



**BLUE CROSS**  
**ANNUAL REPORT 2015**

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## BEHAVIOUR

We help pets with behavioural issues to have happy, healthy futures.

## REHOMING

We find happy new homes for abandoned or unwanted pets.

## EDUCATION

We educate the pet owners of the future by giving talks and providing information.

## PET BEREAVEMENT

We support people who are struggling to cope with the loss of a much-loved pet.

## CLINICAL

We care for sick and injured pets when their owners can't afford private treatment.

## WELCOME FROM OUR CHAIRMAN



I welcome you to our 2015 annual report on behalf of all our Trustees. It is a great honour to have been appointed Chairman of our wonderful charity with its long history of helping pets to enjoy healthy lives in happy homes, particularly in such an exciting year.

We have not been shy about our ambition to double the number of pets we are able to help by 2020, or about the strategy behind the realisation of this goal. In 2015 we were able to celebrate the culmination of many years' hard work as we successfully launched our new major marketing campaign.

“ **This is just the beginning of a five-year programme of activity that will raise our profile and our income to enable us to help 70,000 pets a year. Early feedback shows some excellent results.** ”

We celebrated the successful refurbishment of our Bromsgrove centre, which has brought the site up to modern standards, and saw the near completion of our brand new rehoming centre in Suffolk. We spoke about responsible pet ownership with more

young people than ever before, treated almost 10 per cent more sick and injured pets than last year and found loving new homes for a greater number of unwanted pets than in previous years.

The year marked a challenging climate for the charity sector with considerable public and regulatory attention focussed on charity fundraising and governance. We strive to meet the highest standards and we have released our Supporter Charter to reaffirm our responsibilities and commitment to our donors and their privacy.

On behalf of the Board I thank Zair Berry, whose chairmanship came to an end after a full five years' service. We are very grateful to David Watt, who retired from the Board, for his valuable contribution and wish him well for the future. We were delighted to welcome Catherine Brown, Kris Glover, Vicky Hemming and Deirdre Walker to our Trustee team. They bring with them an exceptional range of skills and experience which will be invaluable in guiding our charity forward into the future.

We were extremely sorry to learn of the passing of Sir Peter O'Sullivan, a very long-time supporter of our work. His passion for horse welfare will be greatly missed.

Thanks must also go to Chief Executive Sally de la Bedoyere and her team for their strong leadership at a time of both great opportunity and challenge, and I congratulate Steve Goody on his appointment as Deputy Chief Executive. During the year Mark Evans retired and Richard Hollands left the Executive Team, we thank them for their hard work and wish them well.

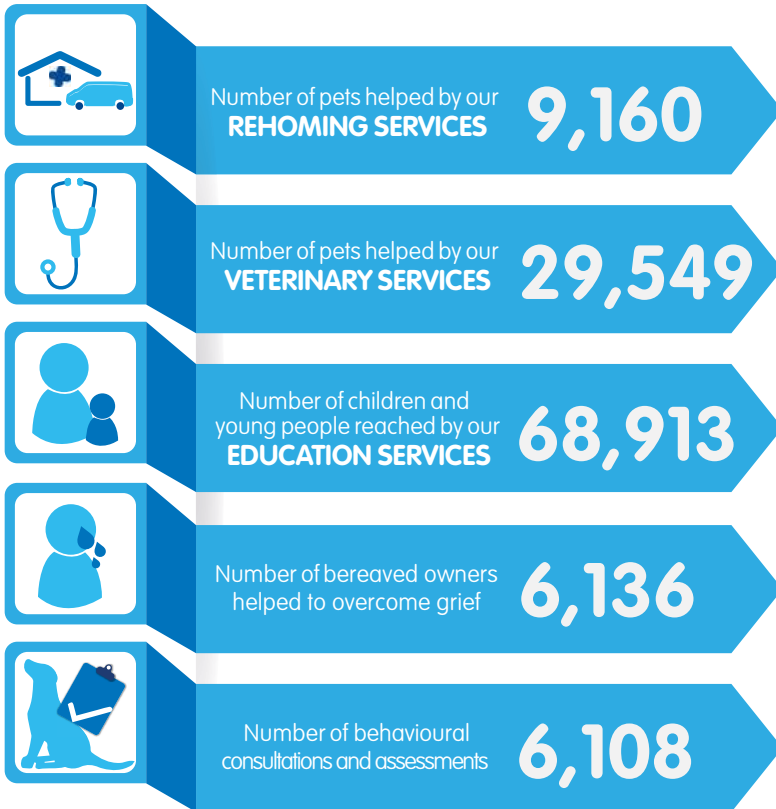
You will read that in a very full year for our charity we celebrated a great many achievements, but my personal highlight was meeting many of our employees and volunteers at the all team conference. All that amazing energy and enthusiasm expressed for helping animals was a joy to experience and I thank all our people for their fabulous and unique contributions.

A handwritten signature in black ink, appearing to read 'Tim Porter'.

Tim Porter FCA  
Chairman

The 2015 Annual Report and Financial Statements have been prepared in accordance with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

## WHO WE ARE



Sick, injured and homeless pets have relied on us since 1897. Abandoned or unwanted, ill or injured, pets turn to us for help every year. Our doors are always open to them, and with your support, they always will be.

Each year, thousands of cats, dogs, small pets and horses turn to our animal hospitals, clinics and rehoming services for treatment and to find them the happy homes they deserve.

## BLOSSOM

Abandoned, afraid and alone; it's likely Blossom hadn't eaten in quite a while before she was found. Her skin was red raw and covered in sores, and she had no fur left on her body. We bathed Blossom's skin, treated her with medication and made sure she spent lots of time with our team so she learned people can be kind. When she was ready, we found Blossom new owners, who adore her.



## OUR VISION AND MISSION

### VISION

EVERY PET WILL ENJOY A HEALTHY LIFE IN A HAPPY HOME.

### MISSION

WE FIND HAPPY HOMES FOR ABANDONED OR UNWANTED PETS, AND WE KEEP PETS HEALTHY BY PROMOTING WELFARE AND PROVIDING TREATMENT.



## OUR VALUES

**Blue Cross is a values-driven organisation. Our values are:**

**Integrity:** We act in an ethical, transparent and honourable way. We are proud and respectful of our charity and each other, and what we achieve for animal welfare. Our work is honest, authentic and trustworthy.

**Dynamic:** We are ambitious and optimistic, striving for success. We are a learning organisation, open to new ideas and curious about ways to improve; we are flexible and brave to meet the ever-changing needs of animal welfare. We keep a sense of fun in what we do.

**Responsible:** We are proud of our professionalism, and hold ourselves accountable for the work we do.

We take a pragmatic and considered approach and make decisions in an informed, reliable and transparent way. We challenge ourselves to be realistic about what we can achieve.

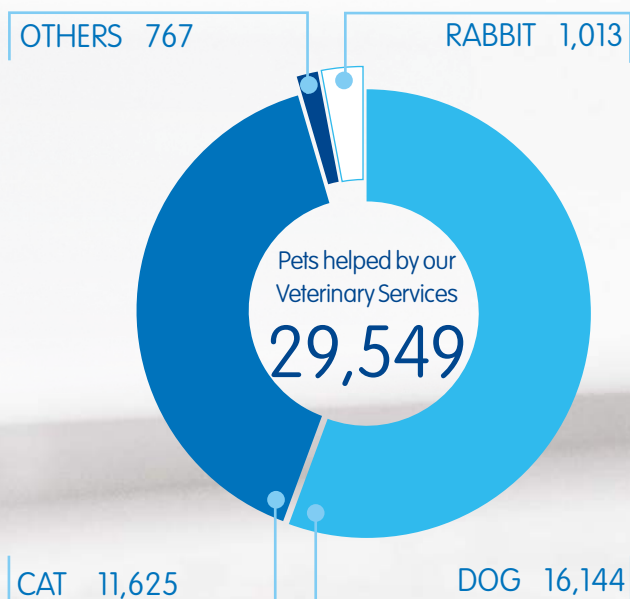
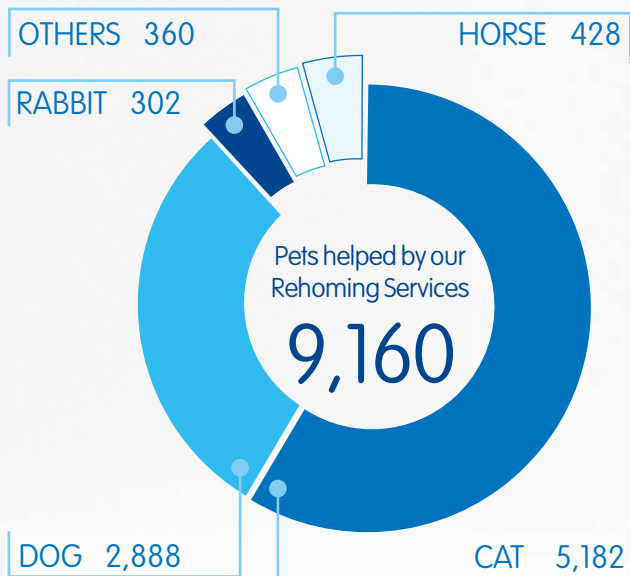
**Compassionate:** We believe in showing respect and kindness and we aim to be supportive and caring in all that we do. We are tolerant of others, and show empathy, understanding and patience, balanced with the need to be professional and accountable.

**Fair and reasonable:** We aim to be consistent and treat everyone equally. We will be non-judgemental, showing others respect and understanding. We will treat situations that arise in a flexible and open-minded way. We will be realistic and have fair and appropriate systems of reward and recognition for our people.



# PUBLIC BENEFIT

All of our charitable activities aim to help needy pets, and their owners, and to encourage and promote kindness to animals by providing information and education.



## WHO USED AND BENEFITED FROM OUR SERVICES?

### Rehoming

We find homes for unwanted cats, dogs, small pets and horses across the UK and our tailor-made service lets us help each pet find the right home. In 2015 we helped over 9,100 homeless pets – nearly 10 per cent more than last year and the most since our records began.

### Veterinary

Our four animal hospitals and network of clinics treat sick and injured pets when their owners cannot afford private fees. We treated more than 29,500 pets in 2015 – almost 10 per cent more than in 2014.

### Behaviour

We help pets who arrive at Blue Cross with behavioural issues and offer ongoing support to anyone who rehomes a pet from us. Our Behaviour Team carried out over 6,100 consultations and assessments in 2015 – a 70 per cent increase on the previous year.

### Education

We promote animal welfare to the pet owners of the future by giving talks and

offering advice. In 2015 we reached almost 69,000 children and young people. This is a rise of more than five per cent in comparison with 2014.

### Pet bereavement

Our Pet Bereavement Support Service provides free, confidential emotional support to people who are struggling to cope with the loss of a pet 365 days a year. Our trained volunteers handled confidential calls and emails from 6,136 grieving people in 2015 – and the number of volunteers helping bereaved pet owners grew by 60 per cent.

All charities in England and Wales must undertake activities to further their purposes for the public benefit. In setting our aims and objectives, and planning our activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. In this report, we have outlined both the strategies we have adopted, and the activities we have undertaken, to fulfil our obligations.

## THE NEED

Pet owners around the country continue to feel the pinch of static wages, rising outgoings and decreasing state support, meaning many are finding it difficult to meet the costs of responsible pet ownership.

- More pets than ever before need our help to find new homes as their owners are no longer able to care for them
- Due to irresponsible breeding, illegal imports and impulse purchasing, the number of unwanted pets available far outweighs demand. Illness and disease is increasingly common as a result of these practices.
- Modern lifestyles mean pets are available to buy online at the click of a button without any research into care and welfare requirements
- Quick sales mean little thought is given to the mental and physical health of pets at vital stages of socialisation. By the time they reach our care, many have ingrained behavioural problems that need thorough expert attention.
- Anti-social behaviour can have a seriously detrimental impact on communities and lack of understanding about the responsibilities of pet ownership can be unsafe, particularly to children

# STRATEGIC REPORT

## OUR OBJECTIVES AND GOALS

The principal objective of Blue Cross is to encourage and promote kindness to, and the protection of, animals and to educate the public in responsible animal ownership.

