

# 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

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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<sup>1</sup>, 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

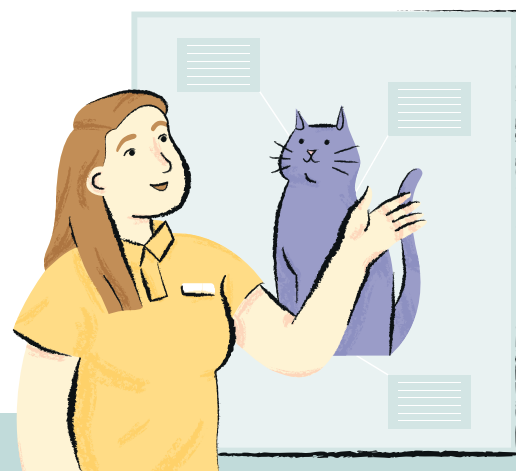
## CATS (Cats and Their Stats) report

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

1 CATS (Cats and Their Stats) 2021 UK.  
Visit [www.cats.org.uk/stats](http://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<sup>1</sup> so we need to continue to spread the message about this important part of responsible cat ownership.

<sup>1</sup> CATS (Cats and Their Stats) 2021 UK. Visit [www.cats.org.uk/stats](http://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%<sup>1</sup>, but more work still needs to be done to support this practice. For more information, visit [www.kind.cats.org.uk](http://www.kind.cats.org.uk)

For more information about how we support neutering, visit [www.cats.org.uk/neutering](http://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](http://www.cats.org.uk/cat-watch)

<sup>1</sup> CATS (Cats and Their Stats) 2021 UK.  
Visit [www.cats.org.uk/stats](http://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<sup>1</sup>, 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.

<sup>1</sup> CATS (Cats and Their Stats) 2021 UK. Visit [www.cats.org.uk/stats](http://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<sup>1</sup> 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.

<sup>1</sup> CATS (Cats and Their Stats) 2021 UK.  
Visit [www.cats.org.uk/stats](http://www.cats.org.uk/stats)

## 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

### IN 2021...

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



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.

