



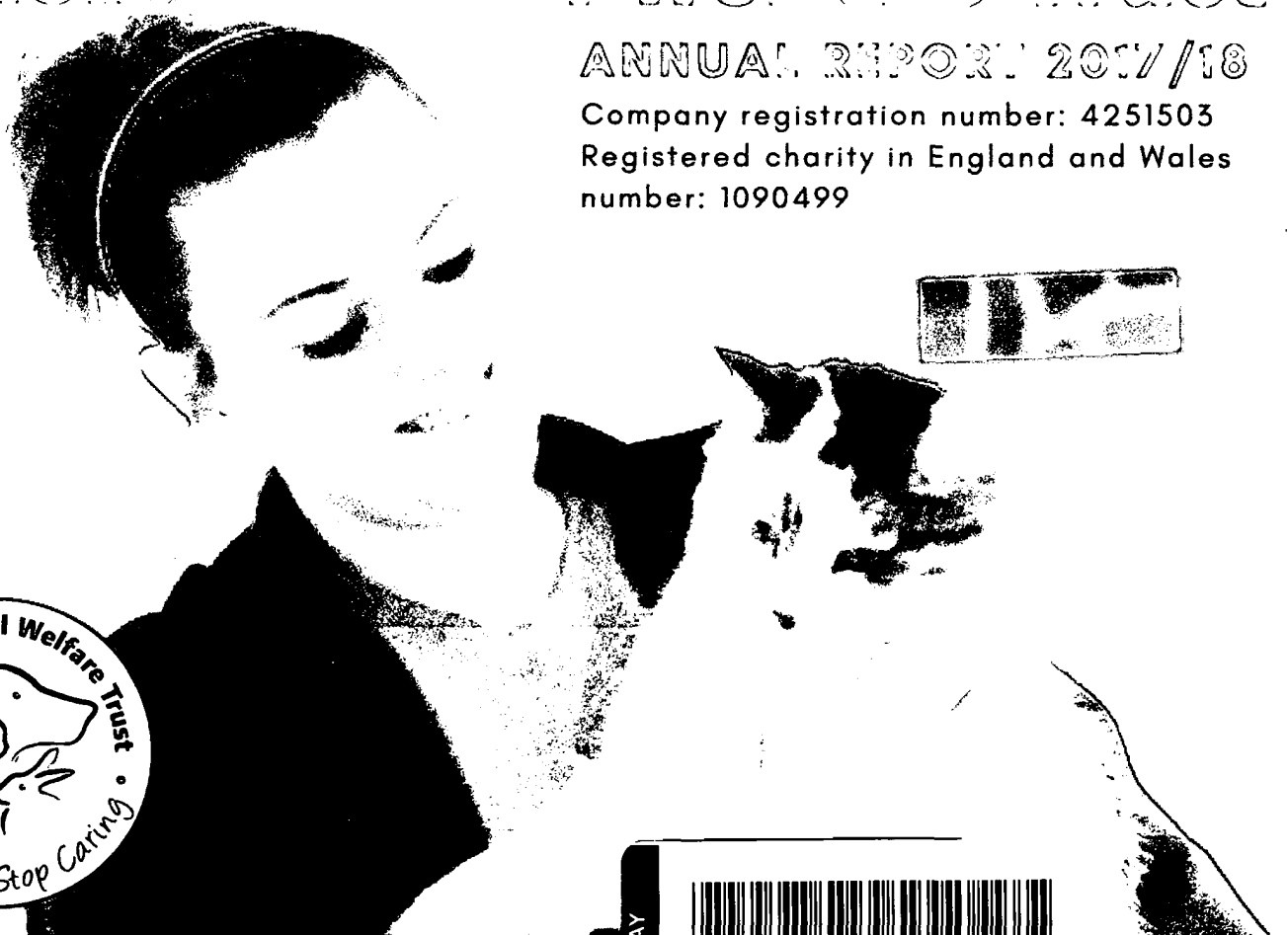
National

Animal Welfare Trust

ANNUAL REPORT 2017/18

Company registration number: 4251503

Registered charity in England and Wales
number: 1090499



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NATIONAL ANIMAL WELFARE TRUST ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Trustees of the National Animal Welfare Trust present their report and the audited financial statements for the year ended 31 March 2018, which have been prepared in accordance with the current statutory requirements and with the charity's governing document. This report and accounts follow the reporting requirements set out in the Charities SORP (FRS 102).

FROM THE CHAIR

We Never Stop Caring

When we asked our donors, volunteers and employees what attracted them to the National Animal Welfare Trust, they said it was the care we give to the animals *and* the people we come into contact with. In fact, as one of our supporters summarised: 'We never stop caring'.

I am proud to be Chair of Trustees for a charity which sees every person and every animal as an individual and tailors their support and care accordingly. If a frightened cat needs a little more space, or a sad, older dog needs human company, we will provide that. We will also provide emotional support for the daughter signing over a beloved dog her mother is now too ill to take care of, or training assistance for the owner of a rescue cat that is struggling to settle into her new home.

"We always recognise that changing the lives of animals and people can only be achieved through the combined efforts of our donors, supporters, volunteers and employees."

NAWT cares about helping other rescue charities too, and our growth has come from merging with existing charities where the founders or Trustees entrusted the future of their organisation to NAWT. We were therefore delighted to bring HULA Animal Rescue into the NAWT family in November 2017 to enable the centre to continue its vital work within its community.

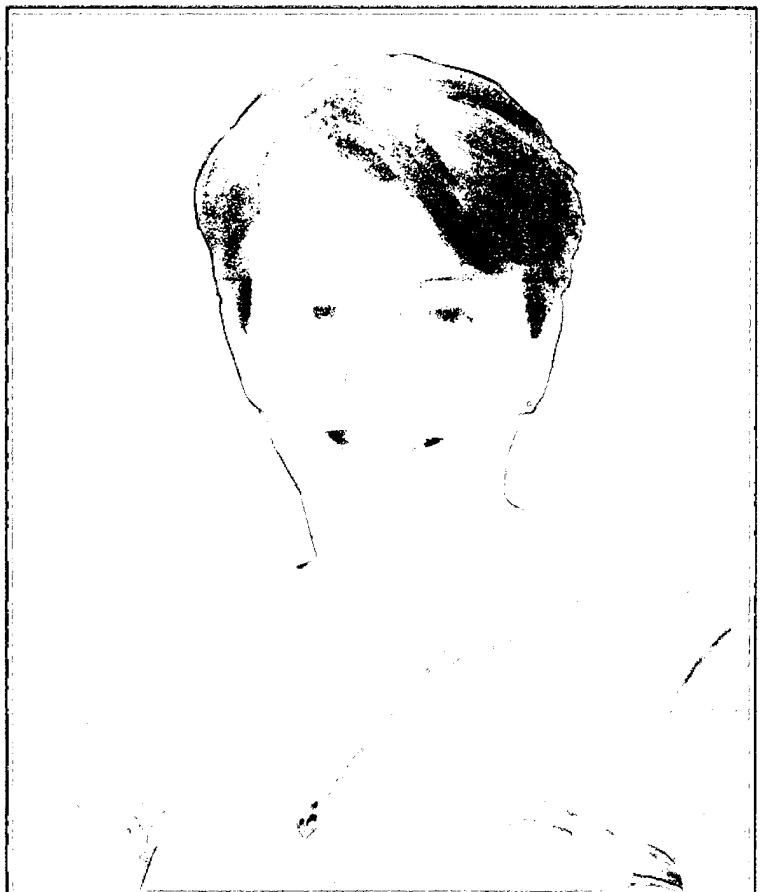
We also care about doing the best we can for our animals and this year fully implemented the innovative and pioneering Open Paw for Cats programme.

Developed by NAWT following our success with the dog programme, Open Paw for Cats provides the enrichment and training cats need to reduce stress in the cattery and increase their chances of finding a new home. Instead of hiding in their baskets, our cats now come to the front of the pens to greet any prospective owners.

It has been a challenging year financially as our planned legacy income failed to hit budget due to delays in expected receipts from several estates. However, our costs were well controlled, ending up 13.6% below budget. We continue to work on developing other streams of income and it is a major objective for 2018/19.

We always recognise that changing the lives of animals and people can only be achieved through the combined efforts of our donors, supporters, volunteers and employees and we are grateful to you all.

