

**BRITISH VETERINARY ASSOCIATION
ANIMAL WELFARE FOUNDATION
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2008**

**BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2008**

Legal and Administrative Information

The British Veterinary Association Animal Welfare Foundation (otherwise known as BVA AWF) 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 2008:

Mr Carl Padgett BVMS CertCHP MRCVS Chairman - (Norman Hayward Trustee)
Mr Simon Adams BVM&S BSc MRCVS
Mr David Chennells VetMB MA CertPM MRCVS (Norman Hayward Trustee)
Dr Tiffany Cottrell BVMS MSc PhD DACVPM (epidemiology) CertWEL MRCVS RAVC (BVA AWF Treasurer)
Dr Pete Goddard BVetMed PhD MRCVS (Director, BVA AWF Trading)
Mrs Emma Goodman-Milne BVSc MRCVS – appointed 28th September 2008
Mr David Harwood BVetMed MRCVS – appointed 28th September 2008
Dr Wendy Harrison BSc BVetMed PhD MRCVS – retired 28th September 2008
Mrs Kate Kerr BVM&S DWEL MRCVS NSch – retired 28th September 2008
Prof Andrea Nolan MVB PhD MRCVS
Mr Pete Southgate BVetMed MSc MRCVS
Mr Andrew Trawford BVSc MSc MRCVS
Mr Sean Wensley BVSc MSc MRCVS

Mrs Nichola Paull BVSc MRCVS (BVA President) – appointed 28th September 2008
Mr Nick Blayney BVSc MRCVS (BVA Past President and Norman Hayward Trustee)
Mr David Catlow BVSc MRCVS (BVA Past President) – retired 28th September 2008

BVA AWF Administrative Staff

Ms Elizabeth Price (Full-time BVA AWF Administration Manager)
Mrs Henrietta Alderman (BVA Secretary General. As required)
Ms Clare Lynch (BVA Assistant Secretary General. As required)
Mr Derek Thorpe (BVA Head of Finance. As required)
Ms Victoria Watkins (BVA Marketing Manager. As required)

BVA AWF Agents and Advisors

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

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

Investment Advisors: HSBC Investments, 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, Smith's Farm, Yardley Road, Olney, Buckinghamshire, MK46 5EH

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Structure, Governance and Management

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

Thirteen unpaid Trustees, including the BVA President and Past President, manage the Foundation. New Trustees are recruited by annual elections.

New Trustees are given an induction pack, including the NCVO's Good Trustee Guide. Trustees are given a job description and any training needs, if identified, would be addressed.

Day to day management of the Foundation is delegated to the full time Administration Manager supported by the BVA Secretary General and Assistant Secretary General.

BVA AWF currently holds two separate funds:

The Norman Hayward Fund

The Norman Hayward Land is managed by an Agent appointed by the Trustees and by the three Norman Hayward Trustees.

The GP West Fund

The GP West Fund is a legacy left to the BVA by Geoffrey Philip West, the author of Black's Veterinary Dictionary, which was assigned by the Association to the BVA AWF.

Other Relationships

BVA AWF is a member of NCVO (National Council for Voluntary Organisations), The Associate Parliamentary Group for Animal Welfare (APGAW), and is an affiliate member of The Cat Group.

Aims, Objectives and Activities

Aim

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

Objects

The objects of the Foundation as stated in the 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.

These objects are achieved through research, debate and education and promotion.

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Strategy and Key Objectives

During 2005 the Trustees identified a set of five strategic objectives for the Foundation known as *The Way Forward Strategy*. The five broad objectives are:

- To fund welfare projects that have a practical and positive impact on animal welfare and are based on sound scientific veterinary principles.
- Stimulate debate, promote and develop welfare education and enhance welfare related teaching in the UK veterinary schools through the activities of the Foundation.
- Promote the mission, remit and achievements of the Foundation to the veterinary profession and the general public.
- Influence and contribute to the development of BVA welfare policy.
- Achieve financial stability and growth.

Key activities generated by the first four of these objectives are outlined in the following pages. The financial performance key objective is reviewed in the financial review section of this report.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

FUNDING INITIATIVES

Evaluating proposals

Trustees continued to use scoring sheets to allow a systematic and consistent method of evaluating funding applications. The scoring sheets ask 9 questions including: "Has the applicant and collaborator/s demonstrated their ability to carry out the proposed project?" and "To what extent does the proposal achieve the aims of the BVA AWF?" They are rated on a scale of 1-5 (1= poor and 5 = excellent) by each trustee.

