



**BRITISH VETERINARY ASSOCIATION
ANIMAL WELFARE FOUNDATION
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2010**

Registered charity: 287118

Legal and Administrative Information

The British Veterinary Association Animal Welfare Foundation (otherwise known as BVA AWF or “the Foundation”) is a registered charity, number 287118, constituted by Deed of Trust dated May 1983.

The BVA AWF office is at BVA, 7 Mansfield Street, London W1G 9NQ

The Trustees of the BVA AWF are all veterinary surgeons; the following were Trustees during 2010:

Mr Carl Padgett BVMS CertCHP MRCVS Chairman - (Norman Hayward Trustee)

Mr David Chennells VetMB MA CertPM MRCVS (Norman Hayward Trustee)

Lt Col Tiffany Cottrell BVMS MSc PhD DACVPM (epidemiology) CertWEL MRCVS RAVC (BVA AWF Treasurer) – re-appointed 26.09.2010

Ms Joanne Fielder MRCVS

Dr Pete Goddard BVetMed PhD MRCVS (Director, BVA AWF Trading) – re-appointed 26.09.2010

Mrs Emma Goodman-Milne BVSc MRCVS

Mr David Harwood BVetMed MRCVS

Prof Andrea Nolan MVB PhD MRCVS – re-appointed 26.09.2010

Mr Pete Southgate BVetMed MSc MRCVS

Mr Andrew Trawford BVSc MSc MRCVS - retired 26.09.2010

Prof Elaine Watson BVMS, MVM, PhD, DSc, Dip ECAR, FRCVS - appointed 26.09.2010

Mr Sean Wensley BVSc MSc MRCVS (Norman Hayward Trustee)

Mr Harvey Locke BVSc MRCVS – appointed BVA President from 26.09.2010

Prof William Reilly BVMS BSc DVSM HonFRCVS (BVA President up to 26.09.2010)

Mrs Nichola Paull BVSc MRCVS (BVA Past President) retired 26.09.2010

BVA AWF Administrative Staff

Mrs Florence Bowman (Full-time BVA AWF Administration Manager)

Mrs Henrietta Alderman (BVA Secretary General. As required)

Ms Clare Lynch (Assistant Secretary General. As required)

Mr Derek Thorpe (BVA Head of Finance. As required)

Ms Sally Burnell (BVA Head of Media and PR. As required)

Mr Ahsan Khan (BVA Web Manager. As required)

Ms Clare Stokes (BVA Head of Internal Resources. As required)

BVA AWF Agents and Advisors

Auditors: Crowe Clark Whitehill LLP, St Bride’s House, 10 Salisbury Square, London EC4Y 8EH

Bankers: Coutts & Co., 440 Strand, London WC2R 0QS

Investment Advisors: HSBC Investment Management, 78 St James’s Street, London SW1A 1HL

Solicitors: Reynolds Porter Chamberlain, Tower Bridge House, St Katharine’s Way, London E1W 1AA

Land Agent: John Drake & Co., Chartered Valuation Surveyors, Land Agents and Planning Consultants, 5 Park Farm, Tyringham, Buckinghamshire, MK16 9ES

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Structure, Governance and Management

BVA AWF is governed by a Trust Deed dated 12 May 1983.

Thirteen trustees, including the BVA President and BVA Past President, manage the Foundation. Full board meetings are held three times a year to agree and review the Foundation's strategy, activity and performance and to assess funding applications.

Annual elections are used to recruit new trustees. On appointment trustees make a signed declaration of their intentions to act in the interests of the Foundation and receive an induction pack, which includes a copy of the Foundation's trust deed; the NCVO's Good Trustee Guide and a trustee job description. Training needs, are addressed where identified.

Trustees are required to declare all relevant interests in writing to the Administration Manager and to withdraw from decisions where a conflict of interest arises.

The maximum term of office for Trustees is three years, renewable once. There is a rotational system based on length of tenure for Trustees. One new trustee was appointed in 2010 and three existing trustees were re-elected. In 2011 four trustee vacancies will become available as two existing trustees complete their terms of office and two become eligible for re-election having completed their first term. Trustee vacancies are advertised in BVA publications.

Trustees give their time freely and no trustee remuneration was paid during the year. Details of trustee expenses are disclosed in Note 3 to the accounts.

