had to quickly adapt to new ways of helping cats in 2020, and for some that meant becoming cat delivery drivers.

As part of our new hands-free homing scheme, we began delivering cats to their new homes as adopters couldn't visit our centres and fosterers, and volunteer Debbie Eyre signed up for this new role.

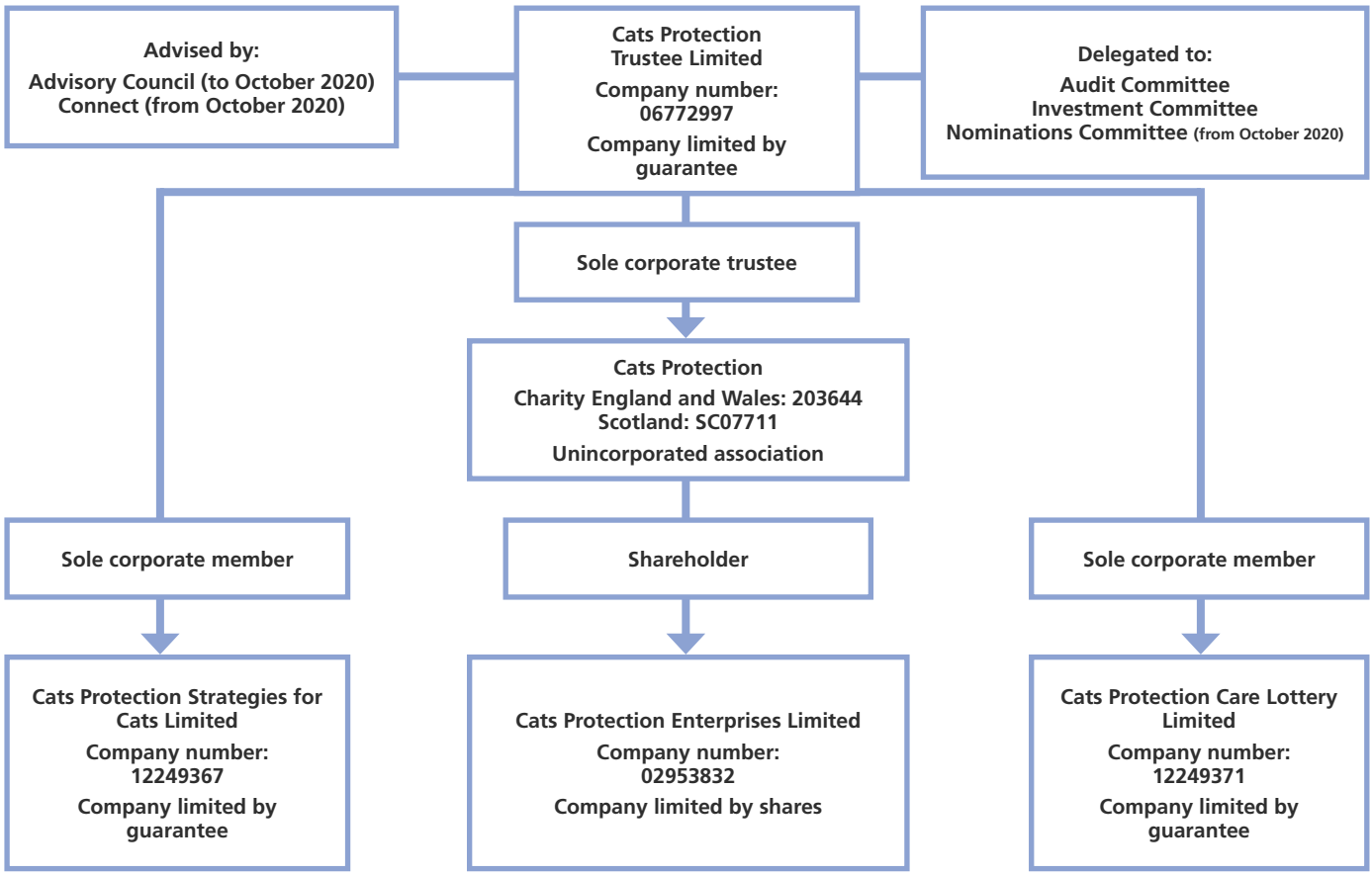
Debbie said: "Cats are such wonderful companions and I cannot imagine life without them. I love being involved with this new process; everyone has been so happy to receive their new cat. I can sometimes hear the cat in the back of the van and I like to talk to them and let them know they are nearly home.

"I arrived at one house and the owner was watching through the upstairs window, waiting for me to arrive. At another, I arrived at the same time as a lorry delivering a hoover – I felt quite sorry for the delivery man as they basically ignored him."

In normal times, Debbie volunteers at our National Cat Adoption Centre in Sussex, overseeing paperwork for new admissions and adoptions. She said: "I cannot wait to get back to my usual role so I can learn how the cats I delivered are getting on. When you have direct contact with a cat you always want to know more afterwards. It's nice to see all the cats and watch their progress and it's wonderful to be part of an amazing charity and get to know everyone too."

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.

Changes to the charity's governance were voted through at a Special General Meeting in October 2020. Prior to that, up to five Directors of Cats Protection Trustee Limited were elected by Advisory Council and up to four were appointed for their specific skills. Those that were appointed were recruited through an open, competitive process, which involved an interview with other current Directors. Directors on the Board of the Corporate Trustee are referred to internally as "the Trustees" to differentiate them from the Directors who manage the day-to-day operations of the charity and form the Executive Management Team. Until October 2020, the Board had two sub-committees, the Audit Committee and the Investment Committee.

The Advisory Council of between 10 and 22 members of the charity was elected at the Annual General Meeting. The roles of the Advisory Council were to elect up to five of its members to the Board and to provide advice to the Board on a wide range of issues affecting the charity. All Directors of the Board were Advisory Council members. Advisory Council operated in accordance with the rules and standing orders of the charity.

Following the approval of proposals to make changes to the governance structure from October 2020 all Directors on the Board of the Corporate Trustee will be recruited through an open, competitive process. This will involve interviews with a newly introduced Nominations Committee, the third sub-committee of the Board. Appointment of Directors will be the responsibility of the Board. Board Directors will be recruited according to a skills and background matrix to ensure that the voices of at least four Cats Protection volunteers continue to be heard around the Board table.

Advisory Council no longer exists in its previous form, instead the establishment of a volunteer consultative body, Connect, was approved at the Special General Meeting. Made up of up to 20 Cats Protection volunteers from a variety of roles, Connect will help to ensure that volunteer voices inform the development of the charity's strategy and direction. Trustees will not be members of Connect but there will be Trustee representation at meetings to listen.

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

In 2019, two new 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 applied to income that charities can raise through lotteries and raffles from £10m a year to £50m a year. The increase in the cap meant that the two new companies were no longer needed as the £50m limit applied to the licence held by the charity was sufficient to cover income generated via these activities in any one year. The two subsidiaries established to run lotteries and raffles have therefore never traded and they incurred no transactions in 2020 (2019: no transactions).

Governance

The Board of Directors planned to meet six times in 2020. However, in response to the COVID-19 outbreak, it met more frequently. Nine meetings were held fortnightly from late March to early September. At these meetings, the Board considered the impact of COVID-19 on the charity's operations, people and finances and received updates on responses from management. Four of the planned six meetings happened at other points in the year, where in addition to COVID-19, the Board administered the affairs of the charity, set strategies and policies and approved major expenditure programmes. Advisory Council met twice in 2020. All meetings from mid-March 2020 were held virtually.

Members met at the Annual General Meeting and a further Special General Meeting. Both General Meetings were held virtually, the Special General Meeting being convened to conduct a vote on proposals that could not be completed at the Annual General Meeting due to technological issues.

There were no newly appointed Directors, Advisory Council and sub-committee members during 2020. Previously, when new appointments are made, 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 Chairman, other Board Directors and members of the Executive Management Team. Ongoing training and support for all Directors is provided through formal and informal briefings from the Chief Executive, Executive Management Team, third-party specialists or external courses as appropriate.

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

During 2020, 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 2020, the Audit 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:

- legacy marketing and legacy administration
- capital projects
- payroll
- a follow-up report on IT strategy and procurement

The charity has also been working with internal audit to map the assurance framework, enabling Trustees to understand the key controls that are critical to ensuring legal compliance and protecting the reputation of the charity. The Committee received regular updates on the progress of this work.