Laura Magee - Chair of Trustees NAWT



WE NEVER STOP CARING

Through our objectives, missions and values.

Our principal objectives are:

- 🐾 To provide care and shelter for stray, neglected and unwanted animals of all kinds, and find suitable homes for any such animals;
- 🐾 To protect animals of all kinds from ill-treatment, cruelty and suffering.

These are achieved through our mission to promote responsible pet ownership: by helping responsible owners who bring their pets to a rescue when circumstances change in their lives; finding new homes for the animals and providing 'after care support'; and finally, raising awareness of topics affecting all pet owners.

RUBIN'S STORY



Rubin arrived into the care of our HULA centre after being found close to death at the side of the A5 in February. Scared, underweight and suffering with a very sore wound on his neck, Rubin was taken to The Veterinary Clinic in Hockliffe Road, Leighton Buzzard, where his huge wound was treated and required 10 stitches. Centre manager at HULA, Nicola said: "The vets called us and we stepped in to help. We watched him go from nervous, quiet and gentle to as mad as a box of frogs!"

"The team spent a lot of time building his confidence as he had moments where he was scared." From a nervous dog who was constantly shaking, Rubin, now rehomed as Arthur, has a bright future to look forward to with a loving owner, and a sofa, to call his own."

NAWT's principle value is that 'we never stop caring' which is demonstrated through:

- Commitment to improving the lives of the UK's pets
- Accountability to all our stakeholders, especially that we will spend all our donations wisely
- Respect for people and animals
- Integrity by working in an open and honest manner
- Never putting a healthy animal to sleep
- Going that extra mile to make a difference in everything we do

WE NEVER STOP CARING

Through our rehoming centres.

We rehome cats and dogs at all our centres together with a variety of other animals depending on the facilities available. Other animals we cared for this year include rabbits, guinea pigs, sheep, ponies, alpacas, goats, chickens, geese and a turkey who arrived shortly before Christmas.

NAWT now operates from seven rehoming locations:

Little Clacton in Essex, Watford in Hertfordshire, HULA in Aspley Guise in Bedfordshire, Trindledown Farm near Newbury in Berkshire, Heaven's Gate Farm near Langport in Somerset, Wheal Alfred near Hayle in Cornwall and a volunteer-run branch, which operates from a boarding cattery near Thurrock.



CONTINUING THE WORK OF HULA ANIMAL RESCUE

NAWT's growth has come from merging with existing charities where the founders or Trustees felt that NAWT could give their charity a better future than they were able to. We are very proud of this approach as it enables an important community service to continue, and we feel honoured that individuals have entrusted their life's work to us.

NAWT were approached by the Trustees of HULA Animal Rescue based in Aspley Guise near Milton Keynes in late 2016 as they felt NAWT was a sympathetic match to the aims and objectives of HULA. NAWT also felt that HULA was a good match for them and after extensive due diligence NAWT took over the running of HULA on 27th November 2017 when HULA became a subsidiary of NAWT. As this is a charity merger, NAWT has not paid any money for HULA. The employees, animals, buildings and any other assets are transferred into NAWT's name and so NAWT becomes responsible for everything that happens in HULA. We intend to keep the HULA name at the centre for a good few years, as we did with Clacton Animal Aid, our last merger in 2011.

HULA rehomes cats, dogs, rabbits and other small furries. They also have a pony, goats, sheep, pigs and various ducks and fowl.

There is a lot to be done to bring the HULA infrastructure and processes up to NAWT's standards, but we have taken on a great team and a centre with a lot of potential for the future together.

WE NEVER STOP CARING

For the animals in our care.

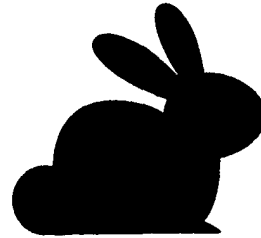
This year we rehomed 1,213 animals:



**428 DOGS
REHOMED**



**636 CATS
REHOMED**



**149 OTHER
ANIMALS
REHOMED**

We rehomed 1,213 animals this year, compared to 1,217 the previous year. Dog rehoming increased by 12.3%, cat rehoming fell by 4% as we saw fewer litters of kittens in 2016/17.

The activity aimed at increasing visitor numbers to the Watford centre resulted in a 2.5% increase in homings in 2016/17 following a year on year decline the year before. Our Berkshire centre also showed a significant increase on the previous year. Thanks to the installation of the new cat pens we rehomed 26 cats compared to 7 in the previous year and dog rehoming also increased due to the centre attracting more visitors.

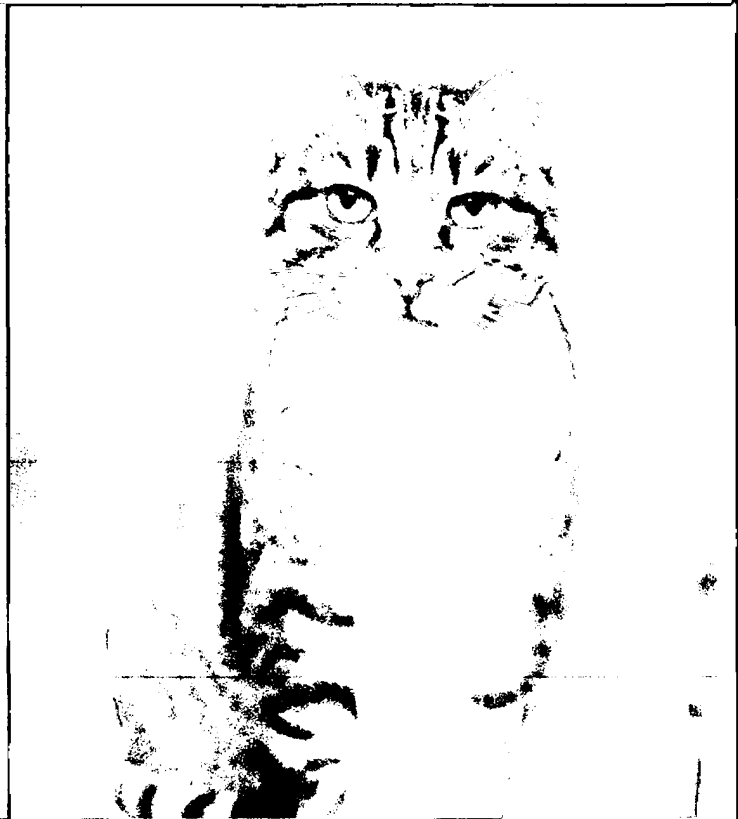
As part of our commitment to providing the highest level of care to the animals entrusted to us, our centres pride themselves on the fact that every animal receives the necessary veterinary treatment before they are rehomed. Our veterinary bills totalled £280,402 for the year compared to £282,206 the previous year.

Despite the high standards of veterinary care, there are situations where we can do no more for some animals. This year 40 animals were put to sleep for medical reasons, which is a decrease of 5 over last year.

COOKIE'S STORY

Sometimes animals arrive with serious medical conditions which require expensive veterinary treatment. Your donations provide those animals with the treatment they need to go on and live full and happy lives.

Cookie arrived at NAWT overweight with very bad breath. Following an initial check-up, she was rushed to the vets for emergency dental treatment, where she had most of her teeth removed because they were rotting, leaving her mouth full of infection. Such intrusive treatment left Cookie very unsure of the staff as she didn't understand what was happening. Although Cookie has found cattery life difficult, the team haven't given up on her. They called upon a feline behaviourist to help Cookie feel better and bond with staff. Cookie's pen has now been altered in a way that gives her more choices and whilst she still has moments where it can all get a bit much for her, she is ready to find her forever home.



WE NEVER STOP CARING

For their mental health.

During a stay in rescue, our animal's mental health is just as important as their physical health. A kennel or cattery environment can be very stressful for pets used to living in a home environment which is why NAWT became the first rescue organisation in the UK to introduce the Open Paw programme. The Open Paw programme provides our animals with the enrichment, training and social skills they will need to reduce kennel and cattery stress, to improve their chances of finding a new home, and to enable them to successfully settle



into their new life. On top of this, it also provides practical hands on training for staff and volunteers and for prospective and existing pet owners, all of which fits perfectly with NAWT's mission to promote responsible pet ownership. We successfully introduced Open Paw for dogs in late 2015, and then developed Open Paw for cats, which was trialled and fully implemented in September 2017.