During the year two sub-committees, The Way Forward Group and the Communications Group met to assist trustees in their decision-making. Other sub-committees are established as required.

Day to day management of the Foundation is delegated to the full time Administration Manager, who is supported by the BVA Secretary General and Assistant Secretary General and other BVA staff as required.

Other Relationships

BVA AWF is a member of the National Council for Voluntary Organisations (NCVO) and the Associate Parliamentary Group for Animal Welfare.

Risk Management

A risk assessment document is in place which outlines potential governance; management; operational and financial risks and the steps to be taken in order to manage those risks. The document also addresses issues of non compliance with law and regulation and external/environmental factors which could impact on the Foundation.

The Foundation's risk assessment document will be reviewed during 2011.

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Objectives and activities delivered for the public benefit

The BVA AWF aims to improve the welfare of animals through veterinary science, education and debate.

The charitable objects of the BVA AWF as stated in its Trust Deeds are:

- The advancement of education in veterinary science medicine, surgery and animal welfare and in furtherance of the foregoing the establishment and financial support of one or more chairs of learning teaching and research posts at selected universities and other establishments including the provision of scholarships, fellowships, bursaries and exhibitions to any university or approved educational establishment and the provision as far as necessary of grants for facilities and equipment.
- Research and support in animal welfare or any other field of veterinary endeavour and the dissemination of the useful results of such research.
- The relief of suffering in animals and the protection of such animals.
- Any other lawful charitable purpose in connection with veterinary science medicine or surgery or the veterinary profession or animals and their welfare as shall further any of the objects of this trust as herein before declared.

The objects of the BVA AWF fall within two charitable purposes identified within the Charities Act 2006 namely the advancement of education and the advancement of animal welfare.

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

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

1. Funding research projects that have a practical and positive impact on raising standards in animal welfare and which are based on sound scientific veterinary principles.
2. Stimulating debate, promoting and developing welfare education and enhancing welfare related teaching in the UK veterinary schools through the activities of the Foundation. The Foundation works with students entering the profession to improve their knowledge of animal welfare issues and has provided seed funding for three university lectureships in animal welfare.
3. Promoting the mission, remit and achievements of the Foundation to the veterinary profession and the general public. The production and promotion of informative, evidence based information to the general public encourages responsible pet ownership and good animal welfare.
4. Influencing and contributing to the development of BVA welfare policy. The Foundation's close links to the British Veterinary Association which has more than 12,000 members means that issues raised for debate can inform the policy development process and inform BVA lobbying on welfare issues.
5. Achieving financial stability and growth.

The following pages contain a summary of activities 1 - 4. The financial review section of this report deals with the achievement of financial stability and growth.

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Achievements and Performance

1. Research initiatives

Norman Hayward Fund

The Norman Hayward Fund (NHF) is a restricted fund which supports research into the disease and welfare of sheep, cattle or horses.

An initial screening process was implemented during the year for requests of more than £10,000. Applicants were asked to provide an overview of their application for consideration. Trustees reviewed and scored the project overviews to determine which applicants were invited to submit a full application.

Trustees reviewed 14 project overview applications and four full applications. Five project overview applicants were invited to submit full applications which are being considered with final decisions to be made in 2011.

Trustees sought advice from the BVA specialist sheep, cattle and equine divisions on current welfare issues with the aim of making targeted calls for funding proposals in these areas. As no specific feedback was received no targeted calls were made in 2010. Trustees agreed to consider adopting such a need-based approach in the future by reference to welfare prioritisation models such as the example produced by the BVA's Ethics and Welfare Group.

NHF grant progress reports

Interim grant progress reports were received from the two projects which were awarded grants from the Norman Hayward Fund in 2009.

Researchers from Bristol University reported on the progress of a two year study into the facial expression of pain in horses. The study offers the potential for the development of a "Horse Grimace Scale" which could be used by owners and veterinary surgeons to identify pain in horses.

Project data collected to date will be submitted in abstract form for an oral presentation at the spring 2011 meeting of the Association of Veterinary Anaesthetists and for subsequent publication in the journal of Veterinary Anaesthesia and Analgesia.

The BVA AWF Lecturers in Animal Welfare at Bristol and Glasgow Universities reported on their study entitled 'Maximising Value of Pre-Clinical Extra-Mural Study Placements on Cattle, Sheep and Horse Units'.