Our strategy is to reach as many pets as possible in order to have the greatest impact where we are needed most. Our three strategic pillars will help us to achieve this:

- **Accessibility and reach**  
Making sure we have the right services and advice in the right places so we reach those who need us most. Our facilities need to operate effectively and efficiently.
- **Famous, recognised and well regarded**  
We must strive to raise awareness of Blue Cross and how we help pets, and increase our influence with decision makers
- **Adequate funding**  
We must be adequately funded to achieve our ambitions, increasing and diversifying our income while managing our cost base

## OUR SUCCESSES AND HIGHLIGHTS

### Suffolk

Our brand new Suffolk rehoming centre took shape in 2015, and we took practical possession of the site shortly after the year-end. The new facilities provide dedicated separate puppy and kitten areas, on-site veterinary facilities, and excellent exercise areas for dogs, including 20 acres of neighbouring woodland for us to use. All areas, including separate dog and cat admissions, isolation and rehoming areas, are purpose-built to meet modern standards of animal welfare. Our new location is easily accessible, meaning we are now able to help twice as many pets in the area.

### Bromsgrove

The £1.9 million refurbishment of our Bromsgrove rehoming centre was completed in September, and we now have the facilities to help many more homeless and abandoned dogs and cats in the region. Our revamped rehoming centre now boasts modern, spacious kennels and a cattery, maternity units for puppies and kittens, a veterinary clinic, housing for new arrivals and a dedicated behaviour assessment area.

### Marketing programme

Our plans to help twice as many pets by 2020 are ambitious and will not be achieved without further growth. We launched our five-year marketing programme in August 2015 in order to become better known and better funded to help us meet our pets helped target.



The programme began with an article in our supporter magazine *Pawprint*, as we wanted our valued donors to be the first to know about this really exciting time for our charity.

In September, our television advert launched; screening it at peak times for family viewing allowed us to introduce Blue Cross to new generations of potential supporters.

Our well-received advert was supported by coordinated digital and print activity, including public relations, social media, direct mail, internet activity and point of sale messaging in all our shops and centres.

#### Getting ready

Becoming better known and encouraging people to use our services meant we expected an increased footfall once our campaign was launched. We needed to prepare our people for this and invested in our operational readiness.

We increased our volunteer numbers through a well-run campaign, trained all our people in making sure customers received an excellent experience, and updated our IT facilities to make sure they could cope.

#### Supporter Charter

We introduced our new Supporter Charter, reflecting our longstanding commitment to treat each supporter with the highest respect. It is our supporters' generosity that enables us to achieve positive outcomes for pets who need our help. We value each individual who supports us and we never take that support for granted.

#### Our five core principles are:

1. We are committed to following the highest fundraising standards in any activity we undertake
2. We welcome all feedback and listen to it, taking action whenever and wherever appropriate
3. We recognise and respect each supporter, maintaining confidentiality at all times regarding personal details and data
4. We are transparent about how we use donations
5. We seek to keep supporters updated about our news and the positive impact on pet welfare we are making, communicating with donors in ways they prefer

Our Supporter Charter is available to read in full at [www.bluecross.org.uk/supportercharter](http://www.bluecross.org.uk/supportercharter)

**We introduced dog Baxter, star of our TV advert and integrated campaign, whose tale told the story of so many unwanted and abandoned pets that Blue Cross cares for each year.**



# ACHIEVEMENTS - FROM OUR MARKETING LAUNCH TO THE YEAR END, WE SAW:

**↑ 57%**  
increase in homefinder forms submitted by people wanting to rehome a Blue Cross pet

**23%** increase in website traffic **↑**

**OVER 9,800** NEW SUPPORTERS

**800**  
ADDITIONAL REGULAR GIVERS

**1.04 million**  
views of our advert on YouTube

**8.3%**  
SEMI-PROMPTED BRAND AWARENESS

**↑**  
UP FROM **5%** BEFORE LAUNCH

### Outstanding people

We celebrated members of our team on winning awards including:

- Theresa Lovegrove, Blue Cross Animal Welfare Assistant, for winning Animal Charity Employee of the Year in the Petplan and Association of Dogs and Cats Homes Animal Charity Awards
- Rolleston rehoming centre team won the RSPCA's Brian Jeffries Award for their welfare work at Appleby Horse Fair

We presented the following awards:

- The Blue Cross Medal to Pets as Therapy dog Bonnie, who supports people in residential homes and through end of life care
- The British Equine Veterinary Association Welfare Award to Johanna Vardon MBE, in recognition of her long-term dedication to saving orphaned foals
- The Volunteer of the Year at the Ceva Animal Welfare Awards, to Gwen Butler of Bunny Burrows, for her outstanding work for rabbit welfare

- The JA Wight Memorial Award at the British Small Animal Veterinary Association Congress, to Sheila Crispin, for her outstanding contributions to the welfare of companion animals

### Rehoming

We found happy new homes for more pets this year than ever before, including a 34 per cent increase in the number of horses rehomed. This is thanks to the dedication and hard work of our teams, as well as positive procedural changes.

We've made our rehoming processes much leaner and more efficient; focussing on the pets in our care to ensure we get them into new homes as quickly as possible, keeping time in kennels to a minimum to limit stress. Our new assessment tool, Peffolio, gives every pet their own tailor made rehoming plan.

### Veterinary

We expanded the reach of our Veterinary Services by launching our Vet Grant Scheme and through partnership working with private practices.

Our Vet Grant Scheme offers emergency and one-off veterinary treatment grants for pets whose owners meet our eligibility criteria. Since September, when the scheme was launched, we have helped pets with conditions such as fractures, bladder stones and pyometra.

We've teamed up with selected private veterinary practices across the country to offer dog and cat neutering at a heavily discounted price. In 2015 we partnered with vets in Coventry, Felixstowe, Manchester and Swindon. We have future plans to widen the reach of this scheme, and introduce additional services.

### Behaviour

Dogs at rehoming centres often lack confidence, and introducing them to friendly and calm dogs can really develop the social skills vital for life as a pet in a home environment. In 2015, we created our Social Ambassador Initiative, where specially-selected sociable rehomed dogs return to our centres with their new owners to help socialise dogs who are still looking for homes and need a little extra help. We believe this initiative is the first of its kind at a UK animal charity.

Our Behaviour Team has also launched some great new videos, which are available to all for free via our website and social media, and provide genuine, qualified advice to help people and their pets.

### Education

Our Education Team reached 68,913 children and young people – our highest ever number – through our RespectaBULL workshops and school and youth group visits.

We developed partnerships with several organisations to deliver talks to a wider range of people, including mother and toddler groups in Leicester, training Police Community Support Officers in Staffordshire, dog training demos in Wythenshawe, a supported care organisation in Coventry, and housing associations in London.

We're improving horse welfare through our Equine LINK outreach days where, with partnership charities, we talk to horse owners from all communities and carry out horse passporting.

Our annual National Equine Health Survey (NEHS) recorded data from almost 15,000 horses this year; a 35 per

cent increase on 2014, making it our most successful year to date.

### Pet Bereavement

Our Pet Bereavement Support Service has developed external training for veterinary professionals in the form of webinars and an accredited training course, which will be piloted in 2016. This innovative programme means many more grieving pet owners will benefit from this unique and valuable service.

### Public Affairs

In an election year, our Public Affairs Team continued to increase Blue Cross's impact on animal welfare policy and legislation not only in the UK, but also across the European Union (EU).

At the start of the year we published our *Manifesto for Pets*, outlining our key areas of campaigning focus: the breeding of pets, microchipping, illegal grazing, and the advertising of pets for sale online. All candidates standing for parliamentary seats were sent a copy of our manifesto ahead of the general election in May.

Following the result we contacted all 650 MPs regarding key issues and

met with the minister responsible for animal welfare regarding our education work and the breeding and sale of pets, including exotic species. Following the election we met with 28 MPs to discuss a range of topics, including the welfare of racing greyhounds. We also attended the Conservative, Labour and Scottish National Party party conferences, as well as increasing our involvement and conversation with devolved administrations, including meeting with the Northern Ireland Government regarding pet advertising.

We increased our profile in the European Union by attending the EU Dog and Cat Alliance launch event at the European Parliament, and met with 15 MEPs.

Publication of our detailed report *One Click Away: An investigation into the online sale of exotic animals as pets*, in collaboration with the Born Free Foundation, was supported with a roundtable discussion in the House of Commons, hosted by Angela Smith MP. Thirty MPs and peers pledged to act on this welfare situation, and a debate on the subject was subsequently held in Westminster in December, sponsored by Sir Henry Bellingham MP.



## GINGER BISCUIT

Twelve-week-old kitten Ginger Biscuit arrived at our mobile clinic in Islington with his besotted owner Nicola Henry. The cute cat needed a vaccination to protect him against several diseases, including the potentially fatal cat flu and feline leukaemia virus, which can also cause severe illness and death. We make sure kittens in our care get everything they need for a long and healthy life.



### Volunteering

Our incredible team of volunteers grew by more than 22 per cent in 2015, to an outstanding 3,500. Between them, they dedicated 409,000 hours of their time – 31 per cent of all hours worked at Blue Cross. This was 16 per cent up on 2014, making it another record-breaking year. We couldn't help so many pets without them, so we'd like to say a huge 'thank you' to all of them. Our volunteers are also working more closely with managers to give their views, thanks to the Volunteer Voice group launched this year. And our application and induction processes were improved to get new volunteers on board quicker.

### Raising income

#### Financial Performance

Every year we are overwhelmed by the generosity and passion of our supporters. This year we raised £34m – our highest ever income total. Whether you've supported us through fundraising, responded to an appeal, donated or bought at one of our shops or made a regular gift to us – a massive thank you. We receive no government funding, and it is these gifts alone that allow us to help tens of thousands of pets each year. For every £1 invested in raising funds, we received £3.84 back.

### Direct Marketing

Our regular giving supporters contributed £4.8m during 2015, with a further £2m coming from our appeals and individual gifts. Our raffles helped to bring in 5,644 new supporters. Our door to door fundraisers recruited 5,648 new supporters, many of whom were keen to support us because they were inspired by our work at their local rehoming centre. By gift aiding their donations, our supporters generated £1.3m in additional funds.

### Corporate Partners

We enjoy a longstanding partnership with Petplan, where we receive commission income from new Petplan insurance policies and renewals for pets rehomed by us. This partnership generated over £190,000 for Blue Cross in 2015.

Through its innovative VIP Lifelines scheme, Pets at Home has donated nearly £25,000 worth of gift cards to fund enrichment items for our pets.

As part of Pedigree's 'Feeding Brighter Futures' scheme, in 2015, it provided free dog food to our rehoming centres, saving Blue Cross an estimated £60,000 per annum. Additionally, Pedigree's Feeding Brighter Futures fund donated £20,000 towards the

puppy unit at our new Suffolk rehoming centre. This will help approximately 80 puppies every year.

### Trusts and Foundations

Throughout the year we received substantial awards from charitable trusts, foundations and charity funds. This included a funding contribution towards a new horse admissions facility, vital hospital equipment, and help towards building our new Suffolk rehoming centre.

### Philanthropy

We are extremely grateful to the many individuals who have helped us to fund vital work and services this year. Generous gifts have contributed towards the cat rehoming unit at our new Suffolk centre, a biochemistry analyser at Victoria, and the continued running of our London mobile vet clinic.

**Special thanks go to our generous corporate partners, trusts and foundations and philanthropists listed on pages 44 and 45.**

### Community and Events

Dedicated supporters across the UK ran, baked, and jumped their way into raising a fabulous £239,188. We launched Steps for Pets, our new national fundraising event, in October and our annual Paws for Tea party event was a great success, with over 400 parties held. Our amazing fundraisers joined us for our Go Blue bungee and parachute jumps, raising money for our Bromsgrove and Suffolk rehoming centre appeals.

### Retail and Shops

Our catalogue business had another good year, with overall net income up two per cent on the previous 12 months. Orders through our online Christmas shop increased by 14 per cent and sales of our 'warm hearted gifts' grew by 25 per cent. We introduced spring and sale catalogues, which proved successful.