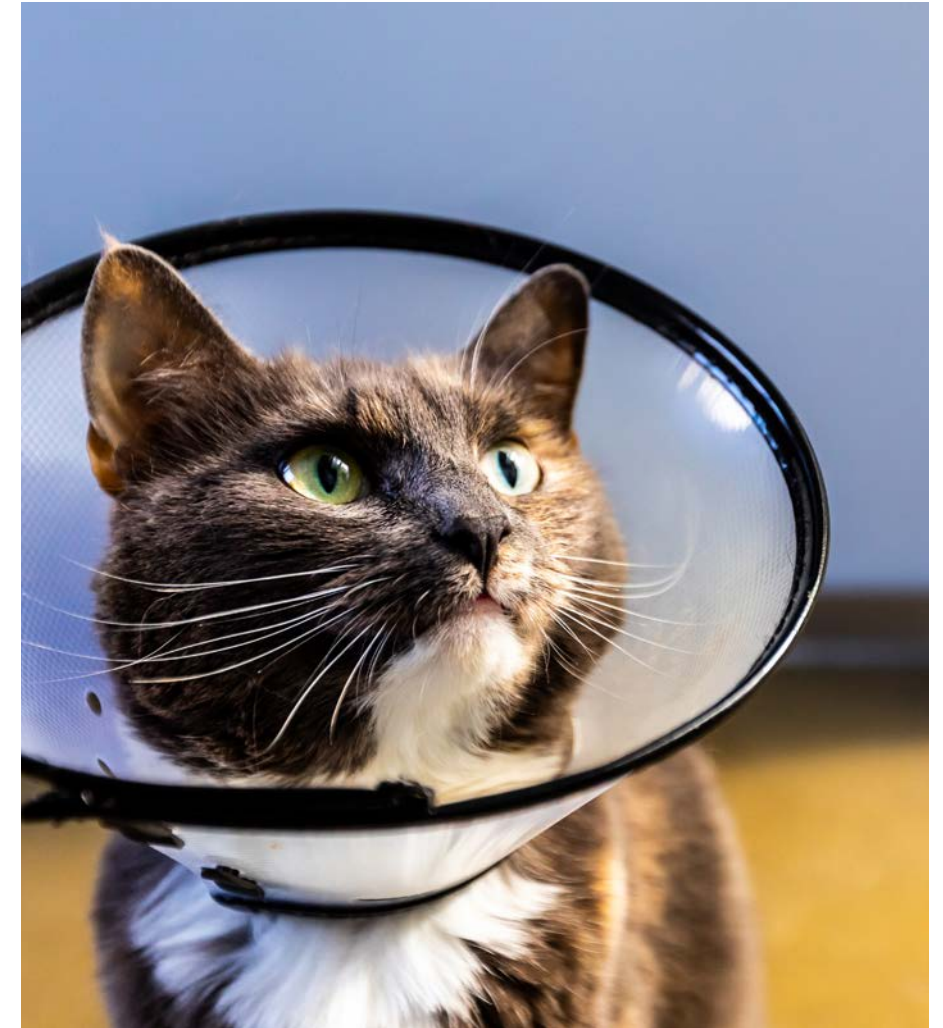


- Whether you're looking for cat care information or fundraising inspiration, our national website has all of the expert advice you need. We've been working on the search engine optimisation of the site to help people find our trusted advice and services more easily and the project to develop our individual 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 have 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, meowing 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<sup>1</sup>. By supporting cats, we are providing a benefit to owners, carers and other people who come into contact with cats.

We provide public benefit by:

- helping to control the incidence and spread of disease and suffering in cat populations through vaccination, neutering, and education, benefitting both human and animal health
- assisting those on low incomes with the cost of neutering and microchipping through our voucher scheme and community work
- assisting local housing authorities and local communities by taking in and rehoming stray, lost or abandoned cats, cats from multi-cat households and by controlling feral populations
- enhancing the quality of life for people in care homes both by homing cats into care homes and encouraging care homes to welcome residents' own cats

- giving vet students practical experience as part of and beyond their formal training
- commissioning, undertaking and disseminating research into matters affecting cats and the human population
- providing information to the public and animal professionals to increase awareness of cat welfare. Find out more on page 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.

<sup>1</sup> CATS (Cats and Their Stats) 2020 UK.  
Visit [www.cats.org.uk/stats](http://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](http://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](http://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](http://www.cats.org.uk/grief)

## IN 2021...

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

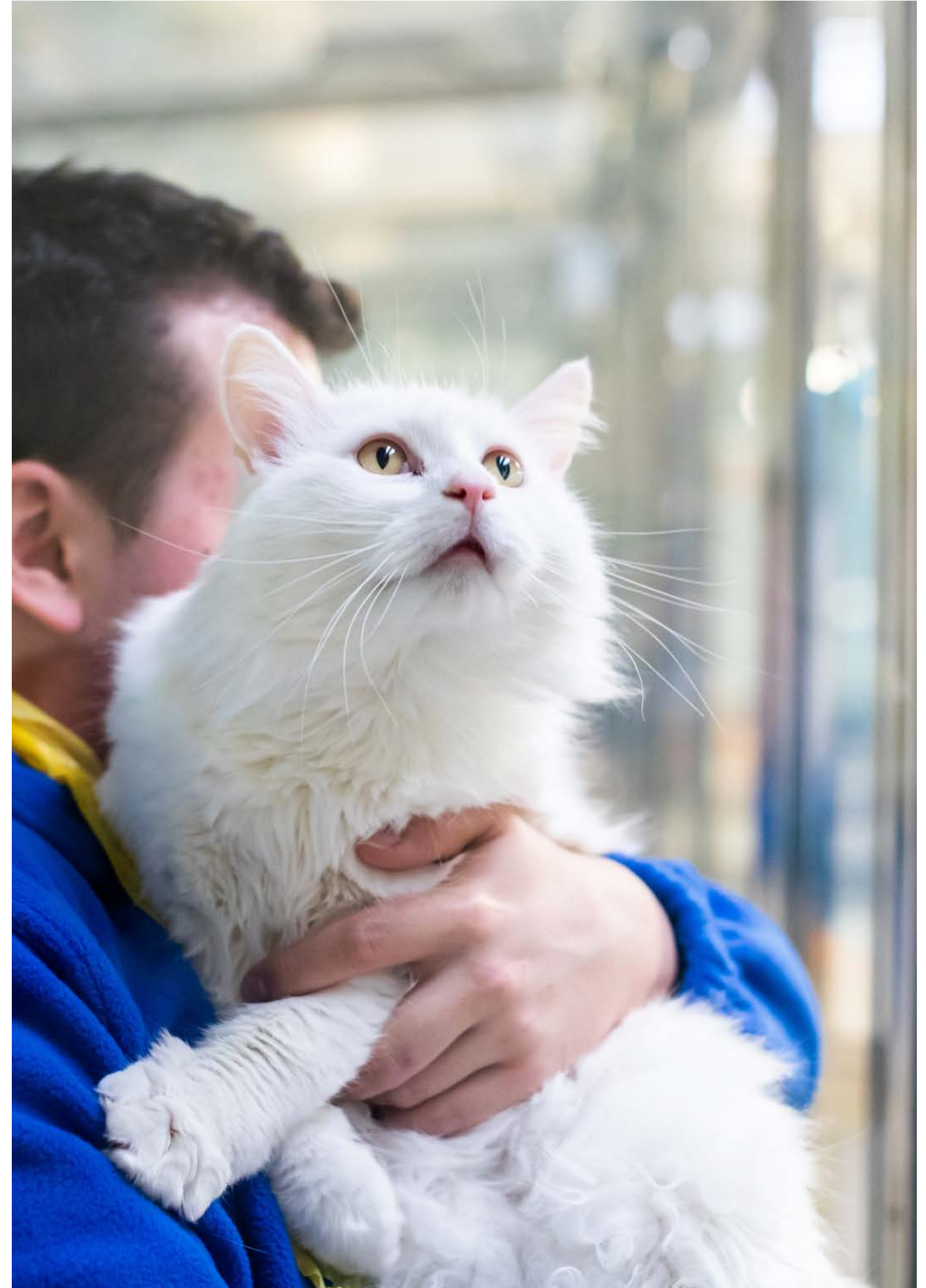
Cat Guardians took in and rehomed 175 cats, helping 116 supporters (2020: 145 cats from 95 supporters)