The study will develop and validate welfare and health planning assessment tools for cattle, sheep and horses that are appropriate for students on their Extra Mural Study (EMS) placements and is designed to improve student engagement and learning.

In the first year a new educational resource, the Partnerships in EMS Computer Aided Learning (CAL) teaching program, was created and trialled. The CAL lets users practice conducting a welfare assessment before visiting a farm and introduces students to the educational concepts associated with life-long learning. The programme will be trialled at three vet schools and the research findings from the first two years of the project will be presented to all UK vet schools.

The GP West Fund

This restricted fund supports feline research projects. After a year in which no suitable applications were received, the Fund was promoted throughout on the BVA AWF website and in BVA

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publications. Following the receipt of two eligible applications it is likely that trustees will consider making an award from the Fund in 2011.

Future plans

A full review of the grant making system will be conducted in 2011.

2. Debate and Education

Debate

Discussion Forum

As part of its aim to improve animal welfare through debate, the BVA AWF holds an annual Discussion Forum which brings vets, animal welfare and government organisations together in order to identify and discuss important welfare-related issues.

In May 130 invited guests attended the Discussion Forum at the Royal College of Physicians, London.

The Discussion Forum achieved national media coverage including a leader column in The Times when delegates voted the welfare of exotic pets as the issue that they would most like to discuss with a new Government minister.

An evening reception at the House of Commons held jointly with the BVA and sponsored by BVA Honorary Associate Mr Roger Williams MP was attended by approximately 200 delegates.

Future plans

To consider the introduction of an attendance fee for delegates to help with the costs of the event and opening the guest list to a larger numbers of practising vets.

A cost/benefit analysis will be conducted to enable trustees to assess the value of the House of Commons event.

Education

Puppy Contract and Puppy Information Pack

In 2010 BVA AWF continued to collaborate with the RSPCA on a joint project to develop a puppy contract and puppy information pack (PIP). The concept for the project is that the seller of a dog should provide a PIP which would give the buyer information about the puppy and its parents. The PIP would be tied into a simple contract containing a warranty from the seller that the information in the PIP is true.

The contract and PIP are intended to have an educational as well as legal purpose, by helping the public to make properly informed decisions when buying a puppy.

Future plans

To complete the final stages of the project and successfully launch the contract and PIP.

BVA AWF Lectureships

The Foundation created and funded for four years three BVA AWF lectureships at Liverpool, Bristol and Glasgow Universities, with the intention of developing an integrated approach to the teaching of animal welfare within the veterinary curriculum. When BVA AWF's funding ceased all three posts were funded by their respective universities.

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BVA AWF Welfare Forum for Students

This is an annual event for final year veterinary students, held at Lancaster University and timed to take place just before the BVA/SPVS Final Year Seminar. Course tutors come from a cross-section of the veterinary profession, including vets working in private practice; in research; for charities and for government agencies.

Using a range of case studies and role play methods, students are challenged to consider the ethical, welfare and legal implications in a range of real-life scenarios that they could expect to encounter in veterinary practice.

Students from five of the eight veterinary schools in the UK and Ireland attended the Forum.

Following the success of the 2009 Forum, 60 student places were made available in 2010. However a number of withdrawals close to the event resulted in a final attendance figure of 45.

Future plans

A promotional campaign will be conducted with the aim of attracting at least 50 students to the 2011 Forum.

BVA AWF Educational Resources

The Foundation produces a range of educational leaflets; online resources and posters aimed at the general public; vets; veterinary nurses and students. The provision of information and advice to the wider public is one of the Foundation's key activities.

Future plans

The following projects will be carried forward from 2010; a new guidance leaflet for vets on tail docking; an update of the 'What makes my pet happy leaflet?' and the production of a range of horse welfare videos with funding pledged by the Margaret Giffen Charitable Trust.

Trustees will also consider again opportunities to have a BVA AWF speaker at an event at each of the veterinary schools.

3. Promotion

The findings of market research conducted in 2009 and a report by Sean Wensley entitled 'How can the British Veterinary Association Animal Welfare Foundation (BVA AWF) achieve a viable financial future?' led the trustees to consider legally changing the Foundation's name and adopting new branding.