We acquired six new shops, and closed one, taking the total number in our portfolio to 55. Our retail operation took £4.3m, with the Gift Aid contribution being £275,000 – our highest ever figure. Like – for – like sales increased by 4.5 per cent. Donations of end of season lines from Parlane, suppliers to John Lewis, generated some £4,000 of cash for the charity. Our partnership with NVS continues to flourish with

15,580 bags of stock contributed; up 18 per cent on 2014.

### Raising awareness of Blue Cross

Our Communications Team has been working hard to get us on track towards meeting our ambition of achieving 15 per cent awareness of our fabulous charity by 2020. We climbed two places to 50 in Third Sector's Charity Brand Index.

### New website

This year we launched our new, fully-responsive website to make it easier for the public to discover Blue Cross, and to provide a better platform to showcase the lovely pets we have waiting for new homes. Our new-look site launched in June, and helped by the launch of our marketing campaign, the second half of the year saw a rise of 115 per cent in the number of homefinder forms submitted by owners wanting to adopt a pet. Our new site is better equipped to cope with increased visitor traffic, has faster page loading times, and ability to view on a mobile device has vastly improved.

### Supporter relationship management

We developed and implemented an online supporter relationship management (SRM) programme so we can keep track of how and when we keep in touch with supporters and

make sure this is done appropriately. We redesigned our supporter magazine to give it a fresher look. We gave it a new friendlier name too; *Pawprint*.

### Media

We received widespread media coverage this year, with a total audience figure of almost 43 million people in the month of September alone, due largely to coverage of our new TV advert. Our story releasing police figures on the number of pets stolen across the UK gained extensive coverage in national newspapers, television and radio, including BBC Radio 5 Live and ITV's Good Morning Britain. We created the new role of Celebrity Manager to help increase awareness.

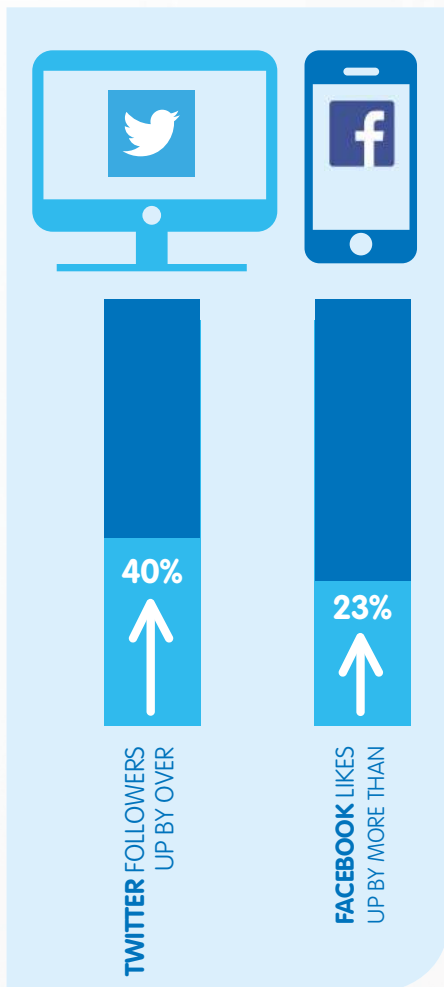
### Social media

In 2015 we became even more popular on social media, with Twitter followers growing by 14,245 - a percentage increase of over 40 per cent - and Facebook by 40,852 likes, up more than 23 per cent on 2014. Our 'super social' marketing campaign saw us attract lots of interest and support across all platforms on social media. Baxter took over our Twitter handle for the launch month and responded to those who tweeted him.

## SHEILA

Animals arrive in our care for all sorts of reasons, and it's not uncommon for owners to part with their pets when they're not getting on with others in the household. Poor Sheila is one such case. In fact, it's amazing the chinchilla even survived being attacked by her cagemates – and she needed urgent round-the-clock care when she came to us. She sadly lost one eye due to her injuries and now sports a number of holes in her ears, but couldn't be happier in her new home.





### Publications and creative

Our Creative Services Team was instrumental in providing support to all teams across the organisation, designing our *Manifesto for Pets* and *One Click Away* exotic pets report, as well as a vast array of fundraising material.

### People and development

#### Change the Story

Internal Communications Champions across all locations shared information about our goals and plans to 'change the story' for our charity. Feedback from our teams was very positive.

#### 2015 All Team Conference

The work happening in the run up to our national marketing campaign launch was shared at the event, and the 460 employees and volunteers who attended said the conference was "the best ever".

#### Human Resources

As well as a revised version of our Employee Handbook going out this year, we started work on a new self-service HR system and began our pay review project. Following feedback from our people, jobs will be evaluated throughout 2016 to feed into the pay scales review. Our Performance Review guidelines and process have also been improved.





### Talent and Development

In 2015 the Blue Cross Competencies were launched. The competencies have been included in the new performance review process and plans to relate them to recruitment will follow in 2016. Leadership programmes for the Executive Team and senior management were also delivered, as well as Trustee development workshops.

To continue to improve the quality of the customer experience we provide, we delivered monthly webinars, workshops and provided a range of other training material. We're also working more effectively together due to the extensive use of Insights Discovery profiles.

### Pay scales review

We are currently reviewing our pay scales to make them more simple, more transparent, flexible and modern. One of the biggest benefits of doing this, is that individual opportunities to progress will be fairer and more transparent for our people. We are currently in the process of collecting data from other similar organisations and undertaking benchmarking for all roles across the organisation. Our aim is to have scales that allow us to recognise high performance and reward our people effectively for the fantastic work they do.

## PLANS FOR THE FUTURE

### To help more pets, we need:

- ▶ to deliver services in new areas through agile and cost-effective means
- ▶ to expand and deliver existing services to help reach more pets
- ▶ deliver a quality service to pets and people

### In 2016, we plan to:

- continue and complete the refurbishment of our Burford rehoming centre. Our new facilities will bring this centre up to date with modern standards of animal welfare and allow us to help more dogs and cats than the current centre facilities allow us to
- expand our grant schemes to help more pets working with private practices in areas where we do not have our own facilities
- open a new pet care clinic
- get planning permission to refurbish at least two more of our rehoming centres so we can help even more pets in these areas
- start transferring ownership of horses in some cases. This will free up resources and allow us to help even more homeless horses
- pilot a new more agile way of introducing our Rehoming Services to new geographic areas, aiming to reach even more pets in need

# FINANCIAL REVIEW

## Investment policy and performance

The value of the charity's investments has reduced by £4.9m primarily as a result of the planned expenditure during the year. The performance of the portfolio has been satisfactory in the general market conditions of 2015 and within the agreed risk profile.

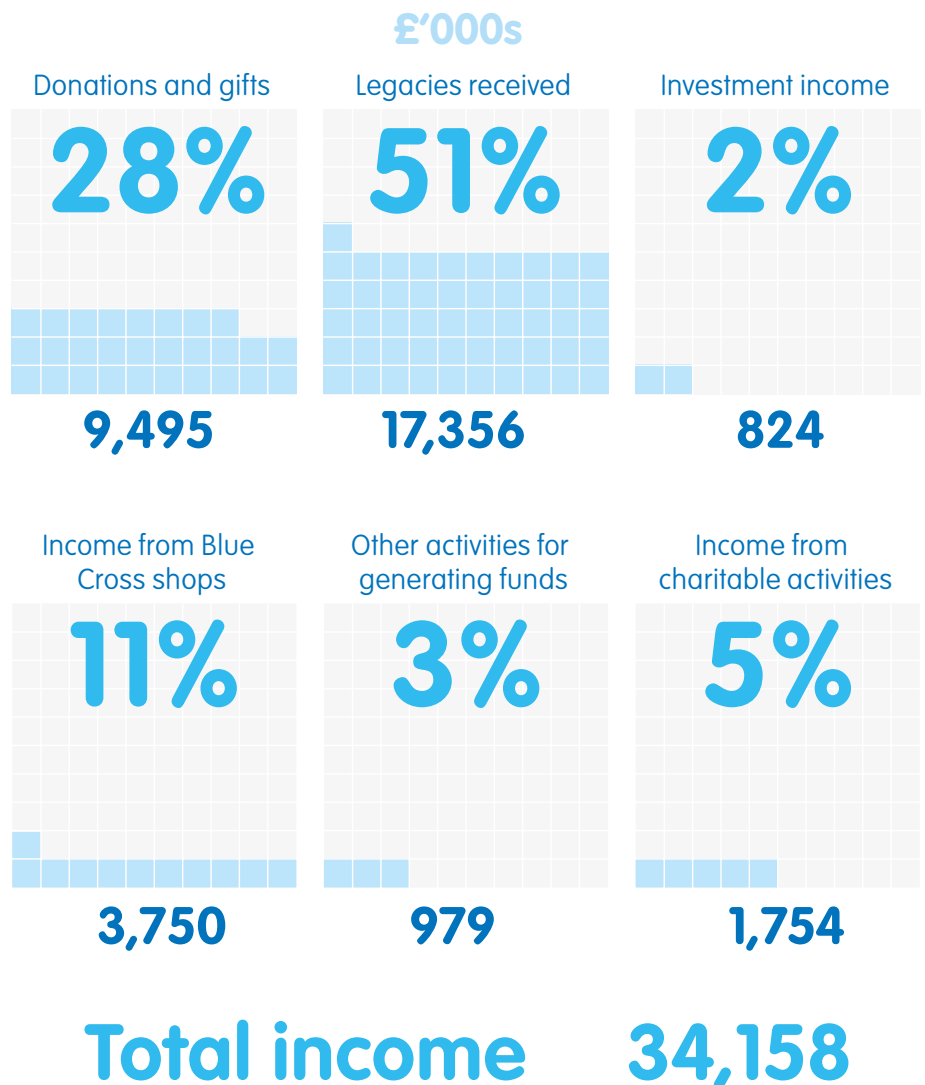
The investment portfolio is managed externally by the charity's Investment Managers on a discretionary basis, subject to appropriate policies and limits established by the Trustees within the investment and treasury management policy.

The Investment Sub Committee meets with the Investment Managers on a quarterly basis to review investments and ensure that they are in accordance with the investment and treasury management policy. All investments must be held in accordance with Blue Cross's ethical investment policy. Investments are allocated to four investment categories, namely: long term, restricted and endowment funds, medium term reserves, and cash.

The charity holds cash as part of its liquid reserves and ensures an appropriate balance between minimising risk of loss of cash holdings with maximising the return on those holdings. Treasury holdings are only permitted if they are in accordance with specific criteria which are laid out in the investment and treasury management policy.