The Committee also reviewed and advised on the charity's risk management and fraud prevention processes. As well as reviewing the performance of the external auditor, the Committee conducted a self-review of its own effectiveness. 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 2020, the Committee met three times 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. In 2020, the Committee also considered whether we needed to change our investment mandate in response to the market turbulence caused by COVID-19. It was initially agreed that we would draw down the income generated by the portfolio to support the charity's cash flow. However, due to the strong performance of our fundraising combined with savings on expenditure, the charity delivered a cash surplus towards the end of 2020 and

it was agreed to revert to all income being reinvested into the portfolio. In addition, a transfer of £6.0m from cash and liquid holdings into the portfolio was approved by the Committee.

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

The Charity Governance Code

The Charity Governance Code was published in 2017 and updated in 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.

Having completed a governance review in 2019, Cats Protection reviewed its governance structure and in doing so, applied the principles set out in the code. Details of the resulting changes are set out in the legal structure section. In particular, the code principles regarding a nominations committee, succession planning and Board effectiveness were applied. 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 is strengthening existing processes and controls where required, applying the code principles relating to decision making, risk and control.

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 19 areas. Regional employees are responsible for developing the activities of teams across our network. As part of our commitment to supporting local activities, some of our management is located away from the National Cat Centre and nearer to our branches and centres across the UK. This gives more focus and support for the branches and helps provide an integrated service across branches and centres.

A key focus for 2020 has been strategy development. Despite the competing demands of COVID-19, we have made good progress on defining our long-term strategy, direction and priorities. The reason we have kept going with this work in such a difficult year is that there are lots of opportunities to have a much greater impact on many more cats. We felt it was right to continue to work out how we can best do this. The work this year has led to a number of exciting 'firsts' for Cats Protection.

- Our first large-scale survey of cat owners, to understand more about them and their cats so we can design services to meet their needs
- Our first comprehensive understanding of what our external stakeholders think of us, and how we can improve
- Our first view of cat welfare and outcomes across the UK, and where are the biggest opportunities to have an impact
- The first ever UK cat population model, to help us understand how many cats there are, how socialised and feral cats interact and where we can have the biggest impact through encouraging and enabling neutering to ensure the cat population is stable, reducing the numbers of unwanted cats

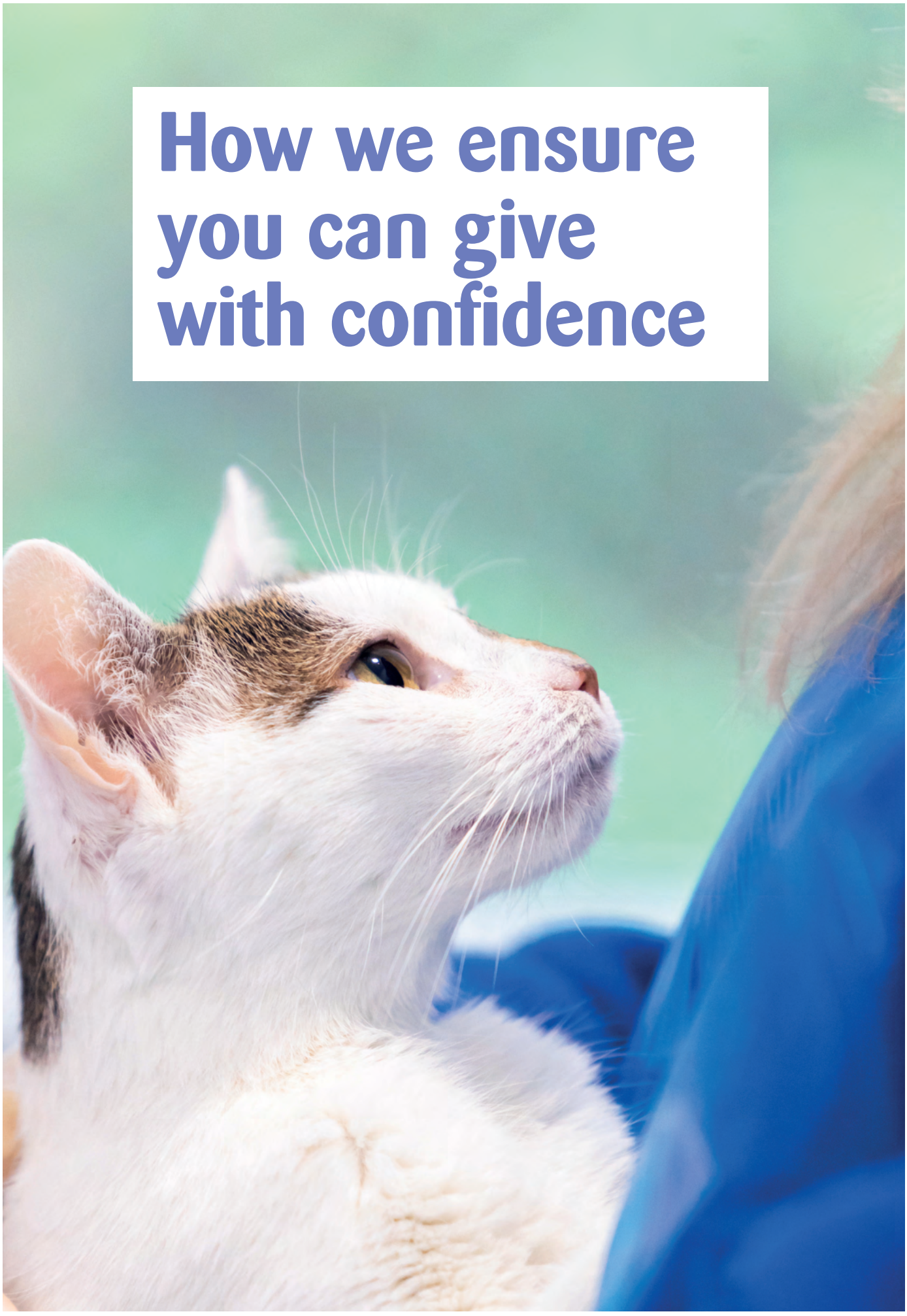
We completed the most comprehensive exercise we have ever undertaken to enable us to understand the risks to our income and evaluate opportunities for sustainable growth. We have a clear technology and data vision and roadmap that has the potential to bring together the key elements of our organisation like never before.

In addition to these examples, there are many other pieces of work that have all built a much richer and deeper understanding of who we are, how we work, and the environment in which we operate.

The demands of our COVID-19 response meant that we had to extend the timeframe for the Strategy Development Programme, which we had planned to complete in 2020, and considerable work remains to be done. This work will continue into next year, culminating in a 10-year Corporate Strategy and Transformation Plan for approval by Trustees in 2021

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

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.

In order to provide the funds required for a large charity like Cats Protection to do its work, we fundraise in a number of different ways. We invite people to become donors, through one-off or regular donations, in several different ways; as members of Cats Protection, as sponsors of cat pens from which we rehome cats that we look after, or as raffle or lottery players.

In 2020, we promoted these methods of giving 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 that we thought would be interested in and 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, although at a much lower level than previous years due to local and national lockdowns and the need to protect both our employees and supporters. By using agencies, we are able to vary the level of activity depending on our requirements, which is much more cost-effective than carrying out the work in-house. This means that more money can go directly towards caring for cats in need of our help.

We also 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. Through our chain of shops we sell mainly donated goods (again hugely affected by lockdowns) and we also sell new goods through our website and catalogue. We ask our supporters and potential supporters to consider including a gift to the charity in their Will.

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, online gaming and social media tools such as Facebook Donate, though they have been limited in their ability to do this during the pandemic.

Building public trust

We are long-term members of the Chartered 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 www.fundraisingregulator.org.uk/code-of-fundraising-practice Our face-to-face fundraising agencies also abide by the Chartered Institute of Fundraising's code of conduct for face-to-face fundraising, which can be viewed at www.ciof.org.uk/about-us/what-we-stand-for/excellent-fundraising/compliance/standards

We have a number of controls in place to try 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 employees, 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 Chartered 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 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 set up 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

Despite these controls, we do occasionally receive complaints. In 2020, we received a total of 20 complaints about our fundraising (2019: 38). We aim to resolve all complaints as soon as possible, and in 2020 we resolved 90% within 21 days (2019: 92%). 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 Chartered Institute of Fundraising, which can be viewed at www.ciof.org.uk/events-and-training/resources/treating-donors-fairly

Financial review



Financial performance in 2020

Despite the challenges posed by COVID-19, the charity has had a successful year financially. Many of our income streams were sustained and controls implemented over expenditure have resulted in an operating surplus of £5.5m for 2020 and an out-turn surplus of £7.8m after taking investment gains into account.