In November 2010, following a period of discussion and consultation with the BVA, trustees agreed to adopt 'AWF' for use as a working name whilst retaining the existing legal name of the Foundation.

Trustees also agreed a series of operational objectives for the Foundation in November 2010 and received the first report on progress against the objectives in April 2011.

Future plans

As a result of legal advice taken by the BVA when the BVA AWF name change was being considered, trustees agreed to review the trust deeds and amend as necessary to reflect the Foundation's current relationship with the BVA.

4. Influencing BVA welfare policy

The BVA AWF is not a policy making body but, as part of its education and debate objective, it discreetly contributes to the policy making process by providing advice to the BVA's Ethics and Welfare Group and Veterinary Policy Group.

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The outcomes of debates at the BVA AWF Discussion Forums are communicated to BVA committees and to other organisations with an interest in animal welfare.

The 2010 Forum assisted an initiative of the BVA's Ethics and Welfare Group. Forum delegates completed a questionnaire which aimed to assess how BVA members would prioritise welfare issues. The questionnaire was also completed online by BVA members.

Future plans

Trustees have invited the BVA Ethics and Welfare Group to present its report on the final results of the survey at the 2011 Forum.

Financial review, investments and reserves policy

Total funds increased during the year by £552,068. The funds can be split between the unrestricted funds and the restricted funds.

Unrestricted Funds

The total value of the unrestricted funds increased during the year by £75,719 to £918,362.

The total incoming resources were £137,917, which is 3% up on 2009's level. AWF received £110,849 in legacies - this accounting for 80% of total income for the year, highlighting its importance to the charity's on-going financial wellbeing. The other main source of income during 2010 was the returns generated from the charity's investment portfolio, which fell by almost 12% on the back of the economic downturn generally.

The total expenditure for the year was £124,002, a 2.5% decrease since 2009. The trustees agreed at the end of 2005 that, because the level of reserves had dropped to below the £1 million level, there would only be funding made available for new projects that, in the opinion of the trustees, were of exceptional merit. Therefore, whilst the on-going activities of the Foundation continue to be financed, as described previously in this report, there were no new major projects of note during 2010.

Investments

There were total gains from the investment portfolio of £61,804 and the total income generated from the portfolio and cash reserves was £22,790. The investment portfolio is managed on a discretionary basis by HSBC Investment Management and their investment objective is to obtain a reasonable long term overall return, with specific emphasis on income generation. The stockbroker will only invest in companies that do not conflict with the general aims and policies of the Foundation. The performance of the portfolio is regularly monitored against various indices and during 2010 the total return of 11.2% was only marginally less than the APCIMS Total Return Index of 11.4% for the year.

Reserves

The reserves policy is that trustees aim to spend no more than 1/7th of total reserves when these are below £1 million. With the unrestricted reserves below the £1 million level the trustees again agreed that for the forthcoming financial year to only consider funding projects or events of exceptional merit, up to £50,000. The trustees aim to establish a long term fundraising strategy for the Foundation.

Restricted Funds

AWF Norman Hayward Fund: The reserves as at the year end increased by £476,349 to £1,929,111.

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The total incoming resources were £451,392 with £430,000 of this relating to the reversion of the land back to the Fund, when the property developer decided neither to exercise the option originally granted in 2006 to purchase the land nor to renew the option. The Fund's surveyor valued all the land owned by the Fund during 2010 and this value has been included in the 2010 accounts. There was a small amount of income generated from grazing rights on this land, totalling £2,168, whilst the remainder of the income of £19,224 was generated from the Fund's investment portfolio.

Expenditure totalled £14,649, relating to the on-going costs for generating funds, charitable activities and governance costs. The 'Maximising Value of Pre-Clinical Extra-Mural Study Placements on Cattle, Sheep and Horse Units' project continued during the year with a further £76,581 paid, this expenditure though having being allocated in the accounts in the year the initial commitment was made.

Investments

There were investment gains of £39,606 from the separately managed portfolio and the total return during 2010 was 9.9%, slightly below the APCIMS Total Return Index benchmark.

Reserves

Having invested £500k of this fund during 2008, the balance (excluding the value of the land) is being made available for grants that fit within the remit of this restricted fund; namely projects relating to research into the disease and welfare of sheep, cattle and horses. As described previously, 5 new projects are under consideration for funding during 2011.