The application forms and scoring sheets were reviewed and amended in 2008. Additions to the forms included sections requesting applicants to "Demonstrate how their proposal would raise the profile of the Foundation", "State explicitly how the work will improve the quality of life of animals" and ask "How might the project improve public understanding of animal welfare".

The 'additional information' form for projects over £20,000 was adjusted to include all requests over £10,000 and ask for more detail on project design and methods.

RESEARCH FUNDING INITIATIVES

The Foundation is committed to the improvement of animal welfare through funding research projects that the Trustees judge will have a positive and practical impact on the welfare of all animals.

Norman Hayward Fund Research Programme

Following the sale of a portion of land, the BVA AWF made a significant amount of research funding available under the Norman Hayward Fund in 2007. The fund is ring-fenced for research into the disease and welfare of sheep, cattle and horses and provides a fantastic opportunity for researchers, both academic and practice based, who can demonstrate that their research proposal would have a practical impact on the welfare of these animals.

During 2007 the Foundation advertised the fund widely through mailings, flyers, posters and adverts in order to attract the best possible proposals. In 2008, the Trustees' primary focus was to select suitable proposals for funding and had expected to make an announcement of successful applicants at the House of Commons reception in May 2008. The trustees were overwhelmed by the high number of good quality applications however, and were presented with a much bigger task than had been anticipated. Conscious of the need to fulfil both the wishes of the late Norman Hayward as well as the charity's own aims and objectives, trustees sought independent expert advice on a short list of applications.

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Educational tools for veterinary students

Following this detailed process, which concluded in November 2008, the trustees were delighted to have the opportunity to select the exciting and diverse project titled *Maximising Value of Extra-Mural Study Placements on Cattle, Sheep and Horse Units* for funding.

This three year project was developed by two of the BVA AWF lecturers in animal welfare and is intended to be in place for the academic year beginning in October 2009. It aims to develop and validate welfare and health planning assessment tools for cattle, sheep and horses that are appropriate for students on their Extra Mural Study placements and are designed to improve engagement and learning. Carefully considered teaching methods will also be developed to enhance ability of veterinary students to apply formal, scientifically valid, practical welfare assessment in the field and enable them to ethically appraise what they see and do.

Trustees are pleased to be associated with this project and are confident that the proposal will have a positive and lasting impact both on the undergraduate curriculum of all seven UK vet schools and on the welfare of these animals.

Future plans

Trustees intend to invite further proposals for funding under the Norman Hayward Fund on a rolling three time yearly basis. Trustees also agreed that seeking independent expert advice on the proposals had been worthwhile and that they would do so for future applications.

Welfare of Wildlife

In 2005, Trustees agreed to provide funding for the Garden Bird Health *initiative* (GBHi) for three years and completed its final year at the end of April 2008.

As a result of the GBHi team's investigation into the causes of garden bird mortality associated with feeding stations in gardens, best practice guidelines for the general public on feeding garden birds were published in 2006. During year two, copies of the GBHi leaflet and Best practice guidelines continued to be distributed by the BVA AWF and other organisations involved in the project and fact sheets on salmonellosis and other diseases were also made available to the general public.

In year three, the GBHi team continued to investigate the impact of trichomonosis on British garden birds. This parasitic disease was first diagnosed in British finches in 2005 and has caused epidemic mortality during the summer months of 2006 and 2007. The GBHi have logged hundreds of reports from the public to track the spread of the disease and provided advice on control measures to those experiencing outbreaks in their garden.

Equine Welfare

Laminitis is an extremely common and painful condition with major welfare implications for horses.

The Trustees funded a research project on laminitis based at the University of Edinburgh which ran from 2005-2007. The research team succeeded in their aim to seek a better method for routinely assessing the sensitivity of the feet of horses with laminitis by developing and validating a new hoof tester for measuring pain and for determining the effectiveness of old and new treatments for pain from the disease. The results of this study were presented at the BVA AWF Discussion Forum in May 2008.

The Trustees were also pleased to fund the British Equine Veterinary Association's ongoing study into acute pasture associated laminitis. A key element of this study was a major veterinary practice based study which began in early 2005, the study is due for completion in 2009.

Associated costs for these projects were reallocated to the Norman Hayward Fund and declared in an earlier financial year.