## Principal sources of income

Our principal sources of income were as follows:

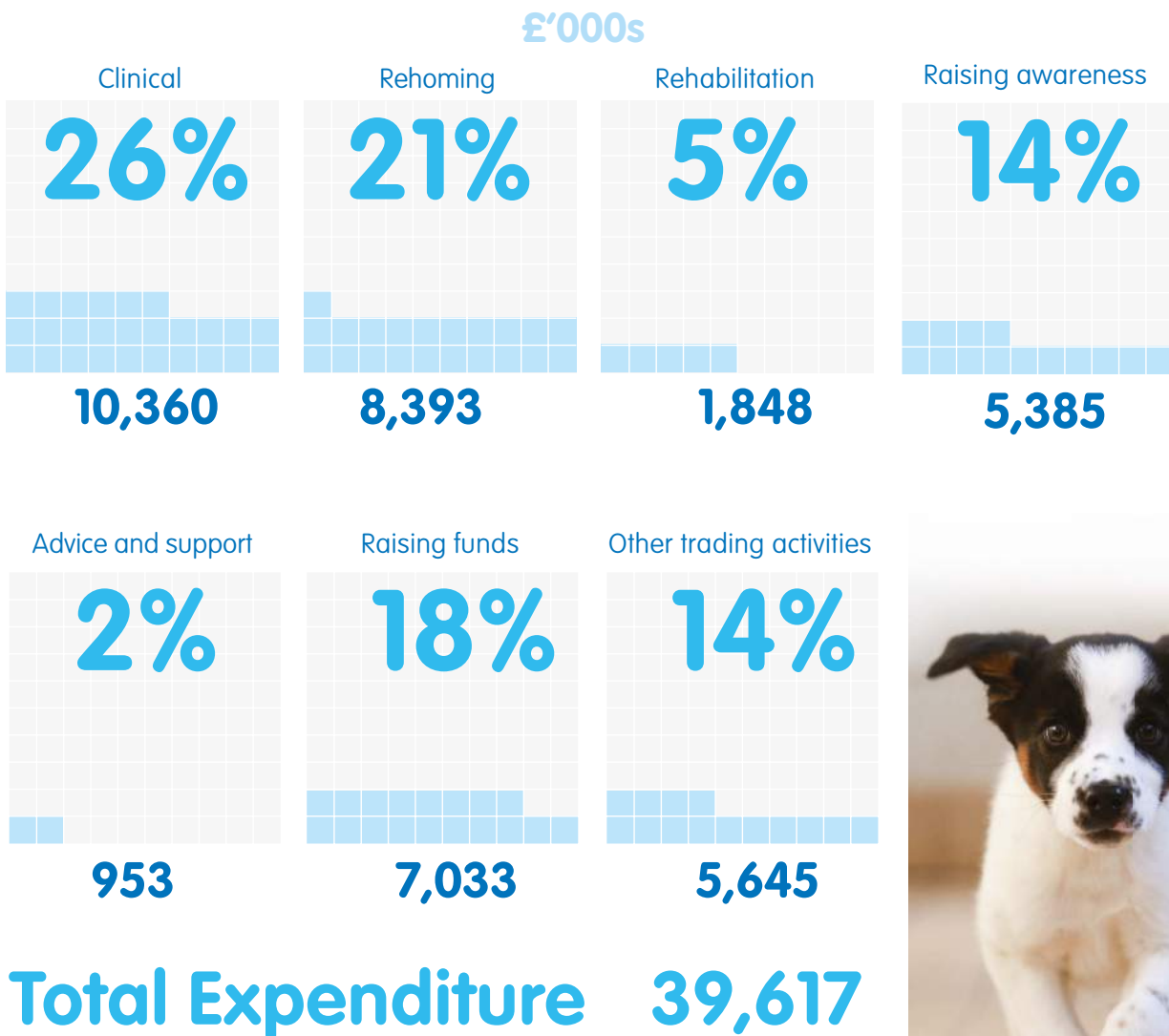


The Gift Aid attributable to shops, £275,000, is included in the total for donations and gifts, and is not shown as part of the income from shops.



### Expenditure on charitable activities

During the year Blue Cross spent £26.9m on charitable activities, which represents 68 per cent of total expenditure in the year. The total expenditure spent on charitable activities for 2014 was 67 per cent.



### Accounting policies

The Trustees are responsible for selecting suitable accounting policies and applying them consistently. There have been no changes of accounting policies during the year. In preparing these accounts the charity has adopted FRS 102.

### Planned expenditure

Blue Cross has continued to refine its strategic plans for how and where we deliver our services and formulated a long term capital investment plan to support our ambitious plans for the future. The planned capital expenditure for both Veterinary and Rehoming Services is shown in Note 21 of the accounts.

### Finance

During the year Rathbone Investment Management Ltd, our investment advisers, advanced the charity £2 million at a rate of 2.5 per cent over base rate which was outstanding at the year-end.

### Reserves policy

The charity holds general reserves to support the organisation in countering short term financial risk while recognising the interaction between reserves and long term strategic objectives and capital plans.

The Board's policy is to maintain sufficient liquid reserves to counter the most significant short term financial risk to the organisation, which has been identified as a sudden fall in income.

The appropriate benchmark has been determined as the ratio of liquid reserves to the amount required to cover the following expenditure:

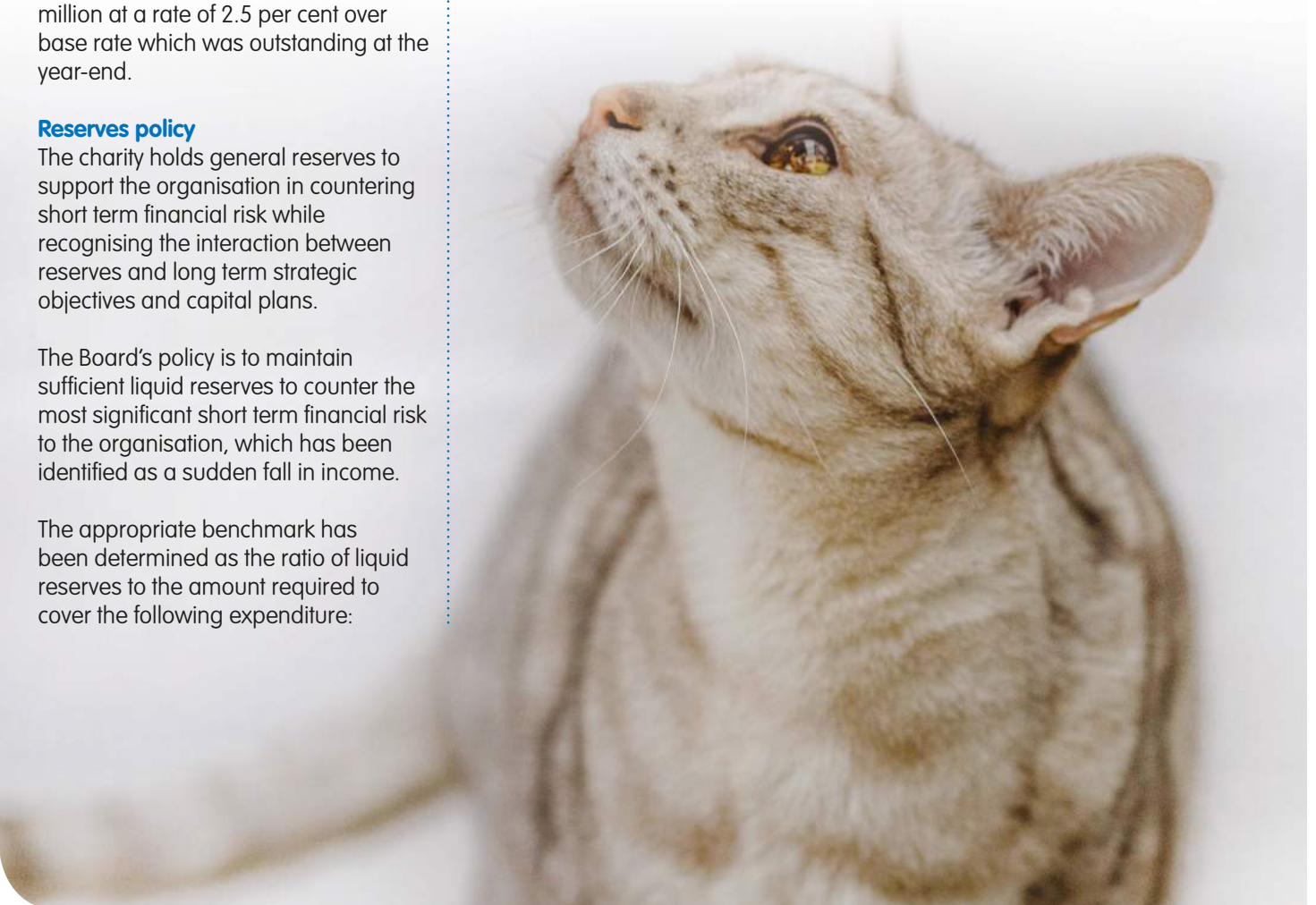
- Six months future budgeted expenditure which has been determined as being a sufficient time frame to manage material cost reductions or fund emergency appeals while minimising the impact on our service delivery and core organisational capabilities
- All contracted capital expenditure
- All expenditure committed under leases through to their expiry

The Board reviews this measure annually. Having reviewed the anticipated future investment by the charity, the Board has decided to reduce the minimum target ratio from 1.0 to 0.5 (subject to a minimum liquid reserve of £15m). At 31 December 2015 the charity was operating at a ratio of 0.92 per cent.

### Wills ruling

We and many other charities are surprised and disappointed by the judgement that was handed down by the Court of Appeal last year in the case of *Ilott v Mitson*. We believe this decision creates considerable uncertainty for anyone who values having the freedom to choose who will receive their estate when they die, and when trying to resolve claims of this kind without the need for litigation or further distress.

With the advice of our legal team we have considered the Court of Appeal judgement and its implications very carefully with the two other charities named in the Will and have sought permission to appeal to the Supreme Court, which was recently granted. Appeals are only permitted where there are issues of wider public importance or if clarity of the law may be required.



## PRINCIPAL RISKS AND UNCERTAINTIES

As with any charity that is wholly dependent on voluntary income the principal risks and uncertainties for Blue Cross are centred on the continuity of the income stream. The income stream is the lifeblood that enables us to move closer to our vision of every pet enjoying a healthy life in a happy home.

Externally, the key risks relate to anything that might damage the reputation of Blue Cross and cause a loss of supporter confidence and thus reduced income.

To mitigate the income risk the charity is diversifying its income streams to give greater resilience and reduce the reliance on traditional income sources. The development of our shop portfolio

over the last few years is part of a long-term strategy to raise the profile of the organisation in more communities than have traditionally been reached by the rehoming centres and hospitals. Alongside raising our profile, the income received as the portfolio matures and set up costs are absorbed will reduce the reliance on legacy income, the timing of which is, by its nature, less predictable. While the long term aim is to continue to grow legacy income the intention is that it becomes a smaller percentage of total income.

The current political uncertainty of the EU referendum result is causing volatility in the investment markets which is likely to continue until such time as the issue is resolved. The Trustees are mindful of the additional risk that this uncertainty poses to the investment portfolio.

Internally there are two high level risks that have the potential to have a serious impact on the charity. Firstly there is the impact of any serious incident that results in the loss or cessation of sites and services. This risk is mitigated by good site and service design and sound management allied to good staff training and well developed operating procedures, which underpins the Service Delivery Development Programme. The second risk is the impact of reduced motivation and morale of the workforce, both paid and volunteer. The charity continues to make significant investments in training its people with the explicit intention of providing an engaged, motivated and valued workforce.

## OYSTER

Little Oyster was one of five kittens born into a litter belonging to a stray cat called Leila. Her mum was found wandering the streets as a stray, heavily pregnant. She was brought to us in poor health, and sadly one of the kittens didn't make it. After the family spent eight weeks in foster care, Oyster and her three siblings, Starfish, Turtle and Jellyfish, all found loving homes, as did their mum.





### REMUNERATION COMMITTEE REPORT

#### Composition and role

The remuneration committee meets annually. Its members are the Chairman, four Trustees and the Chief Executive, who is not present when her performance and remuneration are discussed. No other executives attend the committee.

The objectives of the committee are to:

- review and recommend the remuneration of the Chief Executive and the Executive Team
- review and approve Blue Cross's overall pay policy
- conduct the Chief Executive's annual review and set her objectives for the forthcoming year
- review and approve any proposed termination payment proposals to be made.

All recommendations made by the committee must then be approved by the Board.

#### Remuneration policy

Blue Cross is committed to ensuring that its Executive Team and employees are paid fairly and in a way that attracts and recruits the right skills to have the greatest impact in delivering our charitable objectives.

In assessing remuneration levels the committee considers the following factors:

- Inflation – keeping pay levels in line with movements in the cost of living
- Market forces – making sure pay levels are set so that they are compatible with the recruitment and retention objectives applicable to the role under consideration
- Merit increases – benchmarking such increases in terms of amount and justification ie performance and achievement and delivery against agreed objectives
- Increased responsibility – accommodating real changes in responsibility
- Affordability – ensuring Blue Cross has the financial resources to afford the proposed remuneration



## LADY

When Jimmy Morrice took in Lady eight years ago, it transformed his life as well as hers. He had been homeless for many years and was just getting back on his feet in temporary accommodation when the Staffordshire bull terrier, now 10, came along. Lady's previous owner had planned to have her put down before Jimmy stepped in to offer her a home where she would always know love. Our mobile vet clinic is a lifeline for the inseparable pair, as it has enabled Jimmy to take Lady to important check-ups close to where he lives following major ear surgery at our Victoria animal hospital.

The objective of this policy is to ensure that the Chief Executive, Executive Team and employees are provided with appropriate remuneration to encourage optimum performance and are rewarded in a fair and responsible manner for their individual contributions to the overall success of Blue Cross.