# 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](http://www.cats.org.uk/corporatepartners)

### Plans for 2022

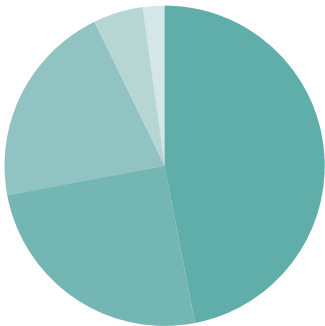
- Focus on getting to know and retaining our supporters so we can anticipate what they need, and continue to develop our relationships with them to provide a great experience for all those who choose to support us
- Attract new supporters by creating new ways of interacting with Cats Protection fundraising 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

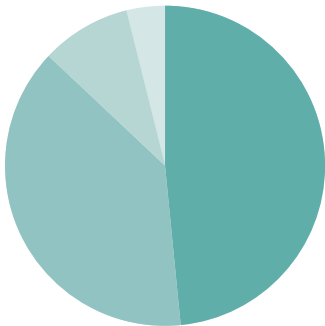
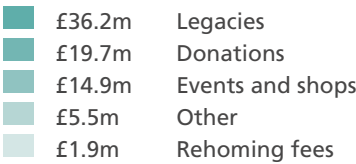
OUR TOTAL INCOME IN 2021 WAS £78.2M, AN INCREASE OF £6.3M FROM 2020.

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

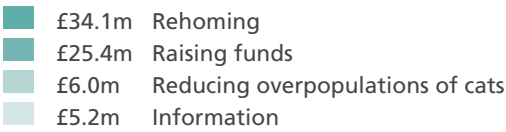
A summary of our income and expenditure for 2021 is presented in the charts opposite. These figures are based on those in the full, audited and unqualified accounts for the year ended 31 December 2021. For further details of these figures, turn to the financial review section starting on page 48.



Where our £78.2m income came from

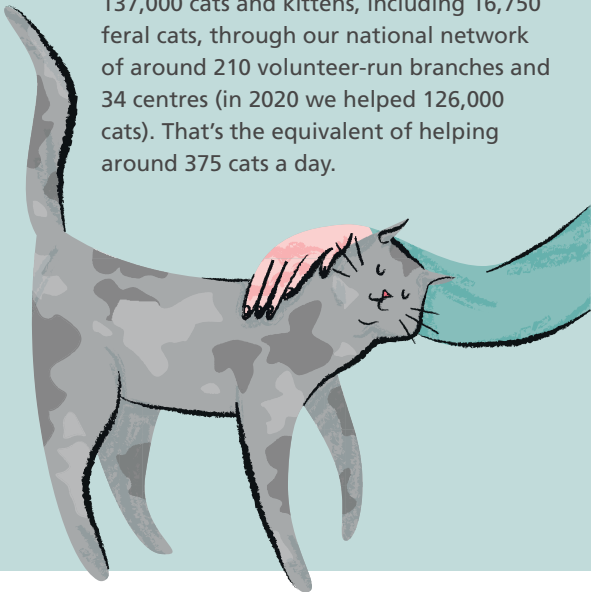


How we spent £70.7m



## 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





## 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."



## 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

For more information about how we're speaking up for cats, visit [www.cats.org.uk/campaigning](http://www.cats.org.uk/campaigning)

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



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.