G P West Fund: The value of this fund remained at £13,895 and, as described previously, the trustees are likely to make a grant award during 2011.

Statement of trustees' responsibilities

The Trustees are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Signed on behalf of the Trustees on 17th May 2011

Mr Carl Padgett
Chairman

Independent Auditor's Report to the Trustees of British Veterinary Association Animal Welfare Foundation

We have audited the financial statements of British Veterinary Association Animal Welfare Foundation for the year ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 10.

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, as a body, in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

We read all the information in the Annual Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2010 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Annual Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London

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

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BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Unrestricted £	Restricted £	2010 £	2009 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Legacies		110,849	-	110,849	94,023
Donations (including Gift Aid)		2,528	-	2,528	12,553
Activities to generate funds:					
Fundraising income		1,750	-	1,750	1,614
Investment income and interest	2	22,790	19,224	42,014	51,012
Other income – reversion of land	5	-	430,000	430,000	-
Other income		-	2,168	2,168	1,828
Total Incoming Resources		<u>137,917</u>	<u>451,392</u>	<u>589,309</u>	<u>161,030</u>
RESOURCES EXPENDED					
Cost of generating funds					
Charitable activities					
Research projects		-	-	-	12,763
Debate and education		59,725	3,242	62,967	70,318
Promotion and awareness		16,159	1,014	17,173	18,710
Governance costs		<u>26,758</u>	<u>2,720</u>	<u>29,478</u>	<u>29,847</u>
Total Resources Expended	3	<u>124,002</u>	<u>14,649</u>	<u>138,651</u>	<u>163,590</u>
Net (Outgoing)/Incoming Resources before investment gains		13,915	436,743	450,658	(2,560)
Gains on investments					
Realised		5,510	2,675	8,185	10,403
Unrealised		56,294	36,931	93,225	104,425
Net Movement in Funds		<u>75,719</u>	<u>476,349</u>	<u>552,068</u>	<u>112,268</u>
Funds brought forward 1 January 2010		<u>842,643</u>	<u>1,466,657</u>	<u>2,309,300</u>	<u>2,197,032</u>
Funds carried forward 31 December 2010		<u>918,362</u>	<u>1,943,006</u>	<u>2,861,368</u>	<u>2,309,300</u>

All amounts relate to continuing activities.

The notes on pages 12 to 18 form part of these financial statements

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible Fixed Assets	5	430,000	-
Investments	6	<u>1,138,704</u>	<u>1,169,267</u>
		<u>1,568,704</u>	<u>1,169,267</u>
CURRENT ASSETS			
Debtors	7	13,592	7,487
Cash at bank		<u>1,469,965</u>	<u>1,374,812</u>
		1,483,557	1,382,299
CREDITORS: Amounts falling due within one year	8	<u>(135,887)</u>	<u>(104,765)</u>
Net current assets		<u>1,347,670</u>	<u>1,277,534</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,916,374	2,446,801
CREDITORS: Amounts falling due after more than one year	8	<u>(55,006)</u>	<u>(137,501)</u>
NET ASSETS		<u>2,861,368</u>	<u>2,309,300</u>
FUNDS			
Restricted funds	9	1,943,006	1,466,657
Unrestricted funds		<u>918,362</u>	<u>842,643</u>
		<u>2,861,368</u>	<u>2,309,300</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf on 17th May 2011

} Trustee

Mr Carl Padgett

The notes on pages 12 to 18 form part of these financial statements

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are as follows:

a) Basis of Accounting

The financial statements have been prepared using the historical cost convention, except that investments are shown at market value and freehold land is stated at valuation, and in accordance with the Charities Act 1993, applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities, (SORP 2005).

Having made enquiries, the trustees consider that the Foundation will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the financial statements.

b) Sub trust fund

The late Mrs Hayward made a residual legacy to the Foundation in memory of her late husband Mr Norman Hayward of Broughton. The fund has been set up as a separately constituted trust known as the Animal Welfare Foundation – Norman Hayward Fund and is primarily for the welfare of sheep, cattle and horses under the general objects of the Foundation. The trust prepares separate accounts and has a separate set of trustees although three of the five trustees also serve as trustees to the Foundation. For this reason the trustees of the Foundation believe it correct to account for this sub-trust fund as a restricted fund of the Foundation.

c) Fund accounting

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

d) Donations and legacies

Donations are accounted for when they are received.