Each year the Chief Executive and the Executive Team participate in performance appraisals, as part of the same feedback and appraisal scheme operated for all Blue Cross employees.

The remuneration of the Chief Executive and Executive Team is reviewed annually and a comparability review with proposals for each role for the forthcoming year is undertaken by an independent consultant. Blue Cross aims to pay the voluntary sector median salary for its senior executives. In 2015 the total Executive Team remuneration represented 101.7 per cent (2014 - 98.7 per cent) of the voluntary sector median for their specific roles.

In approving pay levels for 2016, the committee has recognised that the increases must be affordable so that Blue Cross has sufficient funds available

for its key strategic priorities. For 2016 there will be a 1.7 per cent increase in pay levels for the Executive Team (2015 - no increase), an automatic 4.9 per cent increase in Living Wage (2015 - 2.8 per cent increase) and a 1.5 per cent increase for all other employee (2015 - one per cent increase). The ratio of the highest paid employee to the average remuneration of employees was 5.8 times.

In framing the remuneration policy the committee has fully considered the recommendations of the annual survey of the Association of Chief Executives of Voluntary Organisations (ACEVO) and the National Council of Voluntary Organisations (NCVO) report of April 2014 into charity senior executive pay and guidance for Trustees in setting remuneration.

### Remuneration of Executive Team

This comprises:

**1. Annual salary** – this is based on the voluntary sector median market pay levels, an annual independent survey of voluntary organisations and also reflects the individual's performance and experience in their specific role

**2. Car allowance** – an annual car allowance of £5,000 is provided for those not provided with a vehicle by the charity

### 3. Taxable benefits

#### a) Pension

Blue Cross offers a pension arrangement for all employees and provides an employer's contribution of up to 10 per cent of salary matched by an employee contribution of up to five per cent

#### b) Life assurance

Blue Cross covers all employees for death in service at a level of four times salary

#### c) Permanent health

Blue Cross provides a scheme to enable employees to receive continuity of salary in the event of long term illness

The above taxable benefits are available to all Blue Cross employees at exactly the same levels.

### GOVERNANCE AND MANAGEMENT

#### Governance

The organisation is a charitable company limited by guarantee, incorporated on 11 September 1940 and registered as a charity on 8 February 1965, with two wholly owned subsidiaries (see notes 4 to 6)

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. These Articles were reviewed in 2012 and updated in line with current legislation and the amended Articles were approved at an Extraordinary General Meeting on 14 November 2012.

Blue Cross is governed by a Board of Trustees, all of whom are Members of the charity. The Trustees meet a minimum of four times per year. The Articles of Association require a minimum of five Trustees and a maximum of 15. During the year the actual number of Trustees varied between 10 and 15, as shown on page 44.

New Members of the Board are co-opted by existing Trustees to maintain or augment the range of skills and experience appropriate to the needs and activities of the charity and subsequently proposed for election by the Members at the Annual General Meeting (AGM).

New Trustees are provided with appropriate Charity Commission guides, the Blue Cross Handbook, a copy of the Articles of Association, a full set of the charity's policies, the current strategic plan, the latest statutory accounts and an outline of their duties and responsibilities. New Trustees meet with the Chief Executive to undertake an induction process.

In addition to the main Board there are five committees which operate under the delegated authority of the full Board and advise or make recommendations to the Board. These committees are:

- Audit Committee (Audit)
- Commercial and Retail Committee (Comco)
- Finance and Support Committee (Fisco)
- Remuneration Committee (Remco)
- Service Delivery Committee (Sedco)

The Investment Sub Committee (ISC) is a sub-committee of Trustees and Executives that reports direct to Fisco and meets four times a year.

Membership of these committees and sub-committee at 31 December 2015 is shown below:

**Zair Berry FCA:**

Comco, Fisco (Chairman), ISC (Chairman)

**Catherine Brown:**

Comco, Fisco, ISC (appointed 23 June 2015)

**Amy Clarke:**

Comco, Fisco, ISC

**Professor Anthony Forster**

**FHEA FRSA AcSS:**

Audit (Chairman), Remco, Sedco

**Kris Glover CABC:**

Comco, Sedco (appointed 23 June 2015)

**Vicky Hemming:**

Fisco, Remco (appointed 23 June 2015)

**Dr Tim Hutton MRCVS:**

Audit, Sedco

**Andy Prebble:**

Comco, Fisco, ISC

**The Hon Henrietta Roper-Curzon:**

Comco, Fisco, Remco

**Rt Rev David Rossdale:**

Audit, Fisco

**Colonel Neil C Smith MRCVS:**

Audit, Sedco (Chairman)

**Dr Jeremy Stewart MRCVS:**

Comco, Sedco

**Stephen Swift:**

Comco (Chairman), Remco (Chairman), Sedco

**Deirdre Walker:**

Audit, Sedco (appointed 23 June 2015)

As Chairman of the Board of Trustees, Tim Porter is an ex-officio Member of all committees. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.





## STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees are required to prepare the annual report and financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The Trustees are also required to prepare financial statements which give a true and fair view of the state of affairs of Blue Cross and the net income and expenditure of the charity for the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the basis of going concern unless it is inappropriate to presume that Blue Cross will continue in operation

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit

of which the auditors are unaware. Each of the Trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

## RISK AND CONTROL FRAMEWORK

The system of internal control seeks to identify and prioritise the risks to Blue Cross's aims and objectives, to evaluate their likelihood of occurrence and potential impact, and to manage them efficiently and effectively. This identification and assessment of key risks is determined by reference to our corporate plans to ensure that our risk management processes are focussed on the areas of greatest impact and importance.

Responsibility for risk management lies with the Executive Team. Through a structured approach, the Executive Team regularly reviews our internal processes and controls to ensure that they are appropriate and give assurance that the organisation is being efficiently and effectively managed as it develops. This review is assisted by the work of our internal auditor and the comments made by our external auditors in their management letters and other reports. The results of these reviews and appropriate recommendations are regularly reported to and discussed by the Board and the Audit Committee.

## DAY TO DAY MANAGEMENT

The Trustees delegate responsibility for the day to day management of the charity to the Chief Executive and the Executive Team who also attend Board and Committee meetings as required. The Executive Team reports to the Board on the performance of their respective directorates against the strategic plan set out by the Trustees and on financial and operational trends measured against the annually approved budget. Key performance indicators are in place to facilitate this process.

Members of the Executive Team at 31 December 2015 were as follows:

**Chief Executive:**

Sally de la Bedoyere

**Deputy Chief Executive/Director of External Affairs:**

Steve Goody

**Director of Business Assurance:**

Richard Hollands (left 31 December 2015)

**Director of Finance and Resources:**

Huw Davies

**Interim Director of Fundraising and Marketing:**

Julia McKechnie-Burke

**Director of People and Development:**

Rachel Briggs

**Interim Director of Rehoming:**

Mandy Jones

**Director of Service Delivery:**

Kerstin Alford

### MEMBERSHIP

On 31 December 2015 there were 55 Members of Blue Cross entitled to vote at the AGM. Admission to Membership requires approval of the Trustees.

### EQUALITY AND DIVERSITY STATEMENT

We are a values-led organisation. We aim to ensure that these values, encompassing equality and diversity, are at the heart of all we do in both the services we provide, and as an employer.

We recognise that people who provide and use our services come from diverse backgrounds, with varying experiences and needs.

We believe in equality for all, and that every person has the right to be treated fairly and with dignity and respect regardless of gender, disability, ethnicity, religion and belief, gender reassignment, orientation, age, pregnancy or maternity, or marriage and civil partnerships.

We embrace the different skills and experiences our employees bring to work, and we will treat people without prejudice based on their individual merit.

We will work towards four broad objectives that we consider to encompass best practice:

- To develop and deliver our services to ensure they are inclusive and accessible to all
- To ensure diversity is embedded within the values of Blue Cross and viewed by all as integral to what we do
- To commit to a zero tolerance approach to discrimination and/or harassment
- To equip our people to deliver customer excellence in the services we provide

### AUDITORS

BDO LLP acted as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The Trustees' Report and Strategic Report were approved by the Trustees in their capacity as Directors of the company on 24 March 2016 and are signed on their behalf by



Tim Porter FCA, Chairman





## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES AND MEMBERS OF BLUE CROSS

We have audited the financial statements of Blue Cross for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees and Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustees Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's Trustees and Members 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 and members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

# BOYD

Afraid of people and neglected, poor Boyd must have been terrified when he first came to us. He had never known human kindness, and he didn't know what it was to trust. We built his wasted muscles back up and helped him find confidence. Now he has a wonderful home, a patient new owner, and he'll never have to suffer again.





### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 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 Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)
- the information given in the Trustees' Annual Report is consistent with the financial statements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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

Don Bawtree

Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

Date: 19 April 2016

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2015 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2014 Total £'000
<b>Income and endowments from:</b>							
Donations and Legacies		24,185	3,122	27,307	22,930	3,645	26,575
Charitable activities		1,733	21	1,754	1,779	40	1,819
Other trading activities		4,273	-	4,273	4,048	-	4,048
Investment income		824	-	824	926	-	926
<b>Total income</b>	2	31,015	3,143	34,158	29,683	3,685	33,368
<b>Expenditure on:</b>							
Charitable activities							
Clinical		9,171	1,189	10,360	8,613	1,338	9,951
Rehoming		7,156	1,237	8,393	5,788	2,102	7,890
Rehabilitation		1,648	200	1,848	1,755	45	1,800
Raising awareness		5,385	-	5,385	2,909	-	2,909
Advice and support		953	-	953	907	-	907
Raising funds		7,033	-	7,033	6,311	-	6,311
Other trading activities		5,645	-	5,645	4,917	-	4,917
<b>Total Expenditure</b>	3	36,991	2,626	39,617	31,200	3,485	34,685
Net losses on investment assets		(111)	-	(111)	(159)	-	(159)
Unrealised gains on investment assets	10	169	-	169	652	-	652
<b>Net Income / (Expenditure) before transfers</b>		(5,918)	517	(5,401)	(1,024)	200	(824)
Transfers between funds	16	671	(671)	-	427	(427)	-
<b>Net movement in funds for the year</b>		(5,247)	(154)	(5,401)	(597)	(227)	(824)
<b>Reconciliation of funds</b>							
Funds brought forward at 1 January 2015		63,117	1,881	64,998	63,714	2,108	65,822
<b>Funds carried forward at 31 December 2015</b>	15	57,870	1,727	59,597	63,117	1,881	64,998

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements. The notes on pages 30 to 43 form part of these accounts.

# CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated		Charity	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
<b>Fixed assets</b>					
Tangible assets	9	23,220	18,730	23,220	18,724
Investments	10	27,542	32,409	27,542	32,409
		50,762	51,139	50,762	51,133
<b>Current assets</b>					
Stocks	11	155	149	117	123
Debtors	12	11,273	9,102	11,595	9,312
Cash at bank and in hand		2,548	7,457	2,251	7,210
		13,976	16,708	13,963	16,645
<b>Liabilities</b>					
Short term loan	13	(2,004)	-	(2,004)	-
Creditors:					
Amounts falling due within one year	14	(3,137)	(2,849)	(3,124)	(2,780)
<b>Net current assets</b>		<b>8,835</b>	<b>13,859</b>	<b>8,835</b>	<b>13,865</b>
<b>Net assets</b>	15	<b>59,597</b>	<b>64,998</b>	<b>59,597</b>	<b>64,998</b>
Restricted funds	16	1,727	1,881	1,727	1,881
Unrestricted funds	16	57,870	63,117	57,870	63,117
<b>Total funds</b>		<b>59,597</b>	<b>64,998</b>	<b>59,597</b>	<b>64,998</b>

Approved by the Trustees on 24 March 2016 and signed on their behalf by



Tim Porter FCA

Chairman



Stephen Swift

Vice Chairman

Company Number 363197

The notes on pages 30 to 43 form part of these accounts.