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DEBATE AND EDUCATION

Debate

Discussion Forum

As part of its aim to improve animal welfare through debate, the 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. The BVA's Ethics and Welfare Group and Veterinary Policy Group are then invited to take forward some of the issues raised for discussion as part of the BVA's policy making process.

The opening session "Put your money where your mouth is – can people afford animal welfare in food production?" covered the role of farmers in addressing welfare standards, consumer education and welfare labelling on supermarket products. Following this, the session "Designer animals or breeding for welfare?" saw Emma Milne arguing that the veterinary profession is indirectly condoning welfare issues caused by genetic malformations by accepting these conditions as the norm. The topic "Electrical aid or shock collar?" also generated lively debate.

Due to the increasing popularity of the event, the 2008 Forum was held at the Royal College of Physicians allowing for a much larger audience than in previous years. As ever, delegates' feedback was been extremely positive with one describing it "A good day and time well spent; excellent chairs and discussion" and the move to a new and larger venue was welcomed.

The evening reception on the House of Commons terrace was blessed by fine weather and attendance by MPs was good. This event continues to provide an ideal opportunity for Forum attendees to discuss the day's events with other and parliamentarians.

Future Plans

Topics for the 2009 Discussion Forum will include obesity in animals and a discussion on pedigree breeding issues from the point of view of the veterinary surgeon in the consultation room. Trustees also intend to generate interest overseas by including international speakers on the programme and inviting members of the BVA Overseas Group to the day.

Animal Welfare and the Interface with Disease: An International Symposium

BVA AWF trustees were pleased to provide sponsorship for a two day international symposium held at Bristol University in April 2008. Sessions covered the fundamentals of animal welfare, stress and disease, and considered how this scientific knowledge of animal welfare and disease could be implemented under commercial conditions. The symposium also brought together highly regarded speakers from the UK, Europe, and the United States from diverse yet related fields.

Education

The Foundation is committed to the improvement of animal welfare through educational initiatives. The following is an outline of the major initiatives in welfare education undertaken during 2008.

BVA AWF Lectureships

Funding of the BVA AWF four year lectureship project at veterinary schools in Bristol, Glasgow and Liverpool ceased in 2008. Trustees were therefore delighted to receive assurances from all three universities that the BVA AWF lectureship would continue, in perpetuity, beyond the seed funding provided by the Foundation. In strengthening welfare teaching in UK vet schools, trustees are confident that these posts will continue to have positive repercussions on animal welfare.

Associated costs for the BVA AWF lectureships were declared in an earlier financial year.

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Future Plans

The BVA AWF lecturers will continue to work on collaborative projects to bring welfare teaching in universities and the work of the Foundation to prominence through initiatives such as the Norman Hayward funded study *Maximising Value of Extra-Mural Study Placements on Cattle, Sheep and Horse Units*. The lecturers will make presentations on welfare education at the BVA AWF Discussion Forum 2009 and will also continue to be involved in other BVA AWF activities such as the Welfare Forum for students and the Ethics and Welfare Group.

BVA AWF Welfare Forum for Students

Building on the success of previous years, an unprecedented 100% of final year students attending the BVA Animal Welfare Foundation Welfare Forum rated the 2008 event as "Excellent" in an anonymous feedback questionnaire.

The annual Forum, which is held in Lancaster before the start of the BVA/SPVS Final Year Seminar, allows students to consider ethical dilemmas that they are likely to face when working in different types of veterinary practice. With the input of tutors from the BVA AWF, Dogs Trust, PDSA, private practice, government and a vet from the research animal sector, the students are encouraged to consider the differing viewpoints of stakeholders in a variety of real-life scenarios, together with relevant legal frameworks, their own ethical position and the animal welfare science underpinning their considerations of the animals' quality of life. Following discussions of the scenarios in small groups comprised of students from different vet schools, the participants then present their conclusions as role-plays to the rest of the group – frequently to great comic effect!

Student comments in the post-event questionnaire included "I thought the Forum was an excellent way to get us thinking more about animal welfare, and the role of vets in animal welfare. It was also a great opportunity to discuss welfare-related topics and see how we and peers would deal with various situations." Another commented that the Forum was "a brilliant, practical insight in to the wide world of animal welfare."

Future Plans

Trustees are delighted to report a pledge of funding from the Jean Sainsbury Animal Welfare Trust (JSAWT) for the forum in 2009 and intend to increase the number of participants. Trustees are also pleased to welcome a JSAWT trustee as a tutor in 2009.