Traditionally, rescue organisations tended to view the animals cared for as if they are unlucky 'inmates' and so focus their efforts on making their stay as comfortable as possible. However, an animal arriving at NAWT, becomes the lucky 'student' at NAWT's 'university of life skills', learning new skills and behaviours which will set them up for their future life.

NAWT is recognised as the UK expert on Open Paw. In July 2017, alongside the Open Paw founder Kelly Gorman Dunbar, NAWT's CEO Clare Williams and our dog training consultant

presented two 2-day seminars on Open Paw in the UK. Clare also presented on Open Paw for cats and dogs at the International Companion Animal Welfare Conference in Cyprus in October 2017.

Whilst our training programmes are successful with the majority of dogs with problem behaviours, our responsibility towards safe rehoming and the overall welfare of the dogs in our care meant that we were sadly required to put to sleep 2 dogs for behavioural reasons in 2017/18 compared to 6 dogs the previous year.



WE NEVER STOP CARING

For our communities.

In addition to our paid workforce, we have nearly 500 supporters who volunteer their time to help the Trust. These voluntary efforts are a very valuable additional resource, and cover a range of activities including fundraising, home checking, dog walking, dog grooming and cat cuddling.

Using the national living wage as our yardstick, we conservatively estimate that the time donated by our volunteers has a value in excess of £435,000.

Volunteer numbers have increased and retention is high thanks to Open Paw, which provides a more meaningful and rewarding experience for volunteers.

WHAT DO OUR VOLUNTEERS SAY?

"You truly will feel you are actually doing something worthwhile to help give the dogs a better chance of not only being adopted, but being happier whilst in the rescue centre."

"It's fantastic, as a volunteer, to receive such detailed training. Open Paw makes a huge difference in what I spend my time doing when I am volunteering."

"Overall the training has made our visits much more valuable and rewarding for ourselves and, hopefully, the animals."



Above: A group of Watford volunteers after completing their Open Paw training with Michelle

NAWT is extremely grateful to all the volunteers who have made the choice to dedicate their time and expertise to the charity. Their support is invaluable and adds to the level of care the charity provides to its beneficiaries.

All our centres also offer team-building opportunities to local businesses, by welcoming groups of employees to work for a day on a specific project, for instance the sensory garden created at the Watford centre by a team from Taylor Woodrow, or the summerhouse for the dogs built at the Berkshire centre by a group from Symantec.

Each centre builds strong links with its local community and offers mutual support such as obtaining grant funding to locate a community-use defibrillator outside the Clacton centre.

WE NEVER STOP CARING

For our communities.

GLORIA ABBOTT

Volunteers become members of the NAWT family and we mourned the sudden passing of Gloria Abbott in August 2017. Along with her husband Brian, Gloria has been involved with the Thurrock Branch since the late 1970s and there is no-one more passionate about animal rescue. She was the mainstay of the Thurrock branch and she will be missed by all the hardworking volunteers involved with the branch, as well as anyone else who knew her. Gloria is pictured right with her husband Brian.



CARING FOR OUR PETS

In line with our mission to promote responsible pet ownership, we also see our role as providing good quality advice in an easy to understand format. In 2017/18 our activity included: two webinars in conjunction with Burns Pet Nutrition on feeding your pet; our Puppy Buyer's Checklist to help new owners avoid the pitfalls of puppy farmed puppies; a week where the spotlight was on Rabbits and their specific care needs; hot weather guidance and the launch of a survey in conjunction with Dogs Today magazine to learn about dog owner's attitudes to recall.

Join our free webinar with Burns Tips on feeding your pet: advice from youth to age

Speakers will include:



Laura Crotch-Harvey



John Burns



Clare Williams



What to do if you have suspicions about the breeder
If you suspect you have just met a puppy farmer or an unscrupulous dealer do not agree to purchase the puppy – this simply fuels the trade, causing even more puppies and breeding bitches to suffer.

Instead you should report the incident to your local authority or the local authority within which the breeder's premises are situated. Also contact the Citizens Advice consumer helpline on 0345 404 0500 and report your concerns.

Before you pay for your puppy

Make sure you are in possession of all the necessary documentation before you pay for your puppy. This includes:

- The puppy transfer paperwork which should have the microchip number on it. This is a legal requirement. If you can borrow a microchip scanner you can always scan the puppy to check a microchip is there before you buy it.
- The worming records.
- The vaccination certificate if the puppy has had its first vaccination.
- The Kennel Club registration paperwork if it is a Kennel Club Registered puppy.
- A written purchase agreement or receipt.

All this paperwork should be available at the point when you purchase the puppy. Be suspicious if the breeder offers to 'send it on later' – that probably won't happen!



Wave you can support NAWT



The Puppy Buyer's Checklist ✓

National Animal Welfare Trust (NAWT) understands that sometimes it is the right choice for a family to decide to get a puppy rather than a rescue dog. With that in mind, NAWT has advice for people who have decided to purchase a puppy.

We have assumed you have considered the following:

- The commitment required for the life of the dog
- The lifestyle changes and financial impact involved
- Selecting the right breed for your home environment and exercise levels

Be aware that the quality of puppy breeders can range from the Kennel Club Assured Breeder to the backstreet puppy farmer and the health and wellbeing of the puppy will also vary accordingly. Do not buy a puppy from a pet shop as it is likely to have originated from a puppy farm.

Tackling livestock worrying and encouraging responsible dog ownership



Our campaigning work also includes animal welfare issues and as well as being one of the first charities to publicly support Lucy's Law to ban third party puppy sales, NAWT also co-wrote a report on why Dogs Chase Livestock which helped shape the All Party Parliamentary Group for Animal Welfare's publication on Tackling Livestock Worrying and Encouraging Responsible Dog Ownership.

WE NEVER STOP CARING

How we fund our activities.

FUNDRAISING

NAWT has recognised its heavy dependence on legacy income and the need to develop sustainable income streams to ensure the financial security of the Trust in the short to medium term, as well as to help fund any building projects. Whilst our total charity funds may look healthy at £6.4m, 73% of that is in fixed assets or restricted funds, showing the importance on continued fundraising to achieve our ambitions. Our success at centralised fundraising has been limited due to low brand awareness of NAWT resulting in a lack of connection with the charity and its work. To this end, we have decided to focus on the important role NAWT plays in the communities local to the centres, and have increased the focus and support on centre fundraising opportunities. In 2017/18 we have begun to lay the foundations to a bold aspiration of the centres eventually becoming self-sufficient and therefore not reliant on the centrally received legacy funding.

NAWT benefitted from being Burns Pet Charity of the Year until October 2017, meaning that all our cats and dogs were fed for free for a year and we shared joint opportunities to promote our organisations and responsible pet ownership. NAWT thanks Burns for this opportunity.

All fundraising at NAWT is carried out with the full oversight of the Senior Management Team and performance is reported on a quarterly basis to the Trustees. NAWT has voluntarily subscribed to the Fundraising Regulator and we closely monitor our performance with the codes of practice. NAWT does not use the services of any third party fundraisers. No complaints were received at Head Office that relate to fundraising in 2017/18.

NAWT would like to thank the following kind donors for their valuable support in 2017/18:

Animal Affairs, East of England Co-op, Elizabeth Violet Annie Rouse Settlement, The Hobson Charitable Trust, Joan Ainslie Charitable Trust, Mars Petcare, The Pauline Bishop Charitable Trust, Petplan, Sainsbury's Street Store, Tesco Bags of Help and The Walker 597 Trust.

Animate, NAWT's biannual supporter magazine has a circulation of over 25,000 and continues to be an important and well-received part of our communications mix.

RETAIL

In addition to our rescue and rehoming centres the Trust has three retail outlets located in Watford, Hayle and in Aspley Guise supporting HULA. These outlets sell mainly donated goods to provide additional funding for the work of the centres, as well as building links with the local communities. Following a retail consultant's review of our charity shops in June 2017, the decision was taken not to renew the lease on the Clacton shop, which was subsequently closed in August 2017. Despite attempts to improve profitability, we took the decision to close the Falmouth shop in March 2018, as it was not possible to make it financially viable.



A 2017 FUNDRAISING SUCCESS

A wonderful £500 grant from the East of England Co-op alongside some incredible donations from our fantastic supporters allowed the Clacton centre to open an exciting new sensory garden for the dogs in September. The new facility has been a big hit with dogs like Ruby (above), who took no time in getting out to explore this treat.