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."

## IN 2021...

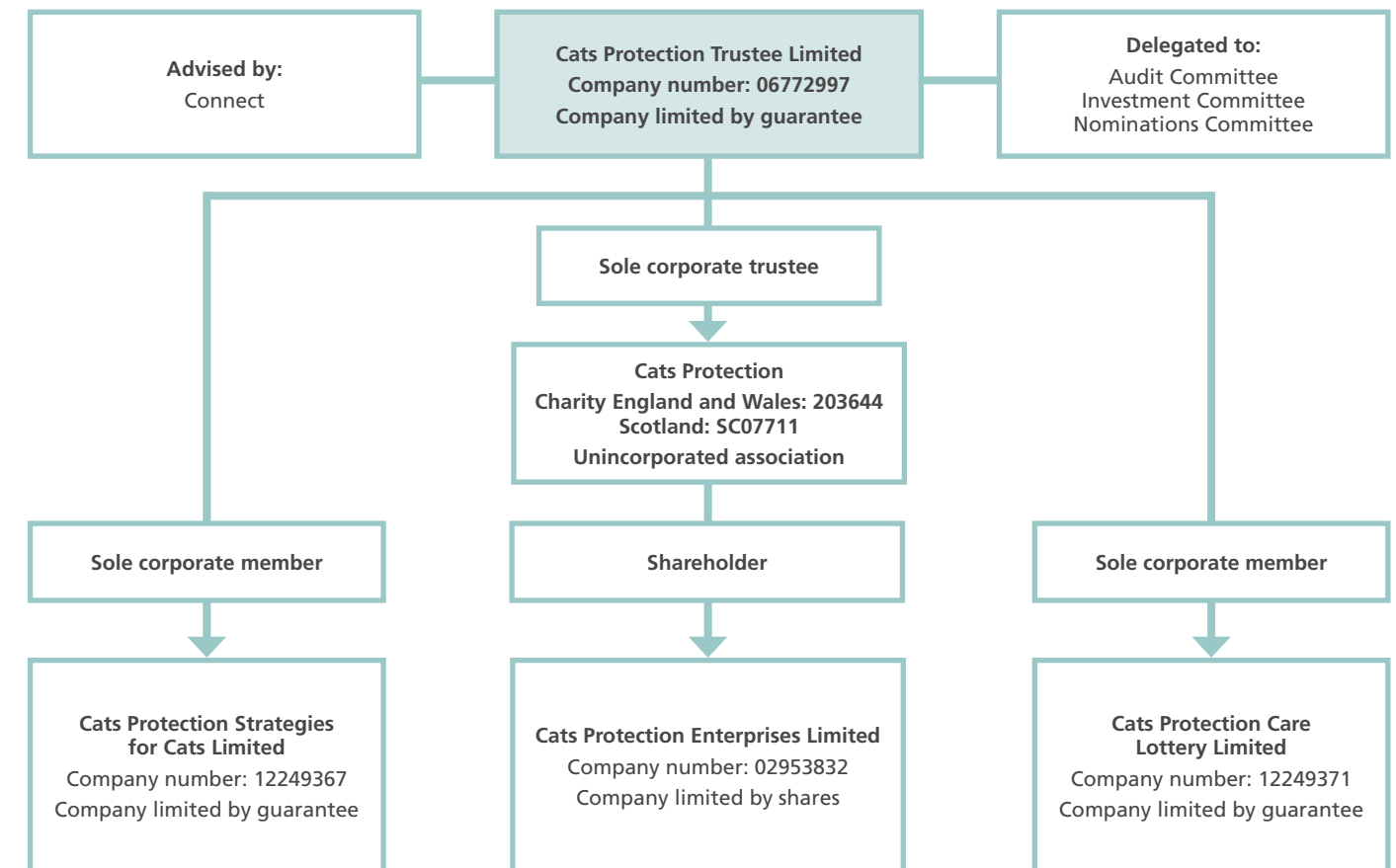
Our team of over 10,000 dedicated volunteers provided much-needed support to cats across the UK



## 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

# 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](http://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](http://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](http://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](http://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](mailto:cp@cats.org.uk)  
Website: [www.cats.org.uk](http://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	Jacky Eyres	Wendy Harris	Hilde Nixon	Tina Rowell	Lynne Potheary
Sandra Czachur	Nicole Evans	Sarah Hawken	(to February 2022)	Rebecca Schofield	Lauren Towle
(to January 2022)	Alison Hagan	Amy Lawes	Liz Robinson	Jenny Stephany	Nicky Townley
Kelly Eyre	Belinda Hall	Phil Metcalf	Janet Rouse	Bernie Till	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