As the pandemic started and the national lockdown was introduced, we entered a period of great uncertainty. These times were unprecedented and we were unable to reference past events to understand how our income and expenditure might be impacted. In order to secure the ongoing financial viability of the charity, we reviewed all of our plans and budgets to identify activities that we could stop or reduce in order to make savings and deferred some significant planned expenditure. We also took the decision to continue with planned investment in fundraising activities and we launched a Special Coronavirus Appeal. We applied for government grant support where entitled. This was particularly important for our retail chain and meant that we could reduce the diversion of funds from our charitable objects to supporting temporary shop closures. Some of our activities came to a halt due to restrictions in social contact, in particular, shops and adoption centres were closed and veterinary practices could only perform emergency treatment, which excluded neutering. Intensive budget and cashflow monitoring enabled us to closely track our financial position throughout the year.

As restrictions eased, we were able to introduce many of our activities, albeit in a changed way. Inevitably, this resulted in the cost of some activities increasing as new measures to comply with COVID-safe guidelines were implemented. The charity operates across a number of premises which means there is a high fixed-cost base. Therefore, while overall our key performance statistics of homing and neutering have fallen, expenditure has decreased by a relatively lower amount. Further analysis is provided below.

Income

Overall, total income for the Group was £72.0m, which is just £1.2m (2%) lower than in 2019. Legacy income was down by £2.0m (6%) compared to last year, but 2019 had been an exceptional year when we received our largest ever single legacy of £2.0m. Underlying legacy income performed in line with 2019. Donation income increased by £2.4m (16%) due to the continued investment in recruiting new donors and a very successful Special Coronavirus Appeal which raised over £1.0m.

Adoption fee income reduced by £0.4m (20%) compared to 2019. The percentage reduction in this income stream is lower than the 34% reduction in number of cats homed as we increased the standard adoption fee to help cover cost increases as a result of moving to hands-free homing.

The clearest impact of COVID-19 was felt on our shops and commercial trading income, which reduced by £3.9m (48%) and £0.9m (31%) respectively compared to 2019. This was due to the closure of the Visitor Centre and café from March 2020, and the intermittent closure of our charity shops during lockdown and regional restrictions. We expedited the planned consolidation of our retail chain and have had to permanently close shops that were not large enough to facilitate social distancing. This was particularly important for our retail chain and meant that we could reduce the diversion of funds from our charitable objects to supporting temporary shop closures.

Income from fundraising events was £1.8m (22%) higher than in 2019. This line includes the Weekly Lottery and raffles which generated £1.9m more in 2020 than 2019 and income from the proceeds of the People's Postcode Lottery draws, which was £0.1m more in 2020 than 2019 (see Note 7). There was a small decline in income from face-to-face and challenge events, which was partly mitigated by running virtual alternative events.

We received grant income of £1.3m under the Job Retention Scheme, also known as furlough and Business Interruption Grants of £0.7m from local authorities. These are included as other income in the SOFA and explains the year-on-year increase in that line.

Expenditure

Total expenditure for 2020 was £66.5m, which is £4.8m (7%) lower than for 2019.

Expenditure on rehoming cats was £31.7m, a decrease of £2.1m (6%) compared to 2019. We took fewer cats into our care during lockdown which led to a reduction in cat care costs. However, these reductions were partly offset by increased health and safety costs, including personal protective equipment for our people, and facilitating the introduction of hands-free homing. As for shops, a significant proportion of our adoption centre expenditure is fixed, regardless of the volumes of activity. Therefore, while we were still able to rehome 27,000 cats in 2020, which is 14,000 (34%) fewer than in 2019, the reduction in the cost does not match the reduction in activity.

Expenditure on reducing the overpopulation of cats was £5.2m, a decrease of £1.3m (20%) compared to 2019. Veterinary practices were required to suspend all non-emergency treatment for a period during 2020 which meant standard neuter operations were not performed and the number of cats neutered with Cats Protection support fell by 29% to 109,000.

Expenditure on our education and information charitable activities was £5.2m, which is £0.1m (3%) lower than 2019. We were able to successfully adapt our educational talk resources to online delivery as well as launching new materials.

Expenditure on raising funds totalled £24.4m for 2020, which represents a decrease of £1.3m (5%) compared to 2019. Due to the shop closures, we bought fewer new goods for resale and some small savings on shop running costs were achieved. However, the savings on shop costs did not offset the fall in income as some costs, such as rents, are fixed and employee costs continued to be incurred. Additional expenditure was also required to make our shops COVID-secure on reopening. Expenditure in other areas of fundraising increased to build our base of regular givers and to help offset the fall in shop and trading income.

Out-turn

As the decrease in our income in 2020 was lower than the decrease in our expenditure, we were able to generate a net operating surplus of £5.5m. In 2019, we adopted a lower risk investment strategy which helped protect the value of our investments from falls in the value of equities. While we did experience a decline in the value of our investment portfolio in March and April 2020, the position recovered and by year end, our investments recorded a gain of £2.3m. Our out-turn for the year was therefore £7.8m. The net assets on our balance sheet are now £115.5m (2019: £107.6m).

We could not achieve all that we do without the valued input and support from our 10,900 volunteers. Each year, we usually estimate the equivalent monetary value of the time our volunteers so generously give to Cats Protection. However, as the nature of many roles will have changed in light of the pandemic during 2020, with some volunteers contributing more hours and some less, it is not possible to provide a reasonable estimate of the total hours contributed and therefore to calculate a reasonable equivalent monetary value.

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
- receiving commission on pet insurance purchased for cats adopted from the charity
- sales relating to licensing the use of the Cats Protection brand to other commercial entities
- running the café and shop at the National Cat Centre's Visitor Centre, to mid-March 2020

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 2020 is £1.3m (2019: £1.4m). The payment will be made within nine months of the year end.

The results for the year and the financial position of the Company are as shown in Note 21. The profit on ordinary activities for the year ended 31 December 2020 amounted to £1.3m (2019: £1.4m). Turnover in 2020, at £2.1m, represents a decrease of £1.0m (32%) compared to the previous year (2019: £3.1m). Cost of sales in 2020 was 27% of turnover (2019: 44%). Administrative expenditure was £0.2m for 2020, a decrease of £0.1m compared to last year (2019: £0.3m) due to the overhead recharge from the parent charity reducing to reflect the change in activity levels and furlough grant income being received in respect of employees at the Visitor Centre and café. The full profit of £1.3m will be paid to the charity in 2021 as a Gift Aid payment.

The impact of the COVID-19 pandemic and the resulting lockdowns and regional restrictions had a significant impact on the trading activities of the Company. The Visitor Centre, which hosts the shop, café and meeting rooms for hire, closed on 17 March 2020 and the employees therein were placed on furlough. Due to social distancing and additional bio-security requirements, it was not possible to reopen the shop, café and meeting rooms safely once the first national lockdown ended. As the impact of the pandemic extended into the summer, along with the prospect of a second wave leading to continued restrictions, the difficult decision was taken to close the Visitor Centre until 2021. Regrettably, employees at the shop and café that could not be redeployed within the charity were made redundant. The future use of the Visitor Centre will be reviewed in 2021.

The chain of charity shops run by the charity was also impacted negatively by lockdowns and regional restrictions. While the majority of shops were able to reopen and operate safely when permitted, some units in the chain were too small to facilitate social distancing and the decision was taken to close these shops permanently. The temporary closures during lockdown and the permanent closure of some shops resulted in reduced trading in the sale of new goods.

The pandemic also impacted on the charity's ability to rehome cats. As a result, the number of cats adopted in 2020 was 14,000 (34%) fewer than in 2019. This lead to a drop in our insurance commission income from Petplan®, which is received every time a new policy is purchased or an existing policy renewed for an adopted cat. Petplan® commission income in 2020 was £0.9m compared to £1.0m in 2019.

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 2020 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. We have appointed two professional fund managers to manage the portfolio, Rathbones and Sarasin & Partners. The portfolio is allocated broadly equally between them. The charity has specified the objective for the fund managers to achieve is a total return of CPI+2.0%, measured after fees and annualised over five years.

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. Both fund managers out-performed the annual benchmark for 2020 and the portfolio achieved the investment objective of achieving a total return of CPI+2.0% in 2020. The funds also out-performed an index of similarly structured charity investment portfolios and there were no breaches of our ethical policy. The charity does not hold any mixed motive investments. Mixed motive investments have the joint purpose of providing a financial return while delivering directly the aims of the charity.