BVA AWF Educational Resources

The BVA AWF trustees believe that education is key to the improvement of the welfare of all animals. To this end, trustees are working to expand the charity's base of educational leaflets as well as online resources and posters aimed at veterinary nurses, students and the general public.

Caring for your ferret

Trustees launched their latest information leaflet, *Caring for your ferret* in early 2008. Produced in conjunction with the Ferret Research & Education Trust (FERT) this leaflet is a practical guide designed to help owners give the very best care for their pet ferrets. Covering the basics such as housing, feeding, health care and toilet training, the guide also offers advice on 'ferret-proofing' your home and garden, advice on games, and, very importantly, breeding, neutering and vaccination.

Due to overwhelming demand, the leaflet went to its second print within 6 months of being published.

Practical animal handling online tutorial

In spring 2008, the BVA AWF trustees were delighted to announce the launch of a web based tutorial on practical animal handling, prepared in conjunction with Newcastle University.

The tutorial is primarily aimed at veterinary students and nurses. It features videos of expert veterinary staff demonstrating the correct procedures for handling small animals for clinical examination and medication and its aim is to show that the primary consideration should be for the welfare of the animal. The tutorial is available on the BVA AWF website and BVA's VETS.TV.

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Bat care guidelines

The BVA AWF is working in partnership with the Bat Conservation Trust (BCT), RSPCA and the RCVS Trusts on a new initiative focusing on the rehabilitation of wild bats in the UK. The BCT has developed the Bat Welfare (Care and Rehabilitation) Project aiming to set out best practice and deliver training to anyone treating and caring for bats.

Supported by BVA AWF funding, the BCT produced Bat Care Guidelines which were published in 2008. The guidelines are aimed at veterinary professionals, wildlife hospitals and rehabilitators. The document is split into basic sections including 'health and safety', 'rescue and collection' and 'ailments and treatments' which aim to provide minimum guidelines for bat care. Copies of the guidelines were sent to all UK veterinary surgeons.

Associated costs for this project were declared in an earlier financial year.

DVD - disbudding of kid goats

The Goat Veterinary Society (GVS) launched a DVD designed to help veterinary practitioners to disbud goats in July 2008. The DVD is a guide for veterinary surgeons on the best technique for disbudding kid goats from start to finish - it discusses anatomical considerations, methods of anaesthesia and analgesia and disbudding. Particular attention is drawn to the regulatory aspects of anaesthesia of and disbudding of kid goats, as they currently apply in the UK.

Produced in association with the BVA AWF the DVD is in memory of the late Mike Teale MRCVS, following a donation from the Teale family.

2nd edition Pets and Poisons leaflet

Trustees were pleased to launch an update of the popular *Pets and Poisons - Keeping Your Animals Safe* leaflet which was first produced in 2004.

The leaflet was produced in conjunction with the Veterinary Poisons Information Service (VPIS) and provides a valuable and easy reference guide for owners on preventing poisoning in the home, in the garden or in open spaces along with advice on what to do if you think your animal has been poisoned.

2nd edition Free-range poultry diseases poster

Trustees were delighted to make the 2nd edition of the "Free-range poultry diseases" poster available for veterinary surgeons and members of the general public.

The poster is valuable source of information on diseases affecting Exhibition Chickens, Hens, Ducks, Geese, Turkeys, Ornamental Pheasants, Guinea Fowl and Peacocks. It details symptoms of disease, causes, treatments and species affected and has been revised and updated by our charity using information supplied by Victoria Roberts, Honorary Veterinary Surgeon to the Poultry Club. The poster was included in a mailing to all BVA members in early 2008.

What makes my pet happy? and Taking your pets abroad

These leaflets were both revised and updated in 2008. They continue to be extremely successful and demand for each show no sign of abating.

Future Plans

Following the success of the BVA AWF's leaflets, the Trustees intend to continue to expand and promote the Foundation's portfolio of educational resources. It is intended that at least one new educational leaflet for the general public will be produced during 2009.

Influence and contribute to the development of 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. There are no associated costs of this function at present.

During 2008 the following activity occurred:-

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Shock collars

The content and outcomes of the annual BVA AWF Discussion Forums represent the key area in which the Forum can influence policy. Following the event in 2008, the Ethics and Welfare Group (EWG) discussed the topic of electric shock collars and training aids. The EWG is currently in the process of updating the BVA's position documents on training aids and contributing to the Welsh Assembly consultation paper on shock collars. Further involvement on the matter will follow the publication of Defra's research study in 2010.