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West Sussex RH12  
1DN

Insurance broker

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

Investment  
advisors

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

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

Royal London  
55 Gracechurch  
Street, London  
EC3V 0UF

DISCLOSURE OF INFORMATION TO AUDITOR

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

Thank you

We thank everyone who has supported our work, through giving donations or being members of the organisation, or as volunteers or employees, for giving their time and effort to improve the life of cats throughout the United Kingdom.

Approved and signed on behalf of the Trustee by:

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](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks within which the charity and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together

with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the

financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe U.K. LLP

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
<b>Income</b>					
Legacies	4	34,055	2,101	<b>36,156</b>	33,335
Donations	5	19,634	70	<b>19,704</b>	17,333
<i>Income from charitable activities:</i>					
Rehoming fees		1,944	-	<b>1,944</b>	1,679
<i>Income from other trading activities:</i>					
Shops	6	5,657	-	<b>5,657</b>	4,213
Fundraising events	7	9,302	-	<b>9,302</b>	9,946
Commercial trading operations	21	2,310	-	<b>2,310</b>	2,098
Investment income	8	1,111	-	<b>1,111</b>	1,027
Other income	9	2,051	-	<b>2,051</b>	2,341
<b>Total income</b>		<b>76,064</b>	<b>2,171</b>	<b>78,235</b>	71,972
<b>Expenditure</b>					
<i>Costs of raising funds:</i>					
Seeking donations and legacies	10	10,902	-	<b>10,902</b>	8,861
Shops	10	7,539	-	<b>7,539</b>	9,055
Fundraising events	10	5,849	-	<b>5,849</b>	5,511
Commercial trading operations	10	773	-	<b>773</b>	754
Investment management	10	247	-	<b>247</b>	201
<b>Income available for charitable activities</b>		<b>50,754</b>	-	<b>52,925</b>	47,590
<i>Costs of charitable activities:</i>					
Rehoming cats	10	32,534	1,560	<b>34,094</b>	31,721
Reducing overpopulation of cats	10	5,992	37	<b>6,029</b>	5,216
Education and information	10	5,234	-	<b>5,234</b>	5,154
<b>Net income/(expenditure) before gains/(losses) on investments</b>		<b>6,994</b>	<b>574</b>	<b>7,568</b>	5,499
Gains/(losses) on investments		3,971	-	<b>3,971</b>	2,333
<b>Net income and movement in funds</b>		<b>10,965</b>	<b>574</b>	<b>11,539</b>	7,832
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 January		110,508	4,952	<b>115,460</b>	107,628
<b>Total funds carried forward at 31 December</b>		<b>121,473</b>	<b>5,526</b>	<b>126,999</b>	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*

	Note	Charity 2021 £'000	2020 £'000	Group 2021 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible assets	13	<b>39,528</b>	40,228	<b>39,528</b>	40,228
Investments	14	<b>73,614</b>	65,471	<b>73,614</b>	65,471
Total fixed assets		<b>113,142</b>	105,699	<b>113,142</b>	105,699
<b>Current assets</b>					
Stocks		-	-	<b>202</b>	264
Debtors	15	<b>9,475</b>	6,679	<b>8,082</b>	5,477
Cash at bank and in hand		<b>11,332</b>	7,951	<b>12,286</b>	8,696
Total current assets		<b>20,807</b>	14,630	<b>20,570</b>	14,437
<b>Liabilities</b>					
Creditors: amounts falling due in one year	16	<b>(6,301)</b>	(4,058)	<b>(6,064)</b>	(3,865)
Provisions for liabilities	17	<b>(649)</b>	(811)	<b>(649)</b>	(811)
<b>Net current assets</b>		<b>13,857</b>	9,761	<b>13,857</b>	9,761
<b>Total net assets</b>		<b>126,999</b>	115,460	<b>126,999</b>	115,460
<b>Funds</b>					
Unrestricted funds:					
General funds	18	<b>50,530</b>	42,661	<b>50,530</b>	42,661
Designated funds	18	<b>70,943</b>	67,847	<b>70,943</b>	67,847
Restricted funds	18	<b>5,526</b>	4,952	<b>5,526</b>	4,952
<b>Total funds</b>		<b>126,999</b>	115,460	<b>126,999</b>	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
<b>Cash flows operating activities</b>			
<b>Net cash provided by operating activities</b>	a	<b>9,822</b>	6,343
<b>Cash flows from investing activities</b>			
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)
<b>Net cash used in investing activities</b>		<b>(6,232)</b>	(7,979)
<b>Change in cash and cash equivalents in the year</b>	b	<b>3,590</b>	(1,636)
Cash and cash equivalents at 1 January		8,696	10,332
<b>Cash and cash equivalents at 31 December</b>		<b>12,286</b>	8,696
<b>a) Reconciliation of net income to net cash flow from operating activities</b>			
<b>Net movement in funds for the reporting period</b>		<b>11,539</b>	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)
<b>Net cash provided by operating activities</b>		<b>9,822</b>	6,343
<b>b) Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		12,286	8,696