Ethical policy

Cats Protection operates an ethical policy. The policy encompasses all areas of our work, 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 2020 and agreed that a minimum level of unrestricted general funds, also known as free reserves, of £20m 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 2020 were £42.7m (2019: £30.3m), which is £22.7m above the minimum required by our current reserves policy. Investment gains totaling £7.9m across 2019 and 2020 have contributed to the balance on free reserves. In addition, as we entered lockdown in March 2020, we faced great uncertainty and took prudent action to realise savings and pause areas of significant project spend. This was essential as we could not predict with certainty the impact the pandemic would have on our income streams. In the event, our continued investment in raising funds resulted in several of our income sources improving. During 2020, we have progressed our strategic review and we now understand that significant investment is required in parts of the charity's infrastructure in order to take us forward. As our free reserves are above the minimum level, we can look to implement elements of the transformation programme. The approved 2021 budget for the charity was predicated on there being no further lockdowns in 2021. This has proven not to be the case and once again, our shop income is suffering. Despite the unexpected fall in this income stream, we are progressing with our plans and will draw on free reserves as necessary rather than reducing our services to find compensating savings. Uncertainties about the long-term impact of COVID-19 on all our income streams and the way we work may also result in the charity encountering unforeseen dips in income and increases in expenditure; free reserves can be used to fund such eventualities without jeopardising the long-term financial sustainability of the Group.

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 £40.2m at 31 December 2020
- the capital development fund exists to support the charity's 10-year capital plan. Expenditure of £0.3m on capital projects included in the capital plan during 2020 has been charged to this fund. The main item of expenditure relates to preparatory work on the redevelopment of the Exeter Axhayes Adoption Centre. The balance on this fund at 31 December 2020 was £27.1m
- 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. Expenditure of £1.0m was charged against this fund during 2020 and the balance as at 31 December 2020 was £0.5m

At 31 December 2020, the charity held £5.0m (2019: £5.8m) 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 18 to the financial statements.

Risk management

Trustees are required to identify and evaluate the risk that an event or events might occur that impact significantly on the charity's ability to deliver its strategic objectives. Appropriate actions are then taken to manage or mitigate each identified risk.

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

is managed to an acceptable degree or whether further actions are needed to reduce the likelihood and/or impact of the risk occurring.

The charity's risk management processes really came to the fore during the COVID-19 outbreak. Business continuity plans were activated at the start of the national lockdown and then throughout the remainder of the year as we responded to localised issues and restrictions. A separate Pandemic Risk Register was compiled which not only focused on the risks presented by the outbreak, but also captured the opportunities, including the roll-out and uptake of new technologies.

The Charity Risk Register was reviewed regularly with a full refresh twice during the year. The nature of the principal risks changed significantly across 2020 and into 2021. At the start of the pandemic, our most significant risk was the ongoing financial sustainability of the charity due to the uncertainty over future income streams and the impact on investment values. In response, we introduced more frequent cash flow forecasting, reporting the outcome to the Board, and implemented a programme of savings. We also launched a Special Coronavirus Appeal. The charity's current healthy financial position has resulted in this risk reducing significantly.

Towards the end of 2020, responding to issues arising from COVID-19 had very much become business as usual activity. The principal risks now facing the charity are major projects and cyber-security. The charity has an ambitious transformation programme to invest in our IT infrastructure, our people and the services we deliver. In order to deliver this successfully, we will need to increase capacity of project management skills and develop a programme and portfolio management approach to ensure that the individual projects are appropriately prioritsed, sequenced, progress is monitored and the desired benefits are delivered. Our 2021 plans and budget incorporate these activities.

Adapting to working during lockdown has brought to the fore our reliance on technology. The threat of a malicious attack on our systems is very real and has the potential to cause extreme disruption. We continue to invest in cyber-security and additional budget has been allocated in 2021 to further strengthen our IT defences. A full security review is planned for 2021 to ensure we understand the predominant threats in the external environment and that we have appropriate controls in place to protect our systems and data.

Other key risks are ensuring the strategy development work is properly resourced and delivers the outcomes it seeks to achieve, ensuring the charity complies with all relevant laws and regulations, in particular health and safety and safeguarding, and that we manage personal data appropriately. Internal audit reviews have been performed in a number of these areas to provide assurance that the controls in place are operating satisfactorily to manage and, where possible, mitigate these risks.

The Board recognises that ultimately any approach to risk management can only provide reasonable, and not absolute, assurance that major risks have been identified and are being managed adequately.

Executive remuneration

In order to perform as an effective and professional charity, we need to recruit the best candidates and retain our highly skilled and motivated employees. We aim to ensure that we offer salaries that are competitive both locally and within the charitable sector. The Board determines the salary of the Chief Executive and to assist the process takes account of data provided by the National Council for Voluntary Organisations (NCVO), the Association of Chief Executives of Voluntary Organisations (ACEVO) and other organisations providing market data. The Board, taking advice from the Chief Executive, determines the salaries of other senior employees in line with the same salary policy. An overriding factor in salary setting is always affordability under the budgets.

Scotland

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

Cats Protection undertakes between 10% and 15% of its welfare work in Scotland. The work is delivered through two staffed adoption centres (2019: two), two branch volunteer-run centres (2019: two), 28 branches (2019: 39) and 11 shops (2019: 15), involving around 1,145 volunteers (2019: 1,331) and 57 employees (2019: 70).

Going concern

The Directors regularly consider the short and longer term financial projections and other risks that may affect the Group. To help evaluate the financial impact of the ongoing national lockdowns and restrictions on social contact to control the pandemic, the Directors have reviewed detailed financial projections and cash flow forecasts for the period to 31 December 2022. This incorporates the latest financial information in respect of 2021 and draws on the experiences of how the Group's income and expenditure were impacted in 2020 by restrictions on its activities.

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 changes in death rates, the housing market, administrative delays and general economic conditions. We have used expert advice to model the potential impact. This has concluded even in the most pessimistic scenario, total cash income from legacies across the years 2021 and 2022 is expected to increase slightly compared to 2020

- donations – we continued to invest in donor recruitment during 2020 and this, together with a Special Coronavirus Appeal, helped to increase donation income for the year. We have budgeted for further investment in donation growth

in 2021. Attrition rates (regular givers cancelling their direct debits) remained low throughout 2020 and we expect this to be the trend in 2021, providing some degree of certainty for this income stream

- events – by far the largest item of events income is from our raffle and Weekly Lottery. We continued to recruit new players in 2020 and have budgeted for further player recruitment in 2021. The high volume, low value nature of this income helps provide some security to the on-recurring nature of this income stream. Social distancing has impacted on our ability to hold physical fundraising events, although there has been a corresponding cost saving, limiting the net impact

- shops – the closure of our shops is where the impact of lockdowns and restrictions is felt most keenly. Our shop chain reduced substantially in 2020 and we have developed online selling of donated goods which should mean the shortfall in actual income compared to budget is not as great as in 2020

- expenditure – we have reviewed our expenditure and identified where savings have already been made and further savings could be achieved to meet further reductions in income that may materialise

- investments – the move to a more risk-averse investment objective in 2019 has reduced our exposure to more volatile assets, such as equities, which has reduced the impact on our portfolio of falls in the stock market

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.

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)

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

Email: cp@cats.org.uk
Website: www.cats.org.uk
Telephone: 01825 741 900
Info line: 03000 12 12 12

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):
Ms L Upson DipLGD Chairman
Dr A Swarbrick ACA Deputy Chairman
Ms W Bosler BA (Hons)
Mrs N Butcher
Dr I Campbell
Mr T Jones MA(Cantab), FInstF, FIDM (to July 2020)
Mrs M Price Freeman of the Worshipful Company of International Bankers, Freeman of the City of London
Mrs A Ryan BA (Hons) (to November 2020)
Dr C Sturgess MA, VetMB, PhD, CertVR, DSAM, CertVC, FRCVS

Advisory Council members:

(All Directors of Cats Protection Trustee Limited were also Advisory Council members)
Dr J Bradshaw (to March 2020)
Mrs T Cooper
Mrs G Davies
Ms W Harris
Mrs B Hall
Mr D Manners (to July 2020)
Mr M Ridgway (to October 2020)
Mrs L Robinson
Mrs J Rouse
Mr B Till
Mrs L Pothecary
Mrs K Stapleford (to October 2020)
Mrs M Young (to October 2020)

In 2020, members voted to replace Advisory Council with a new body, Connect. Connect did not meet in 2020. Advisory Council members listed above that were still in post at 31 December 2020 will be members of Connect. The recruitment of other new members is planned for 2021.