WE NEVER STOP CARING

About our future.

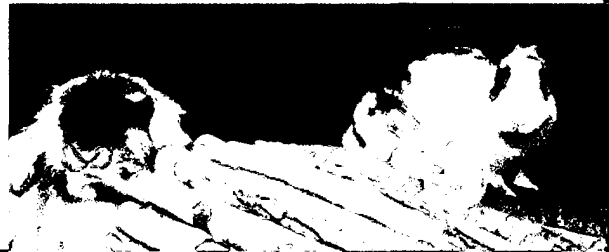
NAWT's strategic objectives remain as:

- 🐾 To develop sustainable income streams to ensure the financial security of the Trust in the short to medium term and to build cash reserves in the long term.
- 🐾 To expand and improve our activities and services to help more dogs and cats.

We have set ourselves the big challenge of the centres ultimately becoming self-financing. Whilst NAWT is the umbrella organisation, most supporters have a relationship with one individual centre and we feel the centres are best placed to raise awareness of their work and build links with their local communities. In 2018/19 we will be recruiting a Centre Fundraising and Supporter Relations Officer for each centre to support that objective. We are also considering new and innovative ways in which the centres can engage with their local communities and provide pet related activities and services which meet our charitable aims, support our mission of 'promoting responsible pet ownership' and generate funds for the work of the centres.

STEWART'S STORY

Only a few months old when he arrived at NAWT, Stewart the rabbit could barely move his back legs because his fur was so matted. Under anaesthetic poor Stewart required all the fur on his body to be shaved so that he could regain full use of his limbs and start his short life afresh. During the winter this necessary treatment left little Stewart feeling the cold, so the team sourced him a special jumper to keep him warm whilst his coat grew back. A few months later Stewart had a new lease of life with a lovely, soft, angora-type coat, which is groomed daily to keep it in tip top condition. He has even been introduced to a friend whilst in NAWT care, to provide him with the companionship that most rabbits crave.



JESS' STORY



Beautiful Chestnut Mare Jess arrived in our care when her owner sadly became too ill to care for her. Despite the best efforts of her husband to continue Jess' care, her owner was eventually forced to make the sad decision to relinquish Jess to NAWT in order to offer her the best possible future. Jess took a while to settle in; she was very insecure and had a fear of her feet being picked due to a bad experience with a previous farrier, when she had been hit with a hammer. It took time to gain Jess' trust but she now has a wonderful relationship with staff who have worked closely with her. Jess loves to be in her stable and enjoys being pampered by the people she knows.

WE NEVER STOP CARING

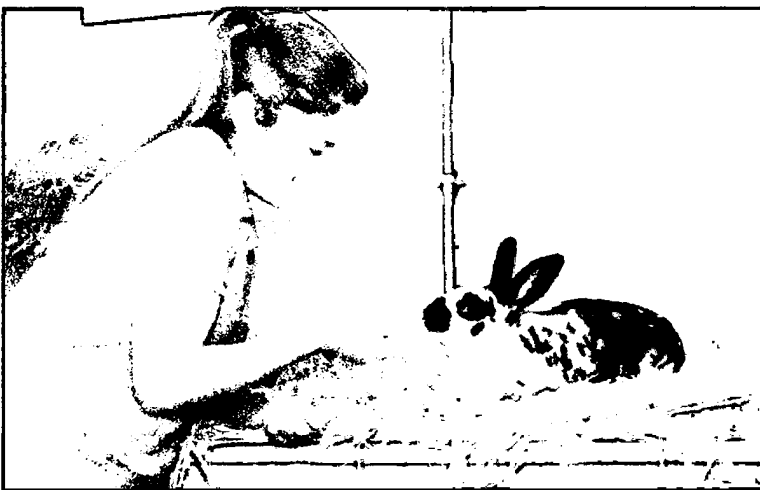
About our legal responsibilities.

STRUCTURE

The National Animal Welfare Trust (NAWT) is a charitable company which operates under its Memorandum and Articles. The Company was incorporated on 12 July 2001 under the Companies Acts 1985 to 1989 as a Company Limited by Guarantee and not having a share capital. The Company Registered Number is 4251503 and Charity Registration Number is 1090499.

The Trust acquired Trust Corporation Status in 2007.

The Memorandum and Articles were amended in November 2008 to reflect changes introduced by the Companies Act 2006, and to provide a new specific power to borrow money; these changes were approved by the Charity Commission.



GOVERNANCE

The Charity is governed by its Board of Trustees as listed below and meets regularly:

Ms Laura Magee - Chairman

Ms Diana Brown

Mr Harvey Carruthers

Ms Claire James - Honorary Treasurer

Ms Susan Francombe

Mrs Lynley Griffiths

Mrs Debbie Matthews - Deputy Chairman

Mr James Moore

Mr John Pearce

Secretary - Mrs Dawn Webster (NAWT Director of Administration)

The Trustees are responsible for agreeing and reviewing the overall strategy of the Trust, reviewing and approving policies, agreeing the budget and approving the annual accounts, ensuring that there are effective governance arrangements, establishing delegated authorities and management frameworks, and monitoring overall operational performance. The Board of Trustees comprises a minimum of 3 elected members and the quorum for the transaction of the business of the trustees shall not be less than one third of their number or three trustees, whichever is the greater. The elected members are subject to fixed term appointments and election or re-election according to procedures set out in the Governing Document. Each member has one vote, whether present at meetings or by proxy, and decisions are taken on a majority vote and in the case of an equality of votes, the Chairman shall have a second or casting vote. Based on recommendations from the Senior Management Team, the Trustees approve any cost of living increases awarded to staff. They also decide if these should apply to the charity's key management. No formal benchmarking for particular roles is used, but salaries for comparative roles are researched informally through job adverts. The Trustees follow a rigorous and formal process for the recruitment and appointment of Trustees.

WE NEVER STOP CARING

About our legal responsibilities.

This process follows Charity Commission guidance on good practice, and includes:

- A skills audit to identify those areas where the Trust could benefit from additional expertise on its governing body;
- Advertising for new Trustees in relevant publications (including local press and national charity publications) and through the Association of Dogs and Cats Homes;
- A selection process involving Trustees, supported by the Chief Executive; and
- The development of a Trustee induction plan and a Trustee handbook.

The Trustees keep under review their own training needs, and the Trust provides opportunities for them to participate in external events. The Chief Executive is responsible for ensuring that Trustees are kept up to date with external matters affecting the organisation, such as relevant legislation or good practice developments.

ORGANISATIONAL STRUCTURE

The key management personnel of the charity comprise the Trustees and the Senior Management Team (SMT). Responsibility for achieving the strategic objectives and for the day-to-day management of the Trust is delegated to the Chief Executive, supported by a Senior Management Team consisting of the Director of Finance and the Director of Administration. The total employee benefits of the key management personnel of the Trust were £190,594 (2016/17: £194,420).



Above: Jacquie Cottrell, Director of Finance, Clare Williams, CEO, Dawn Webster, Director of Administration

A framework of delegated authorities is in place, and is kept under regular review. Within each of our six main rescue and rehoming centres the Centre Manager is supported by a team of staff, including animal care supervisors and workers, reception, administrative and maintenance staff.

The Trust now employs 100 full time and 31 part time staff, 94% of whom are employed at the five rehoming centres and charity shops. (Note: HULA staff had not been transferred under TUPE to NAWT by March 2018) Sickness absence levels remain relatively low, although staff turnover has increased slightly as our workforce is mainly younger

people many of whom eventually look for a higher paid job outside the sector. The Trustees take this opportunity to thank our employees for their continuing hard work and dedication to the Trust. It is acknowledged that so much is achieved with limited resource: and that without the efforts, often above and beyond people's remit; we would not achieve as much as we have. As previously reported the Trust acquired Trust Corporation Status to assist in the administration of legacies, particularly those where NAWT is Executor. During the year we continued to act as Trustee of a Trust established on behalf of the charitable beneficiaries and agreed to take on the role of Executor in four estates where NAWT was a beneficiary.

WE NEVER STOP CARING

About our legal responsibilities.