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 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	<b>33,335</b>
Donations	17,293	40	<b>17,333</b>
<i>Income from charitable activities:</i>			
Rehoming fees	1,679	-	<b>1,679</b>
<i>Income from other trading activities:</i>			
Shops	4,213	-	<b>4,213</b>
Fundraising events	9,946	-	<b>9,946</b>
Commercial trading operations	2,098	-	<b>2,098</b>
Investment income	1,027	-	<b>1,027</b>
Other income	2,341	-	<b>2,341</b>
Total income	<b>70,303</b>	<b>1,669</b>	<b>71,972</b>
Expenditure			
<i>Costs of raising funds:</i>			
Seeking donations and legacies	8,861	-	<b>8,861</b>
Shops	9,055	-	<b>9,055</b>
Fundraising events	5,511	-	<b>5,511</b>
Commercial trading operations	754	-	<b>754</b>
Investment management	201	-	<b>201</b>
Total expenditure	<b>45,921</b>	1,669	<b>47,590</b>
<i>Costs of charitable activities:</i>			
Rehoming cats	29,203	2,518	<b>31,721</b>
Reducing overpopulation of cats	5,188	28	<b>5,216</b>
Education and information	5,154	-	5,154
<b>Net income/(expenditure) before gains/(losses) on investments</b>	<b>6,376</b>	<b>(877)</b>	<b>5,499</b>
Gains/(losses) on investments	2,333	-	<b>2,333</b>
Net income (expenditure) and movement in funds	<b>8,709</b>	<b>(877)</b>	<b>7,832</b>
Reconciliation of funds			
Total funds brought forward at 1 January 2020	101,799	5,829	<b>107,628</b>
Total funds carried forward at 31 December 2020	<b>110,508</b>	<b>4,952</b>	<b>115,460</b>

## 3. Summary financial performance of the charity only

	2021 £'000	2020 £'000
<b>Income and expenditure</b>		
Income	<b>77,572</b>	71,405
Expenditure	<b>(70,004)</b>	(65,906)
Net operating income	<b>7,568</b>	5,499
Gains/(losses) on investments	<b>3,971</b>	2,333
Net income/(expenditure)	<b>11,539</b>	7,832
Total funds brought forward	<b>115,460</b>	107,628
Total funds carried forward	<b>126,999</b>	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

### Donations

Individual gifts and regular giving  
Philanthropy and partnerships  
Community fundraising

Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	2020 £'000
13,989	-	<b>13,989</b>	13,043
2,293	65	<b>2,358</b>	1,054
3,352	5	<b>3,357</b>	3,236
<b>19,634</b>	<b>70</b>	<b>19,704</b>	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

Sale of donated goods and Retail Gift Aid

Total 2021 £'000	2020 £'000
<b>5,657</b>	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
<b>Total retail income</b>		
Sale of donated goods	<b>5,657</b>	4,213
Sale of new goods	<b>650</b>	523
Donations	<b>407</b>	390
Job Retention Scheme	<b>524</b>	991
Retail grants	<b>1,023</b>	698
Other grants	<b>53</b>	-
	<b>8,314</b>	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	<b>5,567</b>	5,609
Christmas 2019 Raffle (drawn 3 January 2020)	-	461
Christmas 2020 Raffle (drawn 18 December 2020)	-	605
Spring Raffle	<b>566</b>	297
Summer Raffle	<b>583</b>	418
Autumn Raffle	<b>493</b>	364
Christmas 2021 Raffle (drawn 17 December 2021)	<b>593</b>	-
<b>Total for Cats Protection lottery draws</b>	<b>7,802</b>	7,754
Ticket sales from People's Postcode Lottery	-	4,011
<b>Total ticket sales</b>	<b>7,802</b>	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	2020
	£'000	£'000
Ticket value	-	4,011
Prize fund	-	(1,603)
Management fee	-	(1,126)
Net proceeds received	-	1,282