Investment Committee:

Mrs A Ryan BA (Hons) (Chair to November 2020)
Dr I Campbell (Chair from November 2020)
Mr T Jones MA (Cantab), FInstF, FIDM (to July 2020)
Ms W Bosler BA (Hons) (from November 2020)
Mrs M Price Freeman of the Worshipful Company of International Bankers, Freeman of the City of London (from November 2020)
Mr Ian Enslin (advisor)
Mr S Kumar LLB (Hons), MCSI (advisor) (to May 2020)
Mr C Ringrose (advisor)

Audit Committee:

Dr A Swarbrick ACA Chair
Mrs N Butcher
Dr C Sturgess MA
Mrs J Armstrong (advisor)
Mr P Bloor (advisor)
Mrs K Elis-Williams BA(Hons), ACA (advisor)
Miss K Horvath (advisor)
Ms S Hunt FCA (advisor)

Chief Executive and Executive Management Team

Chief Executive

Mr J Yeates BVSc BSc DWEL DipECAWBM(WEL) PhD FRCVS

Executive Management Team

Mr K Adams BSc (Hons)
Director of Digital Transformation

Ms J Barnard
Director of Communications

Mr M Beazley
Director of Operations (to October 2020)

Ms C Cottrell MA, PGDip, MInstF
Director of Income Generation

Mr M Elliott BSc (Hons), MBA, FCMI
Interim Director of Field Operations (from October 2020)

Ms S Field BA (Hons)
Director of People & Engagement

Dr M Roberts BVM&S, MRCVS
Director of Veterinary Services

Mrs J Scarfield BA (Hons), CPFA
Director of Finance & Strategy

Mr D Sullivan LLB (Hons)
Director of Legal Services

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

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 OUF



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:

Ms L Upson
Chairman
22 April 2021

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 2020 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 2020 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 Trustee's 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 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

Crowe U.K. LLP
Statutory Auditor
London
Date: 2nd June 2021

Consolidated statement of financial activities (SOFA)

Year ended 31 December 2020
(Full prior year comparatives are set out in Note 2)

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Income					
Legacies	4	31,706	1,629	**33,335**	35,376
Donations	5	17,293	40	**17,333**	14,973
Income from charitable activities:					
Rehoming fees		1,679	-	**1,679**	2,103
Income from other trading activities:					
Shops	6	4,213	-	**4,213**	8,072
Fundraising events	7	9,946	-	**9,946**	8,181
Commercial trading operations	21	2,098	-	**2,098**	3,026
Investment income	8	1,027	-	**1,027**	1,215
Other income	9	2,341	-	**2,341**	204
Total income		**70,303**	**1,669**	**71,972**	73,150
Expenditure					
Costs of raising funds:					
Seeking donations and legacies	10	8,861	-	**8,861**	8,416
Shops	10	9,055	-	**9,055**	10,111
Fundraising events	10	5,511	-	**5,511**	5,223
Commercial trading operations	10	754	-	**754**	1,669
Investment management	10	201	-	**201**	213
Costs of charitable activities:					
Rehoming cats	10	29,203	2,518	**31,721**	33,836
Reducing overpopulation of cats	10	5,188	28	**5,216**	6,523
Education and information	10	5,154	-	**5,154**	5,282
Total expenditure		**63,927**	**2,546**	**66,473**	71,273
Net income/(expenditure) before gains/(losses) on investments		**6,376**	**(877)**	**5,499**	1,877
Gains/(losses) on investments		2,333	-	**2,333**	5,649
Net income/(expenditure) and movement in funds		**8,709**	**(877)**	**7,832**	7,526
Reconciliation of funds					
Total funds brought forward at 1 January		101,799	5,829	**107,628**	100,102
Total funds carried forward at 31 December		**110,508**	**4,952**	**115,460**	107,628

All of the above results relate to continuing activities. The consolidated SOFA includes all gains and losses recognised in the year. This incorporates the income and expenditure account. The results of the charity only are set out in Note 3 and the results of the subsidiary only are set out in Note 21.

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

Consolidated balance sheet

As at 31 December 2020

		Charity		Group	
		2020	2019	**2020**	2019
	Note	**£'000**	£'000	**£'000**	£'000
Fixed assets					
Tangible assets	13	**40,228**	42,508	**40,228**	42,508
Investments	14	**65,471**	55,463	**65,471**	55,463
Total fixed assets		**105,699**	97,971	**105,699**	97,971
Current assets					
Stocks		**-**	-	**264**	214
Debtors	15	**6,679**	6,374	**5,477**	5,275
Cash at bank and in hand		**7,951**	9,526	**8,696**	10,332
Total current assets		**14,630**	15,900	**14,437**	15,821
Liabilities					
Creditors: amounts falling due in one year	16	**(4,058)**	(5,319)	**(3,865)**	(5,240)
Provisions for liabilities	17	**(811)**	(924)	**(811)**	(924)
Net current assets		**9,761**	9,657	**9,761**	9,657
Total net assets		**115,460**	107,628	**115,460**	107,628
Funds					
Unrestricted funds:					
General funds	18	**42,661**	30,285	**42,661**	30,285
Designated funds	18	**67,847**	71,514	**67,847**	71,514
Restricted funds	18	**4,952**	5,829	**4,952**	5,829
Total funds		**115,460**	107,628	**115,460**	107,628

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:



Ms L Upson
Chairman of Cats Protection Trustee Limited
22 April 2021

Consolidated cash flow statement

Year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows operating activities			
Net cash provided by operating activities	a	**6,343**	6,360
Cash flows from investing activities			
Dividends, interest and rents from investments		**1,027**	1,212
Proceeds from the sale of property, plant and equipment		**375**	67
Purchase of property, plant and equipment		**(1,672)**	(5,811)
Investment management fees		**200**	217
Reinvestment of investment returns		**(409)**	(857)
Withdrawals from investments		**6,000**	7,000
New funds invested		**(13,500)**	(7,000)
Net cash used in investing activities		**(7,979)**	(5,172)
Change in cash and cash equivalents in the year	b	**(1,636)**	1,188
Cash and cash equivalents at 1 January		**10,332**	9,144
Cash and cash equivalents at 31 December		**8,696**	10,332
a) Reconciliation of net income to net cash flow from operating activities			
Net movement in funds for the reporting period		**7,832**	7,526
Adjustments for:			
Depreciation charges		**3,704**	3,494
(Gains)/losses on investments		**(2,299)**	(5,537)
Dividends, interest and rents from investments		**(1,027)**	(1,212)
Loss/(profit) on the sale and write-off of assets		**(127)**	(51)
(Increase)/decrease in stocks		**(50)**	(74)
(Increase)/decrease in debtors		**(202)**	727
Increase/(decrease) in creditors		**(1,375)**	1,338
Increase/(decrease) in provisions		**(113)**	149
Net cash provided by operating activities		**6,343**	6,360
b) Analysis of cash and cash equivalents			
Cash at bank and in hand		**8,696**	10,332

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 financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland published on 16 July 2014 and applicable updates. Cats Protection meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Directors regularly consider the short and longer term financial projections and other risks that may affect the Group. To help evaluate the financial impact of the ongoing national lockdowns and restrictions on social contact to control the pandemic, the Directors have reviewed detailed financial projections and cash flow forecasts for the period to 31 December 2022. This incorporates the latest financial information in respect of 2021 and draws on the experiences of how the Group's income and expenditure were impacted in 2020 by restrictions on its activities.

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 changes in death rates, the housing market, administrative delays and general economic conditions. We have used expert advice to model the potential impact. This has concluded even in the most pessimistic scenario, total cash income from legacies across the years 2021 and 2022 is expected to increase slightly compared to 2020

- donations – we continued to invest in donor recruitment during 2020 and this, together with a Special Coronavirus Appeal, helped to increase donation income for the year. We have budgeted for further investment in donation growth in 2021. Attrition rates (regular givers cancelling their direct debits) remained low throughout 2020 and we expect this to be the trend in 2021, providing some degree of certainty for this income stream

- events – by far the largest item of events income is from our raffle and Weekly Lottery. We continued to recruit new players in 2020 and have budgeted for further player recruitment in 2021. The high volume, low value nature of this income helps provide some security to the on-recurring nature of this income stream. Social distancing has impacted on our ability to hold physical fundraising events, although there has been a corresponding cost saving, limiting the net impact

- shops – the closure of our shops is where the impact of lockdowns and restrictions is felt most keenly. Our shop chain reduced substantially in 2020 and we have developed online selling of donated goods which should mean the shortfall in actual income compared to budget is not as great as in 2020

- expenditure – we have reviewed our expenditure and identified where savings have already been made and further savings could be achieved to meet further reductions in income that may materialise

- investments – the move to a more risk-averse investment objective in 2019 has reduced our exposure to more volatile assets, such as equities, which has reduced the impact on our portfolio of falls in the stock market

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.