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £'000	2014 £'000	
<b>Cash flows from operating activities:</b>			
Net Cash provided by (used in) operating activities	(6,632)	(2,381)	Table A
<b>Cash flows from Investing activities:</b>			
Investment income	824	926	
Purchase of Fixed assets	(6,030)	(2,062)	
Purchase of investments	(4,645)	(6,084)	
Sale of investments	9,570	5,698	
Net cash from investing activities	(281)	(1,522)	
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing	2,004	-	
Net cash provided by (used in ) financing activities	2,004	-	
Net (decrease) in cash and cash equivalents	(4,909)	(3,903)	
Cash and cash equivalents at beginning of year	7,457	11,360	
Cash and cash equivalents at end of year	2,548	7,457	Table B

Table A	2015 £'000	2014 £'000
Net (expenditure) for financial year	(5,401)	(824)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	1,522	1,413
Gains on investments	(58)	(493)
Dividends, interest and rents from investments	(824)	(926)
Loss on disposal of fixed assets	18	85
Increase in stocks	(6)	(2)
Increase in debtors	(2,171)	(2,116)
Increase in creditors	288	482
Net Cash provided by (used in) operating activities	(6,632)	(2,381)

Table B	2015 £'000	2014 £'000
Cash in Hand	2,548	7,457
Total cash and cash equivalents	2,548	7,457

The notes on pages 30 to 43 form part of these accounts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 1 ACCOUNTING POLICIES

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below:

### a Basis of Accounting

The financial statements have been prepared on the Going Concern basis, under the historical cost convention, with the exception of investments which are included at bid price. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (FRS102), applicable accounting standards, the Companies Act 2006, and the Charities and Trustee Investment (Scotland) Act 2005.

The financial statements consolidate the results of the Charity and its wholly-owned subsidiaries Blue Cross Trading Company Limited and Blue Cross (D&B) Company Limited on a line by line basis. Transactions and balances between the Charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the organisations are disclosed in the notes. Detailed profit and loss accounts of Blue Cross Trading Company Limited and Blue Cross (D&B) Company Limited are disclosed in note 5.

A separate statement of financial activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded in FRS102.

### b Income

All income is recognised when the Charity is entitled to the income, it is probable that income will be received and the amount can be measured reliably. Specific policies for certain types of income are as follows:

- Raffle income is recognised when the cash is received and sponsorship income is accounted for when receivable
- Income from Blue Cross Shops includes the sale of donated goods through shops and the income is recognised when the goods are sold and the cash received
- Income from Trading subsidiaries is represented by the commission receivable, excluding VAT on goods sold during the year. This includes sales from "Blue Cow"
- Investment income is accounted for when receivable
- Clinical, Rehoming and Rehabilitation income is accounted for when receivable and includes any associated donations
- The policy for legacy income is shown in note 1c below

### c Legacies

Incoming resources are included gross in the Statement of Financial Activities when the charity is entitled to the income at the date of notification, provided that sufficient information has been received to value the charity's entitlement. Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted and they can be valued. Legacies are included at 90 per cent of the estimated value to reflect the inherent uncertainty that exists where a substantial proportion of the estimated income is represented by property and other investments whose value is subject to market fluctuations until realised.

Blue Cross is also entitled to receive income from approximately another 120 estates, which are subject to life tenancies, trust funds and which mainly comprise shares in properties and investments. As Blue Cross interest is reversionary, income from these estates is not recognised at this stage.

Blue Cross maintains a legacy pipeline system, which in addition to including the above includes further estimated legacy values that do not meet the recognition criteria, and which therefore have not been included in these accounts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## d Tangible Fixed Assets

Tangible fixed assets represent freehold land and buildings, motor vehicles and equipment. All fixed assets purchased for more than £5,000 and with an expected life of more than one year are included at cost and depreciated on the bases outlined below. Freehold land and buildings are stated at cost.

## e Depreciation

The Board has set depreciation rates that are prudent and realistic and use the following rates, all on a straight line basis, to reduce by annual instalments the cost of the tangible assets over their estimated useful lives. The land element of properties is not depreciated but is tested for impairment.

Freehold buildings - hospitals and administration .....	50 years
Freehold buildings - rehoming centres .....	25 years
Leasehold improvements .....	5 years
Equipment .....	4 years
Motor vehicles .....	3 years
Computers .....	4 years

## f Listed Investments

Investments held as fixed assets are revalued at bid price at the balance sheet date, except for investments in subsidiaries which are valued at cost. The gain or loss for the period is taken to the Statement of Financial Activities.

## g Stocks

Stocks are valued at the lower of cost and net realisable value. Full provision is made for slow moving and obsolete items.

## h Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

## i Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all costs relating to that category. Where costs cannot be directly attributed to an activity or function they have been allocated on a basis of head count, along with a fair proportion of overhead costs. All termination payments are reviewed and approved by the Remuneration Committee.

Costs of generating funds relate to those costs incurred in seeking voluntary donations or as incurred in publicising or marketing the charity. All investment management charges and the costs associated with the trading company, Blue Cross Trading Company Limited, are also included.

Charitable activities are all costs incurred in meeting the core objectives of the charity.

Governance costs are the costs associated with the governance arrangements of the charity. This includes internal and external audit fees and other costs that have arisen from constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Irrecoverable VAT is included in relevant expense categories.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 1 ACCOUNTING POLICIES (CONTINUED)

### i Expenditure (continued)

The support cost of management and administration of the charity (including governance costs), comprising the salary and overhead costs of the central function, is apportioned to charitable activities on the basis of an estimate of employee time attributable to each activity as follows:

	2015 %	2014 %
Cost of generating funds	8.01	8.14
Service Delivery:		
Clinical	29.39	29.19
Rehoming	31.26	31.63
Rehabilitation	7.29	8.11
Raising awareness	3.45	3.35
Blue Cross shops	17.17	16.30
Advice and support	2.81	2.65
Governance costs	0.62	0.63
	100.00	100.00

### j Pensions

The Charity contributes to a 'money purchase' pension scheme for salaried employees. Payments made to the scheme and charged in the accounts comprise current contributions. Pension contributions are charged to the statement of financial activities as incurred. The pension cost charge represents contributions payable under the terms of the employees' contracts. The Charity has no pension liabilities other than for the payment of those contributions.

### k Funds

Restricted funds represent funds which are to be used in accordance with the specific restrictions imposed by the donors or which have been raised for particular purposes. The aim and use of each restricted fund is set out in notes to the financial statements.

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives and which have not been designated for other purposes.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 2 TOTAL INCOME

	2015 £'000	2014 £'000
<b>Donations and legacies</b>		
Donations and gifts	9,495	8,599
Legacies received	17,356	17,503
Raffle	456	473
	<b>27,307</b>	<b>26,575</b>
<b>Charitable activities</b>		
Clinical	1,005	1,005
Rehoming	682	740
Rehabilitation	67	74
	<b>1,754</b>	<b>1,819</b>
<b>Other trading activities</b>		
Income from Blue Cross shops	3,750	3,432
Income from trading subsidiaries	523	616
	<b>4,273</b>	<b>4,048</b>
<b>Investment income</b>		
Investment income received & receivable	814	873
Interest received & receivable	10	53
	<b>824</b>	<b>926</b>
<b>Total incoming resources</b>	<b>34,158</b>	<b>33,368</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 3 TOTAL EXPENDITURE

	Generating voluntary income £'000	Blue Cross Shops £'000	Clinical £'000	Rehoming £'000	Rehabilitation £'000	Raising Awareness £'000	Advice and support £'000	Governance £'000	Support costs £'000	Group 2015 Total £'000	Group 2014 Total £'000
Employee costs (note 8)	1,623	1,933	6,308	4,201	944	807	534	111	2,739	19,200	18,196
Other employee costs	53	48	97	60	17	28	10	34	175	522	687
Service delivery	-	-	1,240	1,052	237	-	-	-	-	2,529	2,347
PR and marketing	3,034	30	3	13	10	3,195	137	21	247	6,690	4,394
Trading costs	167	-	-	-	-	-	-	-	-	167	381
Appeal costs	1,373	-	-	-	-	954	-	-	-	2,327	1,334
Property	41	1,620	358	552	67	13	13	-	310	2,974	2,727
Equipment and IT	13	95	112	150	8	34	1	15	834	1,262	1,082
Depreciation	-	225	-	-	-	-	-	-	1,297	1,522	1,403
Transportation costs	35	446	110	194	76	38	51	8	162	1,120	787
Other operating costs	164	112	38	66	4	88	21	36	589	1,118	1,240
Grants	-	-	148	36	2	-	-	-	-	186	107
<b>Total</b>	<b>6,503</b>	<b>4,509</b>	<b>8,414</b>	<b>6,324</b>	<b>1,365</b>	<b>5,157</b>	<b>767</b>	<b>225</b>	<b>6,353</b>	<b>39,617</b>	<b>34,685</b>
Governance Reallocation	18	39	67	70	17	8	6	(225)	-	-	-
Support costs reallocation	512	1,097	1,879	1,999	466	220	180	-	(6,353)	-	-
<b>Total</b>	<b>7,033</b>	<b>5,645</b>	<b>10,360</b>	<b>8,393</b>	<b>1,848</b>	<b>5,385</b>	<b>953</b>	<b>-</b>	<b>-</b>	<b>39,617</b>	<b>34,685</b>
Total 2014	6,311	4,917	9,951	7,890	1,800	2,909	907	-	-		34,685

Governance costs and support costs are allocated on a fulltime equivalent headcount basis.

## NET EXPENDITURE FOR THE YEAR

	2015 £'000	2014 £'000
The net expenditure for the year is stated after charging:		
Depreciation	1,522	1,413
External auditor's remuneration:		
Audit	39	29
Other services	3	5
Operating Lease Rentals	1,557	1,422

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 4 BLUE CROSS TRADING COMPANY LIMITED

Blue Cross Trading Company Limited is a wholly owned subsidiary which primarily generates its income through commission on the sales of gifts and Christmas cards by mail order. Turnover also includes sales at the Charity's rehoming centres and income generated by the "Blue Cow" milkshake operation which is run through an outlet in Stratford Upon Avon and at a number of events throughout the UK. Net taxable profits are transferred to Blue Cross by way of gift. A summary of the trading results is shown in note 6.

## 5 BLUE CROSS (D&B) COMPANY LIMITED

The Charity has set up a wholly owned subsidiary incorporated in the UK, whose main activity is to undertake the design and building of the charity's hospitals and rehoming centres in the most cost effective manner for the benefit of the charity. Its turnover is derived from invoicing the charity at cost for each major capital project as the costs are incurred. Any net profits would be transferred to Blue Cross by way of gift. A summary of the trading results is shown in note 6.

## 6 SUBSIDIARY COMPANIES RESULTS

A summary of the trading results for Blue Cross Trading Company Limited (Company number: 2203092) and Blue Cross (D&B) Company Limited (Company number: 4879277) are shown below:

Profit and Loss Account	Blue Cross Trading Company Limited	
	2015 £'000	2014 £'000
Turnover	523	616
Cost of Sales	(190)	(236)
<b>Operating profit</b>	<b>333</b>	<b>380</b>
Administrative Expenses	(27)	(93)
Management charge from Blue Cross	(33)	(29)
<b>Profit on ordinary activities</b>	<b>273</b>	<b>258</b>
Tax on profit on ordinary activities	-	(23)
<b>Profit on ordinary activities after taxation</b>	<b>273</b>	<b>235</b>
Gifted to Blue Cross	(273)	(146)
Retained (Loss) brought forward	-	(89)
Retained profit/(Loss) carried forward	-	-
<b>Total assets</b>	<b>386</b>	<b>331</b>
<b>Total liabilities</b>	<b>(386)</b>	<b>(331)</b>
<b>Total funds</b>	<b>-</b>	<b>-</b>

Blue Cross (D&B) had no transactions in 2015 or 2014.

Total gross income for the parent entity during the year was £33,635,000 (2014 - £32,752,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 7 EMPLOYEE COSTS

	2015 Group £'000	2014 Group £'000
Wages and salaries	16,091	15,396
Social security costs	1,418	1,387
Pension contributions	1,058	980
	18,567	17,763
Other employee costs	633	433
	19,200	18,196

A total amount of £63,152 was provided for in relation to termination payments for four employees. Of this £23,079 was outstanding at the end of the year. These were approved by the remuneration committee.