## 8. Investment income

	2021	2020
	£'000	£'000
Income from listed investments	1,102	1,000
Bank and other interest	9	27
	<b>1,111</b>	1,027

## 9. Other income

	2021	2020
	£'000	£'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
	<b>2,051</b>	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
<b>Costs of raising funds</b>						
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
<b>Total cost of raising funds</b>	<b>23,417</b>	<b>1,893</b>	<b>25,310</b>	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
<b>Total cost of charitable activities (unrestricted)</b>	<b>35,192</b>	<b>8,568</b>	<b>43,760</b>	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
<b>Total cost of charitable activities (restricted)</b>	<b>1,597</b>	<b>-</b>	<b>1,597</b>	2,546	-	2,546
<b>Total expenditure</b>	<b>60,206</b>	<b>10,461</b>	<b>70,667</b>	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
<b>Total</b>	<b>2,347</b>	<b>3,259</b>	<b>3,669</b>	<b>1,012</b>	<b>174</b>	<b>10,461</b>

	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
<b>Total</b>	<b>2,445</b>	<b>2,710</b>	<b>2,997</b>	<b>917</b>	<b>94</b>	<b>9,163</b>

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



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

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
<b>Cost</b>						
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
<b>Depreciation</b>						
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 £'000	2020 £'000
<b>Market value at 1 January</b>	<b>65,471</b>	55,463
New funds introduced	<b>7,000</b>	13,500
Funds withdrawn	<b>(3,000)</b>	(6,000)
Reinvested income	<b>(664)</b>	-
Management fees	<b>1,109</b>	409
Write-off of historic balance	<b>(247)</b>	(200)
Net gain/(loss) on revaluation	<b>3,945</b>	2,299
<b>Market value at 31 December</b>	<b>73,614</b>	65,471
Historical cost at 31 December	<b>63,773</b>	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 £'000	2020 £'000
Represented by:		
Fixed interest securities	<b>13,556</b>	15,713
UK equities	<b>8,623</b>	7,911
Overseas equities	<b>26,730</b>	16,732
Alternatives	<b>8,328</b>	6,143
Cash and cash equivalents	<b>15,821</b>	17,752
Investment property	<b>556</b>	1,220
	<b>73,614</b>	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

Prepayments and accrued income  
Other debtors

Charity		Group	
2021 £'000	2020 £'000	2021 £'000	2019 £'000
<b>7,789</b>	5,087	<b>7,842</b>	5,135
<b>1,686</b>	1,592	<b>240</b>	342
<b>9,475</b>	6,679	<b>8,082</b>	5,477

## 16. Creditors: amounts falling due within one year

Trade creditors  
Taxation and social security  
Accruals and deferred income  
Other creditors  
Amount owing to subsidiary

Charity		Group	
2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>2,918</b>	1,491	<b>2,920</b>	1,580
<b>652</b>	520	<b>691</b>	544
<b>939</b>	962	<b>960</b>	965
<b>1,493</b>	776	<b>1,493</b>	776
<b>299</b>	309	-	-
<b>6,301</b>	4,058	<b>6,064</b>	3,865

## 17. Provisions for liabilities and charges

### Dilapidations provision

	2021 £'000	2020 £'000
At 1 January	<b>681</b>	794
Raised during the year	-	-
Utilised during the year	<b>(77)</b>	(88)
Released unused	-	(25)
<b>At 31 December</b>	<b>604</b>	681

### VAT provision

	2021 £'000	2020 £'000
At 1 January	<b>130</b>	130
Raised during the year	-	-
Utilised during the year	<b>(85)</b>	-
<b>At 31 December</b>	<b>45</b>	130

### Total provisions at 31 December

	2021 £'000	2020 £'000
<b>649</b>	<b>649</b>	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
<b>Unrestricted funds</b>						
General funds	42,661	76,064	(68,670)	3,971	(3,496)	<b>50,530</b>
<b>Designated funds</b>						
Fixed assets	40,228	-	-	-	(700)	<b>39,528</b>
Capital development fund	27,121	-	-	-	(706)	<b>26,415</b>
Strategy development fund	498	-	(400)	-	4,902	<b>5,000</b>
<b>Total unrestricted funds</b>	<b>110,508</b>	<b>76,064</b>	<b>(69,070)</b>	<b>3,971</b>	<b>-</b>	<b>121,473</b>
<b>Restricted funds</b>						
By area	3,923	2,007	(1,096)	-	-	<b>4,834</b>
By centre	926	135	(398)	-	-	<b>663</b>
By activity or service	103	29	(103)	-	-	<b>29</b>
<b>Total restricted funds</b>	<b>4,952</b>	<b>2,171</b>	<b>(1,597)</b>	<b>-</b>	<b>-</b>	<b>5,526</b>
<b>Total funds</b>	<b>115,460</b>	<b>78,235</b>	<b>(70,667)</b>	<b>3,971</b>	<b>-</b>	<b>126,999</b>