B. Consolidation

These Group accounts consolidate the accounts of Cats Protection (the charity) and its subsidiary undertaking, Cats Protection Enterprises Limited, on a line by line basis. The results for the charity are provided in Note 3 and the results for the subsidiary are provided in Note 21.

C. Fund accounting

The charity maintains various types of funds as follows:

- general funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the charity's objectives and which have not been designated for other purposes

- designated funds are funds that have been set aside by the Trustee for particular purposes. The purpose and use of each designated fund is set out in Note 18

- restricted funds represent funds which are to be used in accordance with specific restrictions imposed by the donor or which have been raised for particular purposes. The purpose and use of each restricted fund is set out in Note 18

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

D. Income

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Policies for certain types of income are as follows:

- legacy income is recognised in the SOFA when the 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. 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

E. Expenditure

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

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

- Charitable activities are all costs incurred in meeting the core objectives of the charity

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

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

F. Tangible fixed assets, depreciation and impairment

Freehold land and buildings are stated at cost less depreciation. Assets under the course of construction are transferred to freehold land and buildings on practical completion. Tangible fixed assets costing more than £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 is depreciated over 10 years

- fixtures, fittings, IT and office equipment, IT software and motor vehicles are depreciated over four years, with the exception of 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.

G. Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Gains and losses on the disposal of investment assets are calculated as the difference between historical and market values. Investments intended to be held for a period of more than one year are disclosed as a fixed asset on the balance sheet.

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

I. Debtors
Debtors are included in the balance sheet at the amount due/invoiced. There is no bad debt provision as a review has concluded that none is necessary.

J. Pension costs
The charity operates a defined contribution pension scheme. The assets of the scheme are held in a separately administered fund. The amount charged to the SOFA represents the employer's contribution payable to the scheme in respect of the accounting period.

K. Finance and operating leases
Operating lease rentals are charged to the SOFA on an accruals basis. The Group does not hold any assets under a finance lease.

L. Taxation
Cats Protection is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Cats Protection Enterprises Limited makes qualifying donations of all taxable profit to the charity. No corporation tax liability arises in the accounts.

M. Creditors
Creditors are recognised when goods or services have been delivered or provided prior to the financial year end but the invoice has not yet been received or paid. Creditors are measured on the basis of either the invoice or order value.

N. Provisions
A provision exists when the Group has a liability that can be estimated reliably and for which there is an expectation that payment will be made. Estimation techniques involve assumptions, which are based on experience. The provisions disclosed in Note 18 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.

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

2. Prior year comparatives for the SOFA

	2019 comparatives		
	Unrestricted funds	Restricted funds	Total
	£'000	£'000	£'000
Income			
Legacies	33,010	2,366	35,376
Donations	14,792	181	14,973
Income from charitable activities:			
Rehoming fees	2,103	-	2,103
Income from other trading activities:			
Shops	8,072	-	8,072
Fundraising events	8,181	-	8,181
Commercial trading operations	3,026	-	3,026
Investment income	1,215	-	1,215
Other income	204	-	204
Total income	70,603	2,547	73,150
Expenditure			
Costs of raising funds:			
Seeking donations and legacies	8,416	-	8,416
Shops	10,111	-	10,111
Fundraising events	5,223	-	5,223
Commercial trading operations	1,669	-	1,669
Investment management	213	-	213
Costs of charitable activities:			
Rehoming cats	31,451	2,385	31,245
Reducing overpopulation of cats	6,478	45	6,523
Education and information	5,282	-	5,282
Total expenditure	68,843	2,430	71,273
Net income before gains on investments	1,760	117	1,877
Gains on investments	5,649	-	5,649
Net income	7,409	117	7,526
Transfer between funds	117	(117)	-
Net movement in funds	7,526	-	7,526
Reconciliation of funds			
Total funds brought forward at 1 January 2019	94,273	5,829	100,102
Total funds carried forward at 31 December 2019	101,799	5,829	107,628

3. Summary financial performance of the charity only

	2020	2019
	£'000	£'000
Income and expenditure		
Income	**71,405**	71,548
Expenditure	**(65,906)**	(69,671)
Net operating income	**5,499**	1,877
Gains/(losses) on investments	**2,333**	5,649
Net income/(expenditure)	**7,832**	7,526
Total funds brought forward	**107,628**	100,102
Total funds carried forward	**115,460**	107,628

4. Contingent legacy income

In addition to the legacy income recognised in the SOFA of £33,335k (2019: £35,376k), the charity had been notified of 453 residuary legacies (2019: 418 residuary legacies) with a total estimated value of £22,146k (2019: £21,422k). 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 2020 £'000	2019 £'000
Donations	16,784	40	**16,824**	14,447
Subscriptions	509	-	**509**	526
	17,293	**40**	**17,333**	14,973

Subscriptions include the membership fees paid to Cats Protection and our local branches. In 2019, donation income of £181k was restricted. This is included in the 2019 total of £14,973k above.

6. Shop income

Shop income of £4,213k (2019: £8,072k) recorded under shops in the SOFA includes income from the sale of donated goods and Gift Aid claimable in respect of the sale of donated goods under the Retail Gift Aid scheme. Donations totaling £222k (2019: £331k) were received in our shops and these are included in donations income in the SOFA. Our shops also sold £523k (2019: £1,074k) of new goods that generated a gross profit of £276k (2019: £392k). 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. In 2020, grant income under the Job Retention Scheme of £991k was received in relation to employees across the charity's retail chain and the charity also received business grants totalling £698k. This grant income is recorded against other income in the SOFA (see Note 9). Therefore, total gross income relating to the shop chain in 2020 was £6,647k (2019: £9,477k).

7. Fundraising events

The total of £9,946k 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 Licence (Non Remote Licence - 004905-N-300168-012) (Remote Licence – 004905-R-300167-013), during the year the charity has operated five raffles, a Weekly Lottery and been the beneficiary of two People's Postcode Lottery (PPL) draws.

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

	Ticket sales 2020 £'000s	Ticket sales 2019 £'000s
Weekly Lottery	**5,609**	4,888
Christmas 2019 Raffle (drawn 3 January 2020)	**461**	-
Spring Raffle	**297**	329
Summer Raffle	**418**	305
Autumn Raffle	**364**	299
Christmas 2020 Raffle (drawn 18 December 2020)	**605**	-
Total for Cats Protection lottery draws	**7,754**	5,821
Ticket sales from People's Postcode Lottery	**4,011**	3,803
Total ticket sales	**11,765**	9,624

The 2019 Christmas Raffle was drawn on 3 January 2020 and therefore the income from the related raffle ticket sales is recognised in 2020.

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.

Lottery name	Percentage proceeds returned to charity 2020	Percentage proceeds returned to charity 2019
Weekly Lottery	**86%**	85%
Raffles	**85%**	83%
People's Postcode Lottery	**32%**	32%

During the year, Cats Protection received the proceeds of two lottery draws held by PPL (2019: two draws). Cats Protection has no ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as the principal, and so only net proceeds due to Cats Protection are recognised under events income in the statement of financial activities. The net proceeds received are recorded against fundraising events and are analysed as follows:

	2020 £'000	2019 £'000
Ticket value	**4,011**	3,803
Prize fund	**(1,603)**	(1,507)
Management fee	**(1,126)**	(1,078)
Net proceeds received	**1,282**	1,218

8. Investment income

	2020	2019
	£'000	£'000
Income from listed investments	1,000	1,177
Bank and other interest	27	38
	1,027	1,215

9. Other income

	2020	2019
	£'000	£'000
Job Retention Scheme	1,330	-
Business Interruption Grants	695	-
Business Recovery Grant	3	-
Surplus on disposal of tangible fixed assets	127	51
Rental income	129	125
Miscellaneous income	57	28
	2,341	204

Income for the Job Retention Scheme 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. Claims for the grant are submitted monthly in arrears. There were no amounts in respect of 2020 outstanding at the year end.

Business Interruption Grants were paid by various local authorities where retail premises were forced to close as a result of the first national lockdown due to COVID-19. The value of the grant received for each shop was determined by its rateable value. All grants were received during 2020 and there were no amounts outstanding at 31 December 2020. Business Interruption Grant income is recorded against shops in the SOFA.

The Business Recovery Grant was received from the Malvern Hills Local Authority in respect of one of our charity shops that was impacted by floods in February 2020.