Breeding in dogs

The topic of "Designer animals or breeding for welfare?" also featured at the 2008 Forum. This was included as a direct result of the ongoing concerns within the veterinary profession about genetically inherited problems within the pedigree dog population: a topic that received considerable media attention throughout 2008. The debate led to the development of the BVA calling for an independent review of the breeding of all dogs as well as the permanent identification of all registered pedigree dogs.

Future Plans

While the charity does not have a political agenda, trustees do feel that it is within their remit and capacity to take the lead on educating the general public on welfare issues. As such, trustees intend to host a stakeholder meeting to discuss possible practical solutions to the problems associated with breeding in dogs and to establish how and where stakeholders can collaborate. The trustees also plan to revisit this topic from the point of view of veterinary surgeons faced with challenging ethical issues in the consulting room at our Discussion Forum in 2009.

Members of the BVA committees are invited to, and made aware of the outcomes, of the annual Discussion Forums. It is likely that there will be a particular focus on breeding in dogs and obesity in animals in 2009.

PROMOTION

The aims, achievements and activities of the Foundation are regularly promoted in BVA publications. The Foundation also aims to maximise the potential for legacy income through advertising in a number of legal journals.

Market Research

Towards the end of 2007 the Trustees agreed to commission a consultant in order to establish the Foundation's target audience through market research. The outcomes of the research would be used to direct further action with regards to advertising strategy and future re-branding with a view to re-launching the BVA AWF. At the Trustees' meeting in November 2008 a representative from TDA Consulting presented an interim report on the research carried out to date, which had taken the form of two focus groups and six in depth interviews. An online survey to 2,000 BVA members will take place in early 2009 in order to quantify these results.

Future plans

Trustees had intended to re-examine their advertising strategy following the market research survey in 2008, however due to delays with the research this process will now take place following a presentation of the research results in May 2009.

BVA Congress 2008

BVA Congress is a significant event in the veterinary calendar. Instead of sponsoring a contentious issue animal welfare, as in previous years, in 2008 the BVA AWF paid for a stand in the exhibition hall as they felt this as better use funds in terms of raising the profile of the BVA AWF. The Congress provided an ideal opportunity to showcase the BVA AWF and distribute leaflets and other material produced.

Trustees were also pleased to raise £1,427 through the raffle at the BVA Congress Banquet in London in September 2008. The winner won a tour of the Houses of Parliament and lunch for two with Gavin Strang MP.

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AVS and BSAVA congress

Each year, the BVA AWF makes its stand and literature available at the Association of Veterinary Students (AVS) and British Small Animal Veterinary Association (BSAVA) congresses.

Hartpury College Graduation Ceremony

The Foundation is delighted to sponsor three prizes for graduates at Hartpury College in Gloucestershire each year. The BVA AWF trophies were presented to the top FdSc Animal Behaviour and Welfare Student; the top BSc Animal Behaviour and Welfare Student and the top Veterinary Science/ Health Studies Student at their graduation ceremony in November 2008.

BVA AWF Website

The website was designed by an outside consultancy and the BVA AWF Administration Manager is responsible for its content. Visitor numbers are increasing at a steady pace and members of the public and veterinary surgeons are using the site to learn more about the Foundation's work but also to download or request our educational leaflets and posters.

The site also outlines the process for applying for funding, the guidelines for applicants and the terms and conditions that apply to recipients of funding, which were introduced 2006. Applicants may apply for funding online and this facility was used by the majority of those that applied in recent years. The BVA AWF website is under continuous development and a thorough review will take place following the market research recommendations.

BVA AWF Annual Report

A glossy, modern Annual Report on the Foundation's activities for 2007 was distributed to BVA members, donors and supporters, parliamentarians and other organisations and individuals with an animal welfare remit or interest during 2008. The Annual Report was also used to promote the aims and achievements of the Foundation at BVA and BVA AWF events.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Declaration of intentions

Trustees agreed that the Foundation would comply with paragraphs 8 and 9 of the Trust Deeds which state that new Trustees will sign a memorandum of their appointment. New Trustees are required to make a signed declaration of their intentions to act in the interests of the Foundation.

Term of office

A maximum term of office for Trustees is set at three years renewable once. There is a rotational system based on length of tenure for Trustees. A Trustee job description and an induction pack are given to new Trustees on their appointment.

Two new trustees were appointed in 2008 and one further place will be advertised in 2009.