WIDER NETWORKS

The Trust is a Full Member of the Association of Dogs and Cats Homes (ADCH), which brings together over 100 animal rescue and re-homing charities and provides opportunities for the exchange of information and experience, joint training events, cost-saving and representation to government. NAWT's Chief Executive is a member of the Management Committee of the ADCH. In February 2018, NAWT hosted an ADCH Open Meeting in Watford, with 100 delegates from 40 different rescue and rehoming organisations. We welcomed over 60 visitors to the Watford Centre who were all keen to see Open Paw in action for dogs and cats. The Trust is also a member of the Institute of Legacy Management, Health Assured (Employee Assistance Programme), All Party Parliamentary Group for Animal Welfare and the Charity Retail Association and is registered with the Fundraising Regulator. Each of our centres and charity shops also have links with their local volunteer bureaux.

DELIVERING FOR THE PUBLIC BENEFIT

The Trustees have had a due regard to the Charity Commission guidance on public benefit.

RELATED PARTIES AND SUBSIDIARIES

Mrs Diana Brown, a Trustee of NAWT, Mrs Jackie Cottrell and Mrs Dawn Webster, Senior Managers of NAWT, all served as Directors of the wholly owned trading subsidiary, AWT Trading Ltd. Lynley Griffiths, a Trustee of NAWT, also acted as Health & Safety Consultant in a professional capacity for NAWT. Webster Landscaping, a business owned by the husband and son of Mrs Dawn Webster, Senior Manager of NAWT, provided ground maintenance services at the Watford centre.

RISK ASSESSMENT AND MANAGEMENT

The Trustees have considered the financial and non-financial risks faced by the charitable company and have carried out a number of reviews of internal controls. A risk register for the Charity is reviewed annually by the Board and kept under regular review by the Senior Management Team.

The key risks are:

1. An animal may injure a person both on site and when an animal is homed.
2. Legacy income may cease or significantly reduce.
3. Overall income reduces leading to an erosion of reserves.

Day to day management of Health and Safety is good.



FINANCIAL REVIEW

NAWT produced an operating loss of £513,490. This compares to a surplus of £27,588 in 2016/17. The loss is mainly a result of delays in the receipt of legacy income from several estates. However, our costs were well controlled, ending up 13.6% below budget. We continue to work on developing other streams of income and it is a major objective for 2018/19.

The Trust is keeping in place a number of additional controls to ensure that the Trustees and Senior Management Team can exercise effective and timely scrutiny, and judgement, in managing the financial affairs of the charity.

INCOME

Total income fell by 9.4% on 2016/17 from £3.511m to £3.180m. The main reasons were the fall in legacy income and the fact that there was a one off legacy donation from Feral Cat Plan in the 2016/17 accounts which totalled £205,536. Like for like income was 3.8% below last year.

LEGACY INCOME

During the year, the Trust received legacy income of £2.180 million compared with £2.408 million in the previous year which represents 68.6% (2016/17:68.6%) of our total income for the year. The legacy forecast for the year was £2.5 million and two major legacy payments from that forecast amount still have not been received. Legacy income is recognised in these financial statements in accordance with the accounting policy set out in note 1.

As in 2016/17, the legacy income is made up of the actual legacy income received during the financial year and an amount accrued for estates where notification of the amount has been received but monies had not yet been paid. £600,000 of the accrued monies still has not been received by November 2018.

As at 31 March 2018 the Trust had been notified of 58 estates where the anticipated income of £1.238 million had not been accrued due to the uncertainty of the amounts receivable and timing.

As at 31 March 2018 the Trust also held a life interest in 15 estates, but no income accrued due to the uncertainty of the amounts receivable and timing.

In the period since the 31 March 2018 to the date of signing the Trust has received legacy income of £1,089,934 and the legacy pipeline has changed and now consists of 74 estates where the anticipated income is in excess of £2.982 million.

DONATIONS

Whilst legacies are a crucially important income stream and we are extremely grateful to those who remembered us in this way, NAWT's Fundraising team is working to develop other streams of income to reduce the reliance on legacy income. As mentioned earlier, the focus going forward is on providing the centres with the support and resources to increase their income. Donations in 2016/17 were boosted by a one off £205,536 legacy donation from Feral Cat Plan. If that is stripped out, donations actually increased by £96,066 this year. The Trustees would like to thank our numerous donors, friends and supporters as well as our volunteer fundraisers who do so much to help fund our work every year.

RETAIL INCOME

Retail Income fell by 7.6% on the previous year due to the closure of the Clacton Shop and the continued poor performance of the Falmouth shop.

HOMING FEES

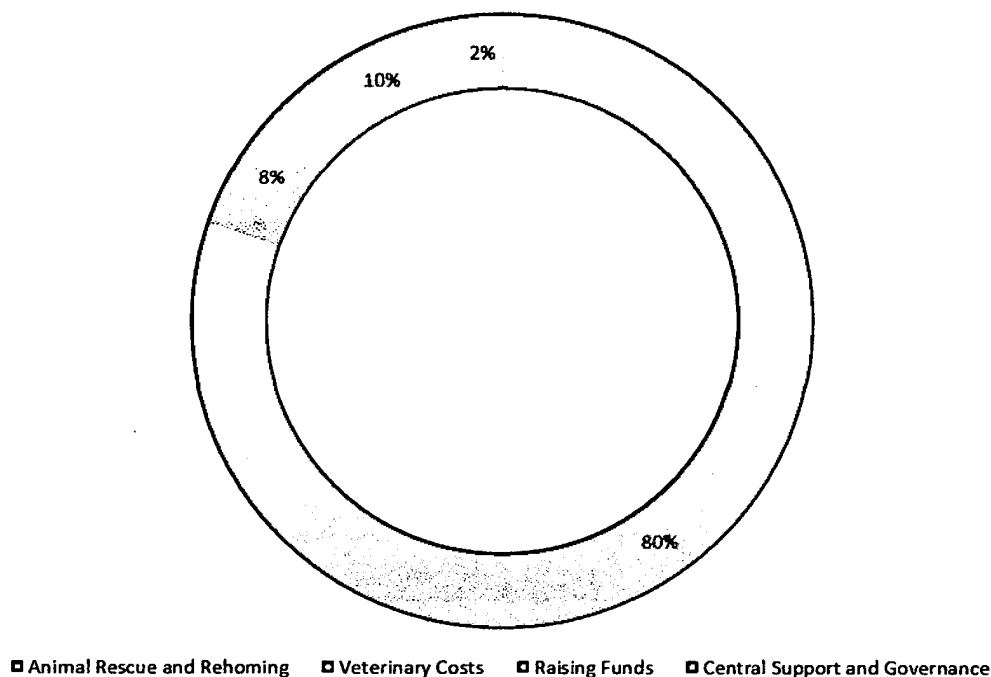
Due to the increase in the number of dogs rehomed, homing fees increased by 22% year on year.

FINANCIAL REVIEW

EXPENDITURE

Total expenditure increased from £3.584m to £3.707m, but was £580,812 below budget. Costs remain well managed throughout the organisation and over 70% of the year on year increase is down to increased staff costs as a result of the implementation of the National Living Wage since April 2016. Total expenditure costs of generating funds were 3.2% up on last year and no money is paid to third party fundraising organisations. As required, the Trustees have reviewed the Trust as a 'going concern' for the next 12 months, and have concluded that this is the case. This review looked at a number of factors including: the legacy pipeline of notifications and anticipated income; the fact that senior management review income and expenditure and cash-flow forecasts on a regular basis; and that the Trust has sufficient free reserves to cover a short-term decrease in income.

NAWT Expenditure Breakdown 2017/18



RESERVES POLICY

The Trust's Reserves Policy has three objectives:

- A target of 12 months running costs held in free reserves with a minimum of three months running costs, to guard against fluctuations in income and cash-flow requirements;
- To build up the Trust's investment portfolio to provide long-term security for the work of the charity.