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

10. Analysis of expenditure

	2020 £'000			2019 £'000		
	Direct costs	**Allocated support costs**	**Total**	Direct costs	Allocated support costs	Total
Costs of raising funds						
Seeking donations and legacies	**8,501**	**360**	**8,861**	8,120	296	8,416
Shops	**7,698**	**1,357**	**9,055**	8,633	1,478	10,111
Fundraising events	**5,271**	**240**	**5,511**	4,927	296	5,223
Commercial trading operations	**754**	**-**	**754**	1,669	-	1,669
Investment management	**201**	**-**	**201**	213	-	213
Total cost of raising funds	**22,425**	**1,957**	**24,382**	23,562	2,070	25,632
Costs of charitable activities (unrestricted)						
Rehoming cats	**23,185**	**6,018**	**29,203**	25,553	5,898	31,451
Reducing overpopulation of cats	**4,689**	**499**	**5,188**	6,020	458	6,478
Education and information	**4,465**	**689**	**5,154**	4,672	610	5,282
Total cost of charitable activities (unrestricted)	**32,339**	**7,206**	**39,545**	36,245	6,966	43,211
Costs of charitable activities (restricted)						
Rehoming cats	**2,518**	**-**	**2,518**	2,385	-	2, 385
Reducing overpopulation of cats	**28**	**-**	**28**	45	-	45
Total cost of charitable activities (restricted)	**2,546**	**-**	**2,546**	2,430	-	2,430
Total expenditure	**57,310**	**9,163**	**66,473**	62,237	9,036	71,273

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

	2020 £'000					
	People costs	**Corporate resources**	**IT**	**Facilities**	**Governance**	**Total indirect costs**
Seeking donations and legacies	96	106	118	36	4	**360**
Shops	362	401	444	136	14	**1,357**
Fundraising events	64	71	79	24	2	**240**
Rehoming cats	1,606	1,780	1,968	602	62	**6,018**
Reducing overpopulation of cats	133	148	163	50	5	**499**
Education and information	184	204	225	69	7	**689**
Total	**2,445**	**2,710**	**2,997**	**917**	**94**	**9,163**

	2019 £'000					
	People costs	Corporate resources	IT	Facilities	Governance	Total indirect costs
Seeking donations and legacies	85	87	85	32	7	296
Shops	426	437	424	158	33	1,478
Fundraising events	85	87	85	32	7	296
Rehoming cats	1,697	1,748	1,690	630	133	5,898
Reducing overpopulation of cats	132	136	131	49	10	458
Education and information	175	181	175	65	14	610
Total	2,600	2,676	2,590	966	204	9,036

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.

11. Additional analysis of expenditure

	2020	2019
	£'000	£'000
Auditor's remuneration – statutory audit of Group accounts	**35**	34
Auditor's remuneration – statutory audit of subsidiary accounts	**3**	3
Auditor's remuneration – assurance, tax or other financial services	**-**	-
Depreciation of tangible fixed assets	**3,704**	3,494
Operating lease rentals	**2,067**	1,997

12. Employee costs

	2020	2019
	£'000	£'000
Wages and salaries	**23,915**	22,937
Social security costs	**2,209**	2,079
Employer's contribution to the pension scheme	**1,608**	1,400
Employee benefits – private medical insurance	**215**	216
Apprenticeship Levy	**119**	114
Agency staff	**48**	393
Total	**28,114**	27,139

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.

The note above represents the total employee costs and has not been reduced by the value of furlough grant received. (see Note 9).

In 2020, the charity paid a total of £116,122 (2019: £41,277) in redundancy and termination payments in respect of 29 employees (2019: four 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 (2019: £nil). The significant increase in the number of payments in 2020 compared to 2019 is due to the consolidation of our chain of charity shops and the closure of the Visitor Centre.

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

	2020 average	2019 average	2020 FTE	2019 FTE
Charitable activities	**641**	601	**523**	496
Generating funds	**396**	395	**294**	291
Total	**1,037**	996	**817**	787

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 increase in employees engaged in charitable activities is mainly due to the increase in the number of employees in our adoption centres. 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:

	2020	2019
	£'000	£'000
£60,001 - £70,000	**8**	4
£70,001 - £80,000	**5**	6
£80,001 - £90,000	**5**	4
£90,001 - £100,000	**3**	1
£100,001 - £110,000	**2**	1
£110,001 - £120,000	**1**	1
£140,001 - £150,000	**1**	-

Emoluments include salary and allowances, benefits in kind (company car and medical insurance) and exit costs. All 25 of the higher paid employees are members of defined contribution schemes (2019:17) and in 2020 the charity paid £156,289 (2019: £99,628) to the scheme on their behalf. These costs are excluded when calculating emoluments. Additional pension contributions totaling £1,832 in respect of carried forward annual leave and time off in lieu (TOIL) were accrued at year end.

As a result of the pandemic, in 2020, employees were allowed to carry forward up to 10 days annual leave. The cost of the annual leave carried forward, together with any TOIL, has been accrued and included in the 2020 salary costs. This has the impact of more employees earning total benefits in excess of £60k in 2020 than in 2019.

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 (EMT) as set out on page 54) during 2020 was £1,049,965 (2019: £826,650). An additional £2,151 of employer's pension contributions and employer's NICs in respect of carried forward annual leave and TOIL was accrued at year end for members of EMT.

Trustee expenses

Travel and subsistence expenses amounting to £3,247 (2019: £12,020) were reimbursed directly to five Directors of Cats Protection Trustee Ltd (2019: six Directors). A further £1,102 of payments (2019: £6,141) were paid directly to suppliers for travel and overnight hotel accommodation in respect of seven Directors (2019: nine Directors). The reduction in travel, subsistence and accommodation costs reflect the fact that from mid-March 2020, all Trustee and sub-committee meetings were held virtually. Four Directors of Cats Protection Trustee Ltd did not claim for reimbursable expenses in 2020 (2019: three). None of the Directors has been paid any remuneration or received other benefits from an employment with the charity or a related entity (2019: none).

13. Tangible fixed assets

	2020 £'000					
	Freehold land and buildings	Assets under the course of construction	Pens and centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
Cost						
At 1 January 2020	48,410	185	7,432	10,501	5,436	**71,964**
Additions	0	562	169	502	439	**1,672**
Transfers	298	(438)	27	113	-	**-**
Disposals	(192)	-	-	(257)	(311)	**(760)**
At 31 December 2020	**48,516**	**309**	**7,628**	**10,859**	**5,564**	**72,876**
Depreciation						
At 1 January 2020	15,153	-	4,401	6,001	3,901	**29,456**
Charge for the year	1,123	-	362	1,551	668	**3,704**
Disposals	(27)	-	-	(182)	(303)	**(512)**
At 31 December 2020	16,249	-	4,763	7,370	4,266	**32,648**
Net book value						
At 31 December 2020	**32,267**	**309**	**2,865**	**3,489**	**1,298**	**40,228**

Freehold land and buildings includes freehold land with a value of £3,323k (2019: £3,451k) that is not depreciated. All assets are held for charitable purposes.

	2019 £'000					
	Freehold land and buildings	Assets under the course of construction	Pens and centre equipment	Fixtures, fittings and office equipment	Motor vehicles	Total
Cost						
At 1 January 2019	45,331	680	6,852	8,639	4,996	66,498
Additions	62	3,675	494	808	772	5,811
Transfers	3,017	(4,170)	86	1,054	13	-
Disposals	-	-	-	-	(345)	(345)
At 31 December 2019	48,410	185	7,432	10,501	5,436	71,964
Depreciation						
At 1 January 2019	14,097	-	4,060	4,519	3,614	26,290
Charge for the year	1,056	-	341	1,482	615	3,494
Disposals	-	-	-	-	(328)	(328)
At 31 December 2019	15,153	-	4,401	6,001	3,901	29,456
Net book value						
At 31 December 2019	33,257	185	3,031	4,500	1,535	42,508

14. Investment fixed assets

	Total 2020 £'000	2019 £'000
Market value at 1 January	**55,463**	49,285
New funds introduced	**13,500**	7,000
Funds withdrawn	**(6,000)**	(7,000)
Reinvested income	**409**	857
Management fees	**(200)**	(217)
Write-off of historic balance	**-**	(26)
Net gain/(loss) on revaluation	**2,299**	5,564
Market value at 31 December	**65,471**	55,463
Historical cost at 31 December	**56,932**	48,559

In 2008, the financial services provider Kaupthing, Singer & Friedlander (KSF) was placed in administration. Our financial statements for 2008 included a provision of £9.1m for 80% of the cash we had deposited at KSF. This represented the balance of funds not included in the first distribution by the bank's administrators. We have continued to receive further distributions from the administrators and as at 31 December 2020, these further distributions totaled £7.6m. Taking into account the first distribution, we have now received £9.9m, which is equivalent to 86.8 pence in £1. Two distributions, totaling £34k were received in 2020 (2019: two distributions totaling £86k).