Risk assessment

Trustees recently approved a risk assessment document which outlines potential governance and management, operational and financial risks and the steps to be taken in order to mitigate those risks. The document also addresses issues of non compliance with law and regulation and external/environmental factors which could impact on the Foundation. This document is kept under regular review by the trustees.

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FINANCIAL REVIEW, INVESTMENTS AND RESERVES POLICY

Total reserves decreased during the year by £235,593. The reserves can be split between the unrestricted funds and the restricted funds.

Unrestricted Funds

The total value of the unrestricted funds decreased during the year by £83,623 to £766,152.

The net incoming resources during 2008 were £159,089, which is 9% down on 2007's level. Income from legacies was similar to 2007 and accounted for almost three-quarters of the income for the year and highlights the importance to the charity's on-going financial wellbeing. The other main source of income during 2008 was the returns generated from the charity's investment portfolio, which fell by 27% due to the fall in interest rates and the general economic climate.

The total expenditure for the year was £119,572 which is significantly up on 2007's level, although 2007 saw a large write back due to projects that came in at a lower cost than had previously been agreed. The underlying level of expenditure was similar year on year. 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. Whilst much of the on-going activities of the Foundation continue to be financed, as described previously in this report, less than £10k was spent on new projects. As detailed previously, a market research company has been appointed in order to draw up a fundraising strategy for the future.

Investments

There were total losses from the investment portfolio of £123,140 due to the fall in the valuation of the investments. Total income generated from the portfolio and cash reserves was £34,789. 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 2008 the total return of -13.3% was only marginally below the APCIMS Index of -12.9%.

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. As described previously, the trustees have also commissioned market research in order to formulate a long term fundraising strategy for the Foundation.

Restricted Funds

AWF Norman Hayward Fund: The reserves as at the year end had decreased by £151,970 to £1,416,985.

Income totalled £76,656 primarily from investment income – the trustees transferred £500,000 to HSBC Investment Management under the terms outlined above. There were losses from the portfolio totalling £21,797 due to the fall in the valuation of investments. The total return from the investment portfolio of -3.1% for the 6 months since the money was transferred was ahead of the APCIMS Index of -6.4%. There was also a small amount of income generated from grazing rights on the balance of land, totalling £1,792.

Expenditure totalled £206,829. The main item was the award of a grant to the BVA AWF funded lecturers at Bristol and Glasgow for a project looking at maximising the value of EMS placements on cattle, sheep and horse units.

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Having invested £500k of this fund the balance 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.

G P West Fund: The value of this fund remained at £13,895 and the trustees are advertising on the BVA AWF website for suitable feline projects.

On behalf of the Trustees

Chairman

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION

We have audited the financial statements of the British Veterinary Association Animal Welfare Foundation for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors 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 the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 December 2008 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Horwath Clark Whitehill LLP

Chartered Accountants and Registered Auditors

Date

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Unrestricted £	Restricted £	2008 £	2007 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Legacies		117,230	-	117,230	120,489
Donations (including Gift Aid)		5,643	-	5,643	4,215
Activities to generate funds:					
Fundraising income		1,427	-	1,427	2,666
Investment income and interest	2	34,789	74,864	109,653	129,261
Other income					
Gain on sale of land		-	-	-	56,886
Other income		-	1,792	1,792	2,091
Total Incoming Resources		159,089	76,656	235,745	315,608
RESOURCES EXPENDED					
Cost of generating funds					
		29,719	4,410	34,129	34,200
Charitable activities					
Research projects		4,500	-	4,500	(15,712)
Debate and education		37,962	198,528	236,490	3,855
Promotion		22,500	1,145	23,645	17,444
Governance costs		24,891	2,746	27,637	35,122
Total Resources Expended	3	119,572	206,829	326,401	74,909
Net (Outgoing)/Incoming Resources before investment gains		39,517	(130,173)	(90,656)	240,699
Gains/(Losses) on investments					
Realised		(8,422)	(1,442)	(9,864)	7,296
Unrealised		(114,718)	(20,355)	(135,073)	4,299
Net Movement in Funds		(83,623)	(151,970)	(235,593)	252,294
Funds brought forward 1 January 2008		849,775	1,582,850	2,432,625	2,180,331
Funds carried forward 31 December 2008		766,152	1,430,880	2,197,032	2,432,625

The notes on pages 16 to 22 form part of these financial statements

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible Fixed