The average weekly number of employees engaged in the activities of the Charity during the year, shown as number of employees and full time equivalents, was:

	2015 Group Average	Restated 2014 Group Average	2015 Group FTE	Restated 2014 Group FTE
Generating voluntary income	55	56	50	51
Raising awareness	23	22	22	21
Blue Cross shops	159	159	108	102
Clinical	232	220	185	182
Rehoming	226	223	197	197
Rehabilitation	50	58	46	51
Advice and support	22	19	18	16
Governance	4	4	4	4
	771	761	630	624

The number of employees whose emoluments (including benefits in kind) were in excess of £60,000 for the year were:

	2015 Group Number	2014 Group Number
£60,001 – £70,000	4	5
£70,001 – £80,000	3	2
£80,001 – £90,000	1	3
£90,001 – £100,000	2	1
£110,001 - £120,000	-	1**
£120,001 – £130,000	1*	-

\* Denotes Chief Executive \*\* Denotes Interim Chief Executive

Contributions made in the year for the provision of money purchase pension schemes totalled £60,515 for those eleven employees (2014 - £76,229 for twelve employees).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 7 EMPLOYEE COSTS CONTINUED

The Executive Team members during the year are listed in the Trustees report.

The employee costs of the Executive Team for the year were:

	2015 £'000	2014 £'000
Wages and salaries	600	650
Social security costs	75	77
Pension contributions	35	48
	710	775

In accordance with the Memorandum of Association of Blue Cross, the Trustees received no remuneration for their services during the year.

Travelling and subsistence expenses were reimbursed to six Trustees and amounted to £3,512 (2014 four Trustees £1,876).

Trustee Indemnity Insurance was provided in the year at a total cost of £2,417 to the Charity (2014 -£2,417).

During 2015 our volunteer team expanded to over 3,500 volunteers together contributing over 409,000 hours to the charity. Volunteers continue to play a vital part in the delivery of our Rehoming, Veterinary, Education and PBSS services; as well as supporting our Retail operations, fundraising activities and support teams.

## 8 TAXATION

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains 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.

Blue Cross Trading Company Limited makes qualifying donations of taxable profits to Blue Cross. No corporation tax liability arose in the year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 9 TANGIBLE FIXED ASSETS

Group	Freehold Land & Buildings £'000	Leasehold improvement £'000	Equipment £'000	Motor Vehicles £'000	Computers £'000	Assets under construction £'000	Total £'000
<b>Cost</b>							
At 1 January 2015	27,131	1,275	859	146	1,068	1,233	31,712
Additions	-	25	258	-	375	5,372	6,030
Disposals	-	(30)	(39)	-	-	-	(69)
Transfers	1,570	-	-	-	310	(1,880)	-
<b>At 31 December 2015</b>	<b>28,701</b>	<b>1,270</b>	<b>1,078</b>	<b>146</b>	<b>1,753</b>	<b>4,725</b>	<b>37,673</b>
<b>Depreciation</b>							
At 1 January 2015	11,203	631	542	97	509	-	12,982
Charge for the year	867	201	147	20	287	-	1,522
Disposals	-	(17)	(34)	-	-	-	(51)
<b>At 31 December 2015</b>	<b>12,070</b>	<b>815</b>	<b>655</b>	<b>117</b>	<b>796</b>	<b>-</b>	<b>14,453</b>
<b>Net Book Value</b>							
<b>At 31 December 2015</b>	<b>16,631</b>	<b>455</b>	<b>423</b>	<b>29</b>	<b>957</b>	<b>4,725</b>	<b>23,220</b>
Net Book Value							
At 31 December 2014	15,928	644	317	49	559	1,233	18,730
<b>Charity</b>							
	Freehold Land & Buildings £'000	Leasehold improvement £'000	Equipment £'000	Motor Vehicles £'000	Computers £'000	Assets under construction £'000	Total £'000
<b>Cost</b>							
At 1 January 2015	27,131	1,275	793	146	1,068	1,233	31,646
Additions	-	25	258	-	375	5,372	6,030
Disposals	-	(30)	-	-	-	-	(30)
Transfers	1,570	-	-	-	310	(1,880)	-
<b>At 31 December 2015</b>	<b>28,701</b>	<b>1,270</b>	<b>1,051</b>	<b>146</b>	<b>1,753</b>	<b>4,725</b>	<b>37,646</b>
<b>Depreciation</b>							
At 1 January 2015	11,203	631	482	97	509	-	12,922
Charge for the year	867	201	146	20	287	-	1,521
Disposals	-	(17)	-	-	-	-	(17)
<b>At 31 December 2015</b>	<b>12,070</b>	<b>815</b>	<b>628</b>	<b>117</b>	<b>796</b>	<b>-</b>	<b>14,426</b>
<b>Net Book Value</b>							
<b>At 31 December 2015</b>	<b>16,631</b>	<b>455</b>	<b>423</b>	<b>29</b>	<b>957</b>	<b>4,725</b>	<b>23,220</b>
Net Book Value							
At 31 December 2014	15,928	644	311	49	559	1,233	18,724

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 10 FIXED ASSET INVESTMENTS

	Group and Charity 2015 £'000	Group and Charity 2014 £'000
Market value at 1 January 2015	32,409	31,530
Disposals at brought forward market value	(9,681)	(5,857)
Acquisitions at cost	4,645	6,084
Unrealised gains on revaluation	169	652
Market value at 31 December 2015	27,542	32,409

The above investments consist of:

	UK	Non-UK	2015 £'000	2014 £'000
Fixed Interest securities	2,159	227	2,386	8,274
Other listed shares and securities	12,860	12,296	25,156	24,135
Investments in subsidiary undertakings	-	-	-	-
	15,019	12,523	27,542	32,409
Historical cost as at 31 December 2015			23,595	27,213

## 11 STOCKS

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Veterinary drugs for charitable purposes	117	123	117	123
Goods for resale	38	26	-	-
	155	149	117	123

## 12 DEBTORS

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Income Tax Recoverable	117	147	117	146
Trade debtors	10	36	10	9
Amounts owed by group undertakings	-	-	356	263
Legacy debtors	9,689	7,593	9,689	7,593
Other debtors	482	53	499	53
Prepayments and accrued income	915	1,193	864	1,168
Loan to The Irish Blue Cross	60	80	60	80
	11,273	9,102	11,595	9,312

At the balance sheet date a loan of £60,000 (2014 - £80,000) was outstanding to The Irish Blue Cross, a registered Charity in Eire. The loan is interest free and repayment is due by 2019. The grant given to the Irish Blue Cross shown in note 17 is used to offset loan repayments.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

### 13 SHORT TERM LOAN

The loan of £2,004,000 is a short term loan secured on the investment portfolio .

### 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Trade creditors	1,662	1,620	1,653	1,603
Social security and other taxes	360	381	360	358
Other creditors	372	201	372	182
Accruals	743	647	739	637
	3,137	2,849	3,124	2,780

### 15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £'000	Unrestricted £'000	Total funds £'000
Tangible fixed assets	-	23,220	23,220
Investments	204	27,338	27,542
Net current assets	1,523	7,312	8,835
Net assets at the end of the year	1,727	57,870	59,597

### 16 MOVEMENT IN FUNDS

#### Purposes of restricted funds

The principal restricted funds are those held in respect of the following funds. These funds are specifically for use at the centres named below.

	At 1 January 2015 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains £'000	At 31 December 2015 £'000
<b>Restricted funds:</b>						
With balances above £250k:						
Bromsgrove Adoption Centre	472	58	-	(530)	-	-
Burford (Or There's Ghillie)	772	198	-	(112)	-	858
Suffolk new rehoming centre	-	286	-	(286)	-	-
Other Restricted Funds	637	2,601	(2,626)	257	-	869
<b>Total restricted funds</b>	<b>1,881</b>	<b>3,143</b>	<b>(2,626)</b>	<b>(671)</b>	<b>-</b>	<b>1,727</b>
Unrestricted funds	63,117	31,015	(36,991)	671	58	57,870
<b>Total funds</b>	<b>64,998</b>	<b>34,158</b>	<b>(39,617)</b>	<b>-</b>	<b>58</b>	<b>59,597</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## 17 RELATED PARTIES, SUBSIDIARY CHARITIES AND WELFARE ASSOCIATES

### Related parties

The Irish Blue Cross

	2015 £'000	2014 £'000
Grant in the year	20	20

The Irish Blue Cross provides veterinary care in the city of Dublin and an equine welfare service for race meetings and other events in Eire.

The following Trustees of The Irish Blue Cross are also Trustees or employees of Blue Cross:

- Kerstin Alford
- Zair Berry
- Neil C Smith
- Stephen Swift
- Henrietta Roper-Curzon

Other than the transactions with its subsidiaries, which are disclosed in note 6, and the above transactions with the Irish Blue Cross there have been no other related party transactions.

### Subsidiary Charities

The following charities are classified as subsidiary charities on the Charity Commission's Register and are included in the accounts and managed through the restricted reserves. In accordance with the provisions of the Charities Acts regarding small charities, the Charity aims to utilise any small funds held by its subsidiary charities.

- The War Horses Fund
- Annie Gordon Fund
- London Institute Mrs Morgan's Fund
- Bertie Copinger Prichard Fund (Captive and Performing Animals Fund)
- Mary Margaret Baroness Seaforth of Brahan (Sister Mabel's Free Dispensary for Sick Animals)
- Edith Alice Bromley-Bourne Fund
- Rosie May Hare Winton Fund
- Amy Alice Baldwin Fund
- Louisa Snow Fund
- Lucy Anne Fraser Oldfield Fund
- MIS Hounsell Fund

### WELFARE ASSOCIATES

Blue Cross has supported the following charities by giving them grants to assist in the execution of their work:

Charity name	Amount of grant 2015 £'000	Amount of grant 2014 £'000
The Mayflower Sanctuary	20	20

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

## CONNECTED CHARITY

Blue Cross is a member of Together for Animals (charity number 1102985) which is a registered charity incorporated as a company limited by guarantee and not having a share capital. Blue Cross's liability as a member is restricted to £10. Together for Animals co-ordinates and promotes payroll giving to benefit the work of five animal charities, including Blue Cross, on a scale that would not be economic for the charities to carry out on an individual basis.

## 18 PENSION COSTS

The Charity contributes to a 'money purchase' pension scheme for salaried employees. Payments made to the scheme and charged in the accounts comprise current contributions. These contributions payable by the Charity amounted to £1,057,515 (2014 - £980,336). All contributions were paid in the year.

## 19 LEGACIES

At the year-end the Charity was aware that it was a beneficiary of an estimated 209 (2014 - 168) estates where, either it was not certain that the legacy would be received, or the value could not be reliably measured. The current estimate of the total amount concerned is £2.9m (2014 - £1.5m).

## 20 COMPANY STATUS

Blue Cross is a registered charity constituted as a company limited by guarantee, and does not have share capital. The liability of each member is limited to £1.

## 21 COMMITMENTS

Details of commitments at the accounting date are as follows:

	2015 £'000	2014 £'000
Contracted for but not provided for:		
Bromsgrove Cattery Project	-	1,239
Suffolk Project	320	2,678
	<u>320</u>	<u>3,917</u>

The commitments contracted for but not provided represent the contract values, less payments made for building projects in progress.

	2015 £'000	2014 £'000
Expenditure planned over next 5 years but not contracted for:		
Clinical	760	4,303
Rehoming	13,209	25,920
Blue Cross Shops	40	20
Infrastructure	2,860	2,897
Total Planned Expenditure	<u>16,869</u>	<u>33,140</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

### 22 CONTINGENT LIABILITIES

Blue Cross, on occasion, is required to give indemnities to the Executors of estates where Blue Cross is a beneficiary. The Charity does not expect these indemnities to crystallise before expiry and aims to ensure that such indemnities are limited to the value of Blue Cross share of the legacy, have the earliest possible expiry date, and are not given on a joint and several basis. The total value of indemnities given, but not provided in the accounts, outstanding at 31 December 2015 is £667,668 (2014 -£898,121).