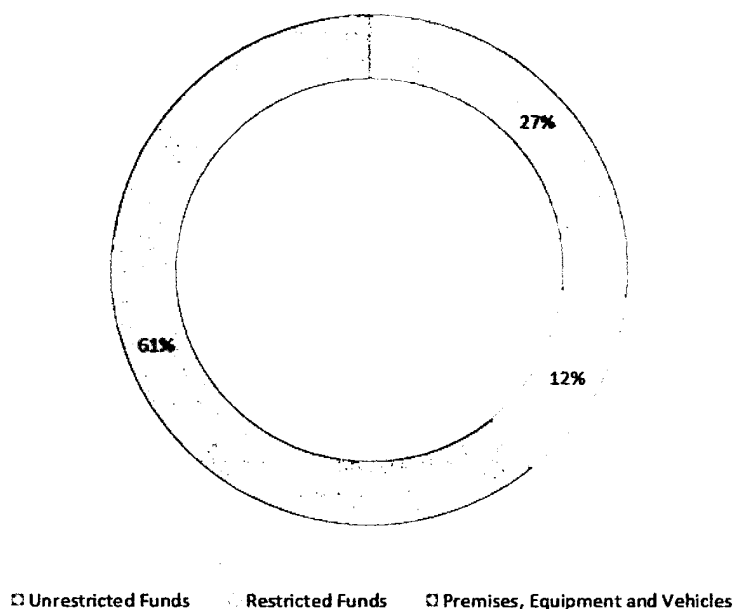
On an annual basis the Trustees will review the resources available to the charity to invest in reserves, so as to achieve the best balance between these objectives. The Board has again agreed a deficit budget for 2018/19 and the Trustees are aware that they might need to realise further funds from reserves to meet any deficit that may occur. The deficit for 2017/18 of £513,490 means that as at the 31 March 2018, the Trust held total funds of £6,454,692 (£6,968,182 as at 31 March 2017).

The majority of those funds are held in fixed assets and restricted funds totalling £4.734m or 73%.

FINANCIAL REVIEW

The table below shows how the total charity funds are made up.

NAWT Charity Funds at 31st March 2018



RESTRICTED AND DESIGNATED FUNDS

As at 31st March 2018, Restricted Funds totalled £810,563. This is made up of £323,188 restricted for NAWT's Thurrock branch and £487,375 restricted from the Feral Cat Plan which NAWT took over in 2015.

The Moody Fund, has reduced to £12,497, representing the Trust's share of some long-term assets that were bequeathed to the charity from the Estate of Ethne Pauline Moody, and which are currently being held in a "Bare Trust" whilst they are realised and disposed of. This process will continue for a number of years.

As at 31 March 2018 unrestricted general funds totalled £1,701,005, which provides 5.02 months of running costs based on the 2018/19 approved budget.

INVESTMENT PERFORMANCE AND POLICY

During the year the value of our main investment fund achieved an unrealised gain of £13,577 (2016/17: gain of £100,213) due to fluctuation in the markets.

The Investment Policy of the Trust is to create general reserves by holding a range of quoted investments on a long term basis to generate a mix of income and capital growth by adopting a moderate level of risk.

The Trustees have considered the issue of ethical considerations within our investment policy, and have an agreed policy that no direct investment will be knowingly permitted in companies whose business operations conflict or detract from our charitable objects.

FIXED ASSETS

The value of our Fixed Assets is £3,923,724 compared to £4,038,685 in 2016/17.

FINANCIAL REVIEW

AWT TRADING LTD

The charity has a 100% owned trading subsidiary, AWT Trading Ltd, which conducts various trading activities to support the charity. Overall AWT Trading Ltd made a surplus of £726 on sales of £34,175 and donations to the value of £7,493 were transferred to the charity. The Falmouth Tea Room closed in Oct 17.

STRATEGIC REPORT

This trustees report also meets the company law requirements for a directors report. Further, as a medium sized company, we are required to include a strategic report within the trustees report. The requirements of the strategic report can be found in the following sections of this report:

- "We never stop caring – For the animals in our care."
- "We never stop caring – About our future"
- Financial review

FINANCIAL REVIEW

TRUSTEES' STATEMENTS

Auditors

H.W. Fisher and Company have indicated their willingness to continue in office.

Statement as to Disclosure of Information to Auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Statement of Trustees' responsibilities

The Trustees, who are also the Directors of National Animal Welfare Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees approved this Report and the Strategic Report in their capacity as Directors on 27th November 2018 and signed on their behalf by:



Mr John Pearce
Trustee



Ms Diana Brown
Trustee

FINANCIAL REVIEW

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of National Animal Welfare Trust (the 'company') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information

FINANCIAL REVIEW

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the company for the purpose of company law, 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 company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

FINANCIAL REVIEW

Auditor's responsibilities for the audit of the financial statements

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.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sailesh Mehta (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

11 December 2018

FINANCIAL REVIEW

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£
Income from:					
Legacies		1,853,561	326,573	2,180,134	2,407,740
Donations	2a	479,014	42,997	522,011	631,481
Sub-total income legacies and donations		2,332,575	369,570	2,702,145	3,039,221
Other trading activities					
Rent receivable		24,963	-	24,963	22,938
Charity shop receipts		198,645	5,242	203,887	220,567
Sale of donated goods		20,451	-	20,451	23,490
Sub-total income from other trading activities		244,059	5,242	249,301	266,995
Investment income					
AWT Trading Limited		7,493	-	7,493	6,235
Dividends and interest received		27,062	-	27,062	29,158
Sub-total investment income		34,555	-	34,555	35,393
Charitable activities – animal rescue and rehoming					
Commissions and royalties		49,434	2,981	52,415	47,692
Sales from animal related goods		26,535	-	26,535	27,645
Homing		112,210	3,085	115,295	94,402
Sub-total income from charitable activities		188,179	6,066	194,245	169,739
Total income		2,799,368	380,878	3,180,246	3,511,348
Expenditure on:					
Raising funds					
Fundraising, publicity and other		451,167	-	451,167	437,141
Charitable activities					
Animal rescue and rehoming		3,049,528	206,618	3,256,146	3,146,832
Total expenditure	2b	3,500,695	206,618	3,707,313	3,583,973
Unrealised gains on investment assets		13,577	-	13,577	100,213
Net income/(expenditure)		(687,750)	174,260	(513,490)	27,588
Transfers between funds		(838)	838	-	-
Net movement in funds		(688,588)	175,098	(513,490)	27,588
Reconciliation of Funds:					
Total funds brought forward		6,332,716	635,466	6,968,182	6,940,594
Total funds carried forward		5,644,128	810,564	6,454,692	6,968,182

FINANCIAL REVIEW

BALANCE SHEET AS AT 31 MARCH 2018

NATIONAL ANIMAL WELFARE TRUST

Company Number: 4251503

Charity Number: 1090499

	Notes	2018 £	2017 £
Fixed assets:			
Tangible fixed assets	4	3,923,724	4,038,685
Investments:			
Listed	5	774,433	760,856
Unlisted	5	31,702	31,702
		<u>806,135</u>	<u>792,558</u>
		4,729,859	4,831,243
Current assets:			
Stock		13,298	13,718
Debtors	7	1,522,217	770,126
Cash at bank and in hand		482,226	1,570,217
		<u>2,017,741</u>	<u>2,354,061</u>
Liabilities:			
Creditors: amounts falling due within one year	8	(292,908)	(217,122)
		<u>1,724,833</u>	<u>2,136,939</u>
Net current assets		<u>6,454,692</u>	<u>6,968,182</u>
Total net assets	9	<u>6,454,692</u>	<u>6,968,182</u>
The funds of the charity:			
Restricted funds	10	810,563	635,466
Unrestricted funds:			
Fixed asset fund	11	3,923,725	4,038,685
Other designated funds	11	19,398	33,040
General funds	12	<u>1,701,005</u>	<u>2,260,991</u>
Total charity funds		<u>6,454,692</u>	<u>6,968,182</u>

Approved by the Trustees and authorised for issue on 27th November 2018 and signed on their behalf by:



Mr John Pearce
Trustee



Ms Diana Brown
Trustee

FINANCIAL REVIEW

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Cashflows from operating activities:			
Net cash outflow from operating activities	18	(1,057,303)	(175,405)
Cashflows from investing activities:			
Dividends and interest received		34,555	35,393
Payments to acquire tangible fixed assets		(65,243)	(93,648)
Net cash used in investing activities		(30,688)	(58,255)
Decrease in cash and cash equivalents in the year		(1,087,991)	(233,660)
Cash and cash equivalents at beginning of year		1,570,217	1,803,976
Cash and cash equivalents at end of year		482,226	1,570,217

FINANCIAL REVIEW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies

1.1 Basis of preparation

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2016. The company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost basis with the exception of some of the charity's investments which are included at market value, and in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are set out below.