	2020 £'000					
	Balance at 1 January 2020	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 December 2020
<b>Unrestricted funds</b>						
General funds	30,285	70,303	(62,925)	2,333	2,665	42,661
<b>Designated funds</b>						
Fixed assets	42,508	-	-	-	(2,280)	40,228
Capital development fund	27,506	-	-	-	(385)	27,121
Strategy development fund	1,500	-	(1,002)	-	-	498
<b>Total unrestricted funds</b>	<b>101,799</b>	<b>70,303</b>	<b>(63,927)</b>	<b>2,333</b>	<b>-</b>	<b>110,508</b>
<b>Restricted funds</b>						
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
<b>Total restricted funds</b>	<b>5,829</b>	<b>1,669</b>	<b>(2,546)</b>	<b>-</b>	<b>-</b>	<b>4,952</b>
<b>Total funds</b>	<b>107,628</b>	<b>71,972</b>	<b>(66,473)</b>	<b>2,333</b>	<b>-</b>	<b>115,460</b>

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	<b>115,460</b>
Net movement in funds	7,869	3,096	574	<b>11,539</b>
<b>Balance at 31 December 2021</b>	<b>50,530</b>	<b>70,943</b>	<b>5,526</b>	<b>126,999</b>
<b>Represented by:</b>				
Tangible fixed assets	-	39,528	-	<b>39,528</b>
Investments	36,673	31,415	5,526	<b>73,614</b>
Net current assets	13,857	-	-	<b>13,857</b>
<b>Total net assets</b>	<b>50,530</b>	<b>70,943</b>	<b>5,526</b>	<b>126,999</b>

	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
<b>Balance at 31 December 2020</b>	<b>42,661</b>	<b>67,847</b>	<b>4,952</b>	<b>115,460</b>
<b>Represented by:</b>				
Tangible fixed assets	-	40,228	-	40,228
Investments	32,900	27,619	4,952	65,471
Net current assets	9,761	-	-	9,761
<b>Total net assets</b>	<b>42,661</b>	<b>67,847</b>	<b>4,952</b>	<b>115,460</b>

## 20. Operating lease commitments

At 31 December 2021, the Group was committed to making the following payments under operating leases:

	2021 £'000	2020 £'000
Within one year	<b>1,444</b>	1,520
Within two to five years	<b>2,392</b>	1,839
Over five years	<b>198</b>	-
	<b>4,034</b>	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.

<i>Cats Protection Enterprises Limited profit and loss account</i>	2021 £'000	2020 £'000
<b>Turnover</b>	<b>2,310</b>	2,098
Cost of sales	<b>(635)</b>	(577)
<b>Gross profit</b>	<b>1,657</b>	1,521
Administrative expenditure	<b>(130)</b>	(188)
<b>Profit on ordinary activities before taxation</b>	<b>1,527</b>	1,333
Taxation on current year profits	-	-
<b>Profit on ordinary activities after taxation for the year</b>	<b>1,527</b>	1,333
<b>Changes in equity:</b>		
<b>Equity brought forward</b>	-	-
Profit for the year	<b>1,527</b>	1,333
Gift Aid payment	<b>(1,527)</b>	(1,333)
<b>Equity carried forward</b>	-	-

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
	<u>1,591</u>	<u>1,449</u>
Creditors: amounts falling due within one year	(1,591)	(1,449)
<b>Net assets</b>	<u>-</u>	<u>-</u>
	-	-
<b>Funded by:</b>		
Called up share capital	-	-
Retained earnings	<u>-</u>	<u>-</u>

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	-
	<u>526</u>	<u>-</u>



# GET INVOLVED

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

Thank you, on behalf of the cats!

**FIND US ONLINE**

**www.cats.org.uk**

**Facebook:** /CatsProtection

**Twitter:** @CatsProtection

**Instagram:** @CatsProtection

**TikTok:** @Cats\_Protection

**YouTube:** /CatsProtectionUK

**GET IN TOUCH**

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

Phone us: 03000 12 12 12

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

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





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

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