Legacies are included within the accounts once the Foundation can demonstrate entitlement, and the amounts are known with reasonable certainty.

In the case of assets received, they are accounted for when full legal title has passed to the Foundation.

e) Investment income

Investment income is accounted for on an accruals basis.

f) Fundraising income

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

g) Resources expended

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

h) Fixed asset investments

Investments are stated at market value. Market value is taken to be the middle market price ruling at the balance sheet date. Realised and unrealised gains and losses are reflected in the Statement of Financial Activities.

i) Subsidiary undertaking

The Foundation has a wholly owned subsidiary, BVA:AWF Trading Limited.

Group financial statements have not been prepared as the subsidiary was dormant throughout the year.

j) Tangible Fixed Assets

Freehold land is stated at valuation and is not depreciated.

2. INVESTMENT INCOME

	2010 £	2009 £
Dividends	39,068	44,838
Interest on cash deposits	2,946	6,174
	42,014	51,012

3. RESOURCES EXPENDED

	Staff costs £	Grants payable £	Direct costs £	Support costs £	2010 Total £	2009 Total £
Cost of generating funds	5,605	-	21,947	1,481	29,033	31,952
Charitable activities						
Research projects	-	-	-	-	-	12,763
Debate and education	22,980	-	33,976	6,011	62,967	70,318
Promotion	10,650	-	3,649	2,874	17,173	18,710
Governance costs	16,814	-	8,223	4,441	29,478	29,847
Total resources expended	56,049	-	67,795	14,807	138,651	163,590

Allocation of support costs

	Printing, postage and stationery	General expenses	Total
Cost of generating funds	41	1,440	1,481
Charitable activities			
Research projects	-	-	-
Debate and education	168	5,843	6,011
Promotion and awareness	78	2,796	2,874
Governance costs	122	4,319	4,441
Total support costs	409	14,398	14,807

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

3. RESOURCES EXPENDED (Continued)

Analysis of current year direct costs	2010	2009
	£	£
Cost of generating funds		
Advertising and raffle	5,328	5,533
Commission on grazing fees and associated legal fees	765	185
Legacy agent and associated legal fees	1,222	2,159
Fundraising consultant	-	2,651
Investment manager's fees	14,632	14,749
	<u>21,947</u>	<u>25,277</u>
Research Projects	-	-
Debate and education		
Discussion forum	19,763	22,513
Welfare forum for students	10,289	7,925
Educational leaflets and posters	3,924	4,158
Casualty Pig leaflets	-	2,864
Dog Breeding Forum	-	8,441
	<u>33,976</u>	<u>45,901</u>
Promotion and awareness		
Veterinary events	-	(385)
BVA:AWF website costs	1,233	1,150
Annual Report	2,416	5,263
	<u>3,649</u>	<u>6,028</u>
Governance costs		
Audit fee	4,079	4,000
Legal and professional costs	470	-
Trustee expenses	3,674	5,823
	<u>8,223</u>	<u>9,823</u>
Total	<u>67,795</u>	<u>87,029</u>

Staff costs

An average of 2 (2009: 2) FTE staff were seconded by the British Veterinary Association to help with the Foundation's work. A charge is made by the British Veterinary Association for these staff costs, which amounted to £56,049 (2009: £57,241).

The trustees did not receive any remuneration during the year (2009: nil). Expenses relating to travel and subsistence of £3,674 (2009: £5,823) were paid by the Foundation. These were paid to 15 trustees (2009: 13).

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

4. GRANTS PAYABLE

	2010		2009	
Reconciliation of Grants Payable:	£	£	£	£
Commitments at 1 January 2010		210,212		213,865
Grants approved/(released) in the year	-		9,814	
Grants payable for the year		-		9,814
Grants paid during the year		(76,581)		(13,467)
Commitments at 31 December 2010		<u>133,631</u>		<u>210,212</u>
Grants approved/(released) in the year were made up of the following institutional grants:				
Research grant to Bristol University to study facial expression of pain in horses	-		12,763	
AWF Lectureships	-		(11,533)	
Grant to AWF Lecturers at Bristol and Glasgow for project to look at maximising the value of EMS placements on cattle, sheep and horse units – financed from the NHF.	-		8,584	
	-		<u>9,814</u>	

5. TANGIBLE FIXED ASSETS

The majority of the Foundation's freehold land, which formed part of the Norman Hayward Fund, was sold during 2006. However, an option sold on some of this land was not taken up by the purchaser and the land reverted to the Norman Hayward Fund during 2010. The surveyor valued all the land owned by the Norman Hayward Fund at the year end at £430,000.