1.2 Going Concern

At the time of approving the accounts, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Incoming resources

Donations, subscriptions, sponsorship, fundraising and appeals, and sales of donated goods are recognised upon receipt. Investment income, including gift aid received from AWT Trading Limited and rental income are recognised on an accruals basis. Income generated from charitable activities is also recognised upon receipt.

Legacy income

As the Trust relies so heavily upon legacy income the Trustees have agreed a specific accounting policy in relation to the recognition and treatment of legacies. Pecuniary or specific bequests are recognised upon the receipt of the entitlement. Residuary estates are recognised either a) as and when interim payments are received, or b) when estates accounts have been agreed and the final payment is outstanding.

Volunteers and donated goods and services

In accordance with the Charities SORP (FRS102), the economic contribution of volunteers is not recognised in the financial statements. Further details of the contribution made by volunteers can be found in the annual report.

FINANCIAL REVIEW

The Trust benefits significantly from donated goods to support our animal care work, in particular donations of food and toys for the animals' benefit. Currently no record of the value to the charity is maintained and consequently the value of these items is not yet included in these statements. The Trustees have identified this as an area for attention and management are currently developing a system to facilitate the recording and valuing of these items.

1.4 Resources expended

Expenditure is recognised when a liability is incurred. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. Contractual arrangements are recognised as goods or services are supplied.

- Costs of generating funds are those costs incurred in attracting voluntary income, including the costs of ensuring that we receive our full entitlement to any legacy income.
- Charitable activities include expenditure associated with its animal rescue and re-homing work and includes both the direct costs and support costs relating to those activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources; this is done on the basis of staff time attributed to each activity cost category.

1.5 Fund structure

The Trust has a number of restricted funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The Trustees have made a number of designations to better reflect the funds structure of the charity. Unrestricted funds raised by our local voluntary support groups are designated to show the extent of their individual contributions to our work. Legacy income dedicated (but not restricted) to a particular animal centre is designated towards the costs incurred at those centres. The Trustees have established an Assets replacement fund towards the costs of significant capital improvements required across the organisation.

1.6 Group financial statements

The Trustees are of the opinion that the results and net assets of the subsidiary, AWT Trading Limited are not material to the charity and consolidated accounts have therefore not been prepared in accordance with paragraph 24.12 of the SORP. Any Gift Aid transfer from AWT Trading Limited is included as incoming resources. The investment in the subsidiaries is shown as a fixed asset investment.

1.7 Branches & Supporter Groups

The financial returns from branches, which have in some cases been examined independently, are incorporated into the accounts of the main charity. Our Thurrock branch carries out a significant amount of animal welfare.

FINANCIAL REVIEW

1.8 Pension costs

Defined contribution pension costs are charged to the Statement of Financial Activities in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

1.9 Fixed assets investments

Listed investments are stated at mid-market value, at the balance sheet date. Unlisted investments are valued by the Trustees at fair value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.10 Tangible fixed assets

Tangible fixed assets, other than freehold land are stated at cost less depreciation (IT equipment over £1,500 and all other equipment item over £3,000 only are capitalised).

Depreciation is calculated so as to write off the cost, less estimated residual value, of each asset over its estimated useful life, on a straight line basis, as follows:

Freehold improvements	: 4 to 30 years
Equipment	: 4 years
Motor vehicles	: 4 years

Freehold land has not been depreciated as, in the opinion of the Trustees, any charge would be immaterial since residual value exceeds cost. Annual impairment reviews are conducted in accordance with Financial Reporting Standard 102 paragraph 17.24.

1.11 Stock

Stock is included at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional costs expected to be incurred to completion and disposal. Provisions are made for obsolete and slow moving items.

1.12 Financial instruments

The Trust has only financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

FINANCIAL REVIEW

1.13 Leases

Tangible fixed assets acquired under finance lease and hire purchase contracts are capitalised at estimated fair value at the date of inception of each lease or contract. The total finance lease charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.14 Cash and cash equivalents

Cash and cash equivalents include cash at hand, deposits held on call with banks, other short term liquid investments with original maturities of 3 months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The Trustees are required to make estimates in respect of legacy income. The basis of recognition is provided within the incoming resources accounting policy above (see policy 1.3).

2a Income from Donations

	Total 2018	Total 2017
Unrestricted	£	£
Dog training	2,293	1,937
Dog Warden	4,402	5,697
Donations individuals - unrestricted	256,716	208,909
Donations individuals - restricted (Feral Cat Plan)	159	205,536
Donations trust - unrestricted	30,023	44,107
Grants	8,690	6,340
Subscriptions	2,622	2,731
Entrance	4,837	3,251
Sponsorship - unrestricted	16,349	5,130
Sundry Income	26,719	22,809
Fundraising Appeals - unrestricted	126,204	122,367
	<u>479,014</u>	<u>628,814</u>
Restricted		
Donations individuals - restricted	14,071	-
Donations trust - restricted	7,000	-
Donations trust - designated	20,326	-
Fundraising Appeals	1,040	1,492
Sponsorship	560	1,175
	<u>42,997</u>	<u>2,667</u>
	<u>522,011</u>	<u>631,481</u>

FINANCIAL REVIEW

2b Expenditure

	Direct staff costs £	Other direct costs £	Support & Governance costs £	Total 2018 £	Total 2017 £
Raising funds					
Fundraising, publicity & other	208,882	155,418	86,867	451,167	437,141
Charitable activities					
Animal rescue and re-homing	1,945,019	444,363	866,764	3,256,146	3,146,832
	2,153,901	599,781	953,631	3,707,313	3,583,973

Restricted expenditure of £206,618 (2017: £229,301). This is in respect of Thurrock costs and expended legacy income.

Support and Governance costs

Support costs have been allocated on the basis of staff time.

	Charitable activities £	Raising funds £	Total 2018 £	Total 2017 £
Staff costs	168,824	18,130	186,954	203,773
Premises costs	267,658	28,745	296,403	298,787
Motor expenses	23,540	2,528	26,068	23,207
Office costs	81,885	8,794	90,679	95,976
Advertising and publicity	4,772	512	5,284	5,133
IT costs	31,258	3,357	34,615	28,538
Audit fee	8,293	891	9,184	8,456
Professional fees	61,687	6,625	68,312	33,765
Bank charges	9,764	1,049	10,813	10,231
Sundry expenses	219	23	242	(255)
Depreciation	150,965	16,213	167,178	176,507
Governance	57,899	-	57,899	59,871
	866,764	86,867	953,631	943,989

Governance costs comprise:

	£
Staff costs	43,784
Other governance costs	14,115
	57,899

FINANCIAL REVIEW

3. Staff costs

	2018 £	2017 £
Administration	307,886	323,932
Social security costs – admin	35,482	35,255
Animal care	1,726,300	1,628,564
Social security costs - animal care	105,322	95,115
Shops	89,337	98,044
Social security costs – shops	4,313	4,730
Pensions	44,498	42,265
Other Staff Costs	71,501	68,970
	<u>2,384,639</u>	<u>2,296,875</u>

Direct staff costs £2,153,901, support costs £186,954, and governance costs £43,784.

3a Staff numbers

	2018 No.	2017 No.
Administration	8	10
Animal care	117	117
Shops	6	8
	<u>131</u>	<u>135</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2018	2017
£70,000 - £80,000	1	1
Pension contributions were	£5,802	£3,554

Key personnel are detailed in the Trustees' Report, see page 13.