### 23 OTHER FINANCIAL COMMITMENTS

At 31 December 2015 Blue Cross was committed to making the following payments under operating leases in future years:

	2015 £'000	2014 £'000
Operating leases which expire:		
Within 1 year	1,529	1,409
Within 2 to 5 years	4,300	4,151
More than 5 years	1,387	1,805
	7,216	7,365

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2015



### Trustees

Trustees, who are also directors under company law and who served during the year and up to the date of this report were as follows:

**Tim Porter FCA** (Chairman)

**Zair Berry FCA**

**Catherine Brown**  
(appointed 23 June 2015)

**Amy Clarke**

**Professor Anthony Forster**  
FHEA FRSA AcSS

**Kris Glover CABC**  
(appointed 23 June 2015)

**Vicky Hemming**  
(appointed 23 June 2015)

**Dr Tim Hutton MRCVS**

**Andy Prebble**

**The Hon Henrietta Roper-Curzon**  
(Vice Chairman)

**Rt Rev David Rossdale**

**Colonel Neil C Smith MRCVS**

**Dr Jeremy Stewart MRCVS**

**Stephen Swift**  
(Vice Chairman)

**Deirdre Walker**  
(appointed 23 June 2015)

**Dr David Watt PhD FRICS**  
(resigned 23 June 2015)



**Company number:**  
363197  
**Charity number  
in England and Wales:**  
224392  
**Charity number in  
Scotland:**  
SC040154

### Registered office and operational address:

Shilton Road  
Burford  
Oxfordshire  
OX18 4PF

**Patron**  
**His Grace the Duke of Westminster**  
KG CB CVO OBE TD CD DL

**Honorary Members**  
**The Rt Hon Earl Cadogan**  
DL

**Dr Andrew Edney**  
MRCVS

**The Lord Kirkham**  
CVO

**WJB Sneath**

**Sir John Spurling**  
KCVO OBE

**RT Vyner**  
CBE

**Ambassador**  
**A Langton**



**Chief Executive Officer**  
**Sally de la Bedoyere**

**Bankers**

National Westminster Bank Plc  
141 Ebury Street  
London  
SW1W 9QP

**Solicitors**

Bircham Dyson Bell LLP  
50 Broadway  
Westminster  
London  
SW1H 0BL

Wilson Solicitors LLP  
4 Lincoln's Inn Fields  
London  
WC2A 3AA

**External auditors**

BDO LLP  
2nd Floor, 2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

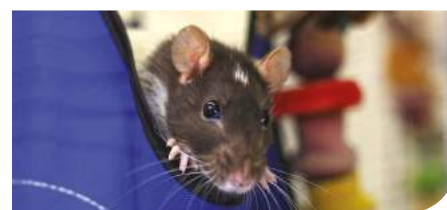
**Investment managers**

Rathbone Investment Management  
Limited  
1 Curzon Street  
London  
W1J 5FB



**Trusts and Foundations**

The Dr Sheila Millar-Danks Charitable Trust  
The Sir Peter O'Sullivan Charitable Trust  
The Serth and Gates Charity  
The Beryl Evetts and Robert Luff  
Animal Welfare Trust Limited  
The Gerrick Rose Animal Trust  
The M T & V L Wythe Charitable  
Trust For Animals  
Edith Murphy Foundation



**Individuals**

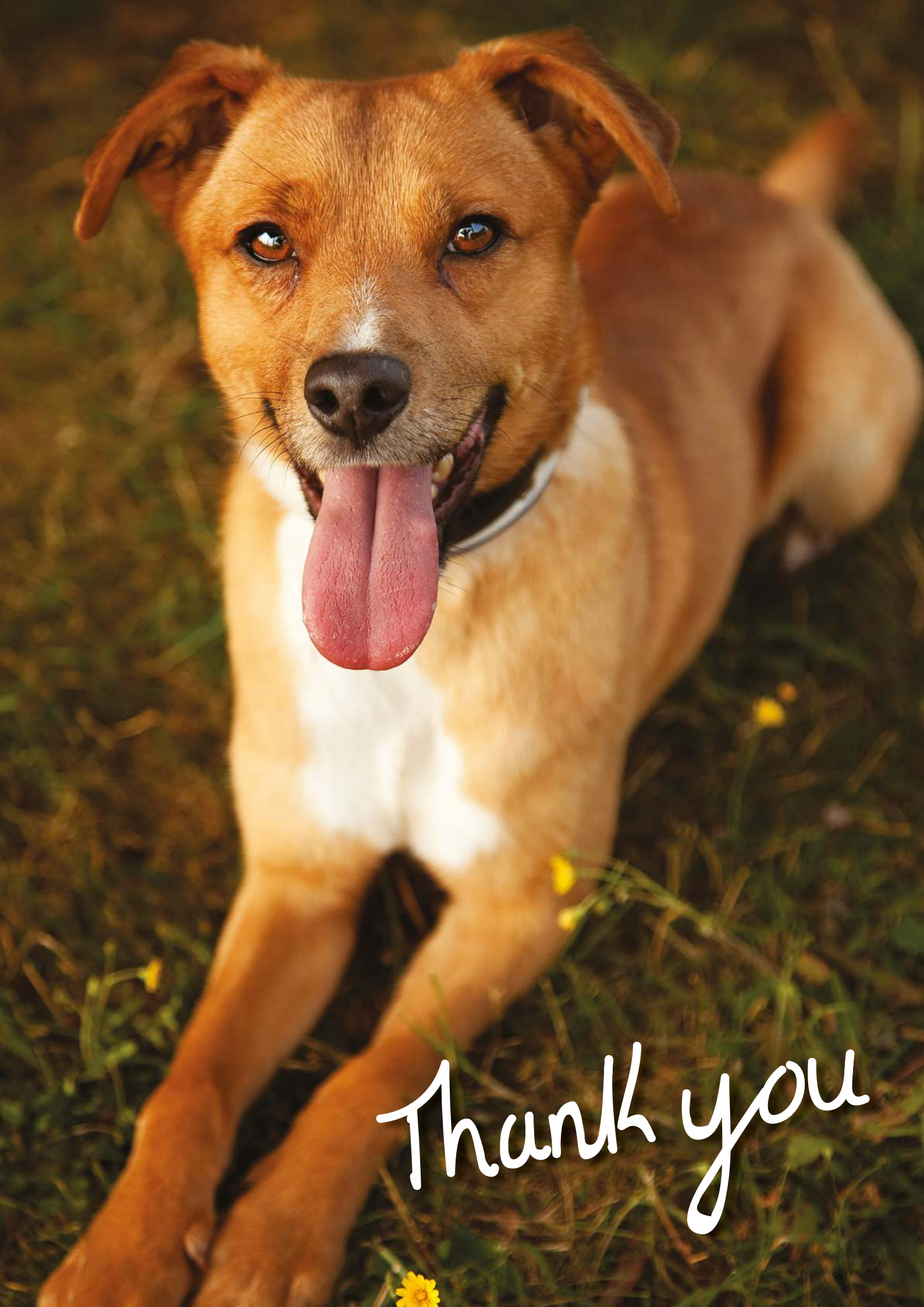
Seven anonymous donors  
ShareGift  
Katelyna and John Downer  
Mr Michael Price  
Ipswich and District Animal Welfare Centre

Blue Cross would like to give particular thanks to the following trusts, companies and individuals for their generous support throughout 2015

**Corporate Partners**

CEVA Animal Health Ltd  
HNJ (Europe) LTD  
Mars Petcare UK  
National Veterinary Services  
Petplan  
Pets at Home  
Safe4  
Support Adoption For Pets  
The Pet Professionals  
Zoetis





Thank you

# FIND US

WE HAVE FIVE PET CARE CLINICS AND 15 PET FOSTERING LOCATIONS ACROSS THE UK, AS WELL AS 55 CHARITY SHOPS SELLING GOODS TO RAISE MONEY FOR THE PETS IN OUR CARE.

FIND YOUR NEAREST ONE AT [WWW.BLUECROSS.ORG.UK](http://WWW.BLUECROSS.ORG.UK) OR CALL OUR SUPPORTER CARE TEAM ON 0300 790 9903.

## BLUE CROSS ANIMAL HOSPITALS

- 1 VICTORIA
- 2 HAMMERSMITH
- 3 MERTON
- 4 GRIMSBY

## BLUE CROSS REHOMING CENTRES

- 1 BROMSGROVE
- 2 BURFORD
- 3 CAMBRIDGE
- 4 HERTFORDSHIRE
- 5 LEWKNOR
- 6 NORTHIAM
- 7 ROLLESTON
- 8 SOUTHAMPTON
- 9 SUFFOLK
- 10 THIRSK
- 11 TIVERTON
- 12 TORBAY

## BLUE CROSS CLINICS



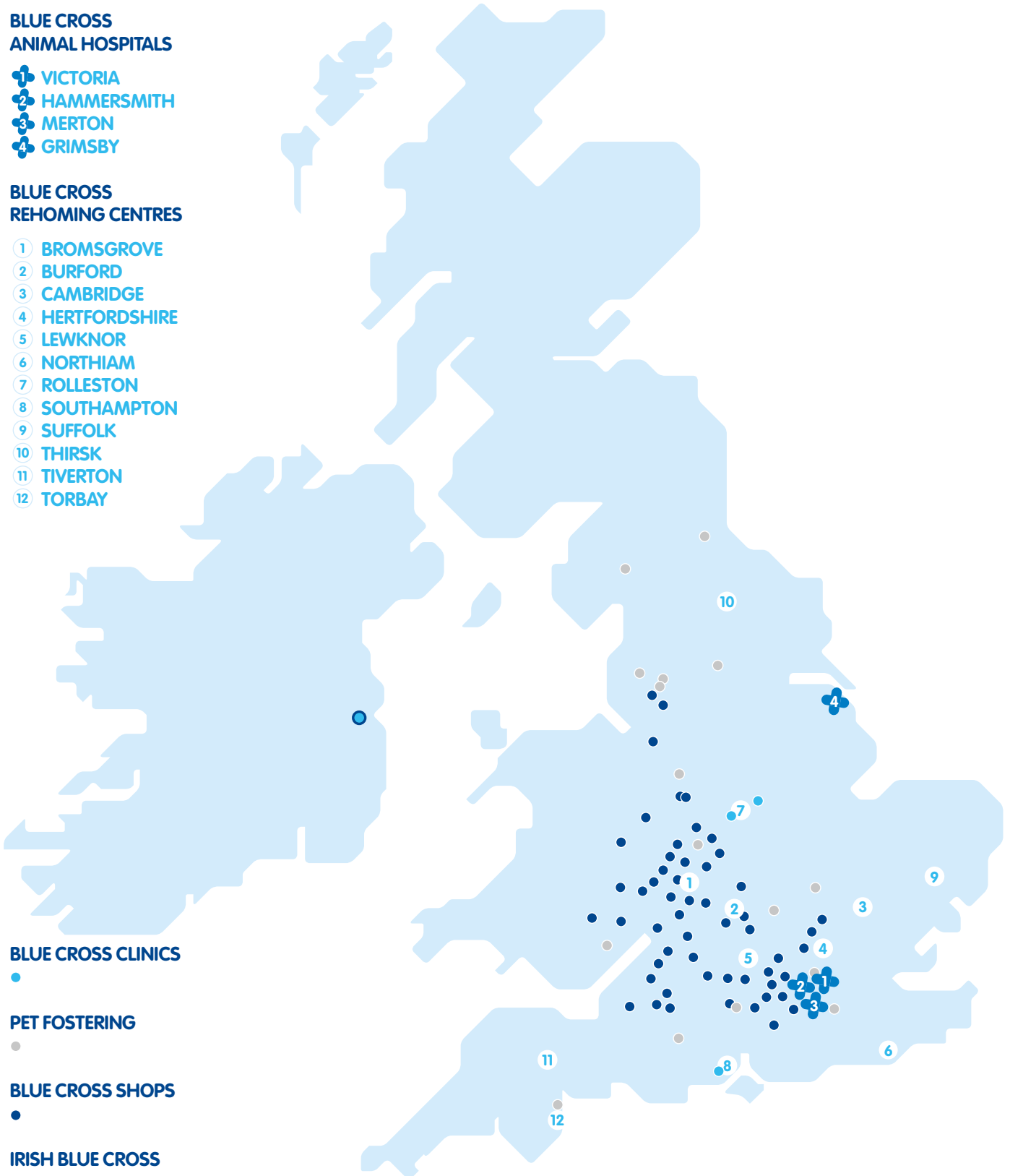
## PET FOSTERING



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