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

6. INVESTMENTS

	2010	2009
	£	£
a) Market Value		
1 January 2010	1,169,267	986,351
Additions	508,296	265,562
Disposals at opening market value (proceeds £640,269)	(632,084)	(187,071)
Net unrealised investment gains	<u>93,225</u>	<u>104,425</u>
Market value at 31 December 2010	<u>1,138,704</u>	<u>1,169,267</u>
Historic cost at 31 December 2010	<u>957,850</u>	<u>1,025,189</u>

b) Investments comprise the following:

	2010		2009	
	Market Value £	Cost £	Market Value £	Cost £
Listed investments				
Government and fixed interest stocks	339,572	327,498	525,160	498,725
Equity shares				
UK	607,099	466,223	510,975	426,338
Other	<u>192,033</u>	<u>164,129</u>	<u>133,132</u>	<u>100,126</u>
	<u>1,138,704</u>	<u>957,850</u>	<u>1,169,267</u>	<u>1,025,189</u>

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

	£
Market value as at 31 December 2010:	
European Investment Bank	155,577
Kreditanstalt Fur Wiederaufbau	<u>134,664</u>

7. DEBTORS

	2010	2009
	£	£
Income tax recoverable	952	952
Prepayments and accrued income	<u>12,640</u>	<u>6,535</u>
	<u>13,592</u>	<u>7,487</u>

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

8. CREDITORS

Amounts falling due within one year	2010	2009
	£	
Other creditors	25,051	15,708
Accruals	32,211	16,346
Grants payable	78,625	72,711
	<u>135,887</u>	<u>104,765</u>
Amounts falling due after more than one year		
Grants payable in 1 - 2 years	55,006	69,862
Grants payable in 2 - 5 years	-	67,639
	<u>55,006</u>	<u>137,501</u>

9. RESTRICTED FUNDS

	<i>Balance</i>				Balance
	<i>1 January</i>	Incoming	Resources	Gains	31 December
	<i>2009</i>	resources	expended	on	2010
				investments	
G P West Fund	13,895	-	-	-	13,895
AWF – Norman Hayward Fund	<u>1,452,762</u>	<u>451,392</u>	<u>14,649</u>	<u>39,606</u>	<u>1,929,111</u>
	<u>1,466,657</u>	<u>451,392</u>	<u>14,649</u>	<u>39,606</u>	<u>1,943,006</u>

G P West Fund

The GP West fund was established from a legacy received by the British Veterinary Association with the express purpose of providing funding for feline research. This fund is represented by net current assets.

Animal Welfare Foundation – Norman Hayward Fund

The Animal Welfare Foundation – Norman Hayward Fund is a separately constituted trust fund which was established in 1995 with the express purpose of providing funding for the general purpose and objects of the Foundation, but primarily for the welfare of sheep, cattle and horses. For this reason and the reasons explained in note 1 to the accounts the trustees of the Foundation consider this a restricted fund. Although the trust was set up in 1995 the Executors of the Estate forwarded distributions to the Foundation amounting to £407,768 between 1989 and 1995 which have been expended on projects in accordance with the donor's request. During 1996 the balance of the residuary legacy was transferred over to the trust which principally consisted of freehold land at probate valuation. The majority of the land's value was realised during 2006. However, an option sold on some of this land was not taken up by the purchaser and the land reverted to the Norman Hayward Fund during 2010. The surveyor valued all the land owned by the Norman Hayward Fund at the year end at £430,000.

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net current Assets £	Long-term Liabilities £	Total £
Restricted funds					
G P West Fund	-	-	13,895	-	13,895
Animal Welfare Foundation - Norman Hayward Fund	430,000	487,269	1,066,848	55,006	1,929,111
	430,000	487,269	1,080,743	55,006	1,943,006
Unrestricted funds					
General fund	-	651,435	266,927	-	918,362
	430,000	1,138,704	1,347,670	55,006	2,861,368