FINANCIAL REVIEW

4. Tangible fixed assets

	Freehold land & building improvements	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2017	6,117,669	245,210	100,660	6,463,539
Additions	44,549	10,077	10,617	65,243
Disposals	(32,998)			(32,998)
<hr/>				
At 31 March 2018	6,129,220	255,287	111,277	6,495,784
<hr/>				
Depreciation				
At 1 April 2017	2,111,426	212,767	100,660	2,424,854
Charge for the year	144,727	22,923	2,654	170,304
Disposals	(23,099)			(23,099)
<hr/>				
At 31 March 2018	2,233,054	235,690	103,314	2,572,059
<hr/>				
Net book value				
At 31 March 2018	3,896,164	19,598	7,963	3,923,724
<hr/>				
At 31 March 2017	3,972,445	32,442	-	4,038,685
<hr/>				

FINANCIAL REVIEW

5. Investments

	2018 £	2017 £
Unit Trusts		
Market value of assets at 1 April 2017	760,856	660,643
Unrealised net gains on revaluation at 31 March 2018	13,577	100,213
	<hr/>	<hr/>
Market value of assets at 31 March 2018	774,433	760,856
	<hr/>	<hr/>
The market value of assets is made up of:		
Investments listed on UK Stock Exchange	774,433	760,856
	<hr/>	<hr/>
	774,433	760,856
	<hr/>	<hr/>
Unlisted		
AWT Trading Limited		
10 Ordinary £1 shares at cost	10	10
Clacton Animal Aid	1	1
Property Investment	31,691	31,691
	<hr/>	<hr/>
	31,702	31,702
	<hr/>	<hr/>

AWT Trading Limited, a company incorporated in England, is a fully owned subsidiary of the National Animal Welfare Trust and conducts various trading activities to support the charity. It is valued by the Trustees at what is considered a fair value of the interest. It surrenders some of the taxable profits to the parent charity. For the year ended 31 March 2018 AWT Trading Limited surrendered Nil to National Animal Welfare Trust (2017: Nil). This resulted in an increase on ordinary activities of £726 for the year ended 31 March 2018 (2017: decrease of £16,536) and at this date its aggregate capital and reserves totalled £50,761 (2017: £50,035).

FINANCIAL REVIEW

6. Financial Instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,432,931	676,997
Equity instruments measured at fair value through income and expenditure	774,433	760,856
Equity instruments measured at cost less impairment	11	11
Carrying amount of financial liabilities measured at amortised cost	261,417	183,334

7. Debtors

	2018 £	2017 £
Amounts owed from subsidiaries	9,601	6,729
Other tax and social security	35,196	43,921
Income tax recoverable	5,600	8,100
Other debtors	90,778	26,619
Prepayments & accrued income	48,490	41,108
Accrued legacy income	1,332,552	643,649
	<u>1,522,217</u>	<u>770,126</u>

8. Creditors

	2018 £	2017 £
Trade creditors	106,944	124,133
Other creditors	110,610	36,534
Accruals	43,863	22,668
Other taxes and social security	31,491	33,787
	<u>292,908</u>	<u>217,122</u>

FINANCIAL REVIEW

9. Net assets held by funds

	Investments £	Tangible fixed assets £	Bank and cash £	Other net Assets £	Total 2018 £
Restricted funds:					
Thurrock	-	-	323,188	-	323,188
Feral Cat Plan	-	-	-	487,375	487,375
Unrestricted funds:					
Designated funds					
Moody Fund	-	-	-	12,497	12,497
Thurrock	-	-	5,767	-	5,767
Cornwall	-	-	1,133	-	1,133
Fixed Asset Fund	-	3,923,724	-	-	3,923,724
Clacton assets	1	-	-	-	1
General unrestricted funds:					
General funds	806,134	-	152,137	742,735	1,701,005
	806,135	3,923,724	482,226	1,242,607	6,454,692

10. Restricted funds

	Balance 01 Apr 17 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 Mar 18 £
Thurrock	166,409	181,827	(25,886)	838	323,188
Cornwall	-	21,116	(21,116)	-	-
Trindledown	-	85,856	(85,856)	-	-
Heaven's Gate	-	5,049	(5,049)	-	-
Clacton	-	68,710	(68,710)	-	-
Feral Cat Plan	469,057	18,318	-	-	487,375
Watford	-	-	-	-	-
	635,466	380,878	(206,618)	838	810,564

Thurrock

The balance represents legacy income received in the past specifically to fund the work of the Thurrock branch less expenditure incurred at Thurrock in the year. Incoming resources included fundraising activities to generate funds needed locally. Resources expended related to the costs associated with running the local animal rescue activity. A transfer has been made between from unrestricted to restricted funds to reflect bank interest due to Thurrock.

Other funds relate to specific restricted legacies that were received and applied to particular centres.

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Feral Cat Plan

In September 2015 the Trustees of the National Animal Welfare Trust agreed to take over the work of Feral Cat Plan to allow continued care of feral cats in the Hertfordshire and Essex area, whilst also supporting people in the local community.

11. Designated funds

	Balance 01 Apr 2017 £	Incoming resources £	Resources expended/ £	Balance 31 Mar 2018 £
Branches and Supporter Groups:				
Bridgwater	-	-	-	-
Thurrock	8,635	-	(2,868)	5,767
Cornwall	803	1,047	(717)	1,133
Moody Fund	23,601	-	(11,104)	12,497
Clacton	1	-	-	1
Fixed Asset fund	4,038,685	-	(114,960)	3,923,725
	4,071,725	1,047	(126,649)	3,943,123

Moody Fund - this represents the Trust's share of some long-term assets that were bequeathed to the charity from the Estate of Ethne Pauline Moody, and which are currently being held in a "Bare Trust" whilst they are realised and disposed of.

Branches and Supporter Groups - the incoming resources arose as a result of local fundraising activities by our voluntary supporter groups and the resources expended related to sums spent on the animal welfare and rescue work of the charity.

Fixed Asset Fund - this fund represents the net book value fixed assets at 31 March 2018.

Clacton - this fund represents the investment in Clacton Animal Aid.

12. Movement on general funds

	Balance 01 Apr 2017 £	Incoming resources £	Resources expended/ transfers £	Balance 31 Mar 2018 £
General unrestricted fund	2,260,991	2,839,224	(3,399,210)	1,701,005

13. Pension costs

During the period defined contribution pension costs amounting to £44,498 (2017: £42,265) were paid over to independently administered pension schemes. As at 31 March 2018 there were outstanding contributions of £Nil (2017: £Nil).

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14. Trustees' expenses and remuneration

Trustees received no remuneration (2017: £Nil). 0 Trustees (2017: 0 Trustee) were reimbursed for their travelling expenses.

15. Company information

The company is limited by guarantee and has no issued share capital. The liability of the members is limited to £1.

16. Contingent liabilities, financial commitments and contingent assets

As at 31 March 2018 the company was committed to making the following payments under non-cancellable operating leases:

	Land & Buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
Within 1 year	26,400	52,500	20,313	20,313
2-5 years	35,400	34,750	64,803	71,904
Over 5 years	-	-	-	4,320
	61,800	87,250	85,116	96,537

In addition to the legacy income recognised in the SOFA, as of 31 March 2018 the Charity had been notified of 58 estates (2017:63) with a total estimated value of £1.238 million (2017: £2.302 million). These legacies do not satisfy the criteria relating to the probability and/or reliable estimate required by our accounting policy to recognise the income during the year. They are therefore disclosed here as a contingent asset.

17. Related party transactions

The following related party transactions were undertaken in the year. These were conducted on a normal commercial basis:

Ms Diana Brown, a Trustee of NAWT, Mrs Jackie Cottrell and Mrs Dawn Webster, Senior Managers of NAWT, all served as Directors of the wholly owned trading subsidiary, AWT Trading Ltd.

During the year the transactions between NAWT & AWT Trading were inter-company recharges and expenses paid by NAWT, which related to salaries of £5,242 and rent of £567. As at 31 March 18 AWT owed NAWT £9,601 (2017: AWT owed NAWT £6,729) and is included within debtors.

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Lynley Griffiths, a Trustee of NAWT, also acted as Health & Safety Consultant in a professional capacity for NAWT, receiving £4,321 (2017: £2,496) with £541 owing as at the 31 March 2018.

Webster Landscaping, a business owned by the husband and son of Mrs Dawn Webster, Senior Manager of NAWT, provided ground maintenance services at the Watford centre, receiving £6,383 (2017: £11,191) with £370 owing as at the 31 March 2018.

18. Reconciliation of net (outgoing)/incoming resources to net cash outflow from operating activities

	2018 £	2017 £
Net (outgoing)/incoming resources	(513,490)	27,588
Depreciation	170,304	180,062
Decrease in stock	420	2,211
Increase in debtors	(752,091)	(263,133)
Increase in creditors	75,786	13,473
Less: investment income	(34,555)	(35,393)
Gains on investment	(13,577)	(100,213)
Profit on sale of fixed assets	9,900	-
	<hr/>	<hr/>
Net cash outflow from operating activities	(1,057,303)	(175,405)
	<hr/>	<hr/>

CHARITY INFORMATION

Company number 4251503

Charity number 1090499

Independent Auditors

H W Fisher & Company
Acre House
11-15 William Road
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Bankers

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Investment Managers

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REGISTERED CHARITY IN ENGLAND AND WALES NUMBER: 1090499