Analysis of investments held at 31 December

	2020 £'000	2019 £'000
Represented by:		
Fixed interest securities	**15,713**	13,724
UK equities	**7,911**	7,635
Overseas equities	**16,732**	14,009
Alternatives	**6,143**	5,514
Cash and cash equivalents	**17,752**	13,361
Investment property	**1,220**	1,220
	65,471	55,463

Alternatives include property and infrastructure funds and commodities. As at 31 December 2020, the charity held no single investment which was in excess of 5% of total market value of the portfolio (31 December 2019: nil). The charity is not aware of any material restrictions which might affect the realisation of any of its listed securities. The investment property relates to two houses and a large converted garage on the same site. The houses are rented on assured short-term tenancies at open market rates. The properties were initially valued in April 2016, the point at which the charity assumed ownership, by an independent, suitably qualified professional. A subsequent revaluation in November 2020 found the initial valuation remained extant.

15. Debtors: amounts falling due within one year

	Charity		Group	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Prepayments and accrued income	**5,087**	4,949	**5,135**	5,222
Other debtors	**1,592**	1,425	**342**	53
	6,679	6,374	**5,477**	5,275

16. Creditors: amounts falling due within one year

	Charity		Group	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Trade creditors	**1,491**	2,530	**1,580**	2,595
Taxation and social security	**520**	588	**544**	629
Accruals and deferred income	**962**	1,732	**965**	1,733
Other creditors	**776**	283	**776**	283
Amount owing to subsidiary	**309**	186	**-**	-
	4,058	5,319	**3,865**	5,240

17. Provisions for liabilities and charges

	2020	2019
	£'000	£'000
Dilapidations provision		
At 1 January	**794**	775
Raised during the year	**-**	50
Utilised during the year	**(88)**	(21)
Released unused	**(25)**	(10)
At 31 December	**681**	794
VAT provision		
At 1 January	**130**	-
Raised during the year	**-**	130
Utilised during the year	**-**	-
At 31 December	**130**	130
Total provisions at 31 December	**811**	924

The provisions relate to dilapidations on properties rented by the Group and a potential liability for backdated VAT. The payment of dilapidation liabilities falls due as and when we vacate leased premises at the end of the lease period. The VAT liability is expected to be settled in 2021.

18. Statement of funds

	2020 £'000					
	Balance at 1 January 2020	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 December 2020
Unrestricted funds						
General funds	30,285	70,303	(62,925)	2,333	2,665	**42,661**
Designated funds						
Fixed assets	42,508	-	-	-	(2,280)	**40,228**
Capital development fund	27,506	-	-	-	(385)	**27,121**
Strategy development fund	1,500	-	(1,002)	-	-	**498**
Total unrestricted funds	**101,799**	**70,303**	**(63,927)**	**2,333**	**-**	**110,508**
Restricted funds						
By area	4,190	1,322	(1,589)	-	-	**3,923**
By centre	1,564	276	(914)	-	-	**926**
By activity or service	75	71	(43)	-	-	**103**
Total restricted funds	**5,829**	**1,669**	**(2,546)**	**-**	**-**	**4,952**
Total funds	**107,628**	**71,972**	**(66,473)**	**2,333**	**-**	**115,460**

	2019 £'000					
	Balance at 1 January 2020	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 December 2020
Unrestricted funds						
General funds	22,763	70,603	(68,843)	5,649	113	30,285
Designated funds						
Fixed assets	40,208	-	-	-	2,300	42,508
Capital development fund	31,302	-	-	-	(3,796)	27,506
Strategy development fund	-	-	-	-	1,500	1,500
Total unrestricted funds	94,273	70,603	(68,843)	5,649	117	101,799
Restricted funds						
By area	4,692	1,488	(1,863)	-	(127)	4,190
By centre	1,137	915	(498)	-	10	1,564
By activity or service	-	144	(69)	-	-	75
Total restricted funds	5,829	2,547	(2,430)	-	(117)	5,829
Total funds	100,102	73,150	(71,273)	5,649	-	107,628

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

The purpose of each designated fund is:

- fixed assets – this represents the net book value of fixed assets in use by the charity
- capital development fund – this fund has been established to meet the cost of the charity's 10-year capital plan. The funds will be applied to building new adoption centres and fitting out new charity shops, as well as refurbishing our existing sites. In 2020, we expended £325k on projects in the capital plan (2019: £3,796k). The equivalent amount has therefore been transferred into general funds to finance this expenditure
- strategy development fund – this fund was created to finance the strategy development work that commenced in late 2019. It covers the cost of employees working on the strategy projects, essential research and data analysis that needs to be commissioned and specialist support that needs to be procured externally. In 2020, we expended £1,002k against this fund (2019: £nil). The balance will be applied in 2021 to ongoing strategy development work

The restricted funds represent funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised for particular purposes.

19. Analysis of net assets between funds

	2020 £'000			
	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Balance at 1 January 2020	30,285	71,514	5,829	**107,628**
Net movement in funds	12,376	(3,667)	(877)	**7,832**
Balance at 31 December 2020	**42,661**	**67,847**	**4,952**	**115,460**
Represented by:				
Tangible fixed assets	-	40,228	-	**40,228**
Investments	32,900	27,619	4,952	**65,471**
Net current assets	9,761	-	-	**9,761**
Total net assets	**42,661**	**67,847**	**4,952**	**115,460**

	2019 £'000			
	General funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Balance at 1 January 2020	22,763	71,510	5,829	100,102
Net movement in funds	7,522	4	-	7,526
Balance at 31 December 2020	30,285	71,514	5,829	107,628
Represented by:				
Tangible fixed assets	-	42,508	-	42,508
Investments	20,628	29,006	5,829	55,463
Net current assets	9,657	-	-	9,657
Total net assets	30,285	71,514	5,829	107,628

20. Operating lease commitments

At 31 December 2019, the Group was committed to making the following payments under operating leases:

	2020	2019
	£'000	£'000
Within one year	**1,520**	1,857
Within two to five years	**1,839**	2,843
Over five years	**-**	13
	3,359	4,713

21. Subsidiaries

At 31 December 2020, the charity held 100% of the issued share capital of the following company, which is registered in England:

Cats Protection Enterprises Limited 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	**2020**	2019
	£'000	£'000
Turnover	**2,098**	3,093
Cost of sales	**(577)**	(1,374)
Gross profit	**1,521**	1,719
Administrative expenditure	**(188)**	(308)
Profit on ordinary activities before taxation	**1,333**	1,411
Taxation on current year profits	**-**	-
Profit on ordinary activities after taxation for the year	**1,333**	1,346
Changes in equity:		
Equity brought forward	**-**	-
Profit for the year	**1,333**	1,346
Gift Aid payment	**(1,333)**	(1,346)
Equity carried forward	**-**	-

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

Cats Protection Enterprises Limited balance sheet

	31 December 2020	31 December 2019
	£'000	£'000
Current assets:		
Stock	**264**	214
Debtors	**441**	497
Cash at bank and in hand	**744**	806
	1,449	1,517
Creditors: amounts falling due within one year		
Net assets	**(1,449)**	(1,517)
	-	-
Funded by:		
Called up share capital	**-**	**-**
Retained earnings	**-**	**-**

The profits for the year, amounting to £1,333k (2019: £1,411k) will be donated to the charity under Gift Aid as a distribution from Cats Protection Enterprises Ltd in 2021.

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 traded during 2019 or 2020 and there are no transactions to consolidate into these Group accounts.

22. Capital commitments

At 31 December 2020, the charity had no significant (over £100k in value) capital commitments (2019: one commitment totaling £261k).

23. Related parties

As at the balance sheet date, a net total of £309k was owing from Cats Protection to Cats Protection Enterprises Ltd (2019: £186k) for income collected through the charity on behalf of Cats Protection Enterprises Ltd.

In 2020, the Directors of the Corporate Trustee made personal donations totaling £865 to the charity (2019: £803). 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 12 and 21, there were no transactions with related parties during 2020 (2019: none).

24. Financial instruments

	31 December 2020	31 December 2019
	£'000	£'000
Financial assets held at amortised cost	**9,535**	11,360
Financial liabilities held at amortised cost	**(3,335)**	(5,187)
Financial assets measured at fair value	**64,251**	54,243



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

Thank you, on behalf of the cats!

Find us online:
www.cats.org.uk
Facebook: /CatsProtection
Twitter: @CatsProtection
Instagram: @CatsProtection
YouTube: /CatsProtectionUK

Get in touch:
Email us: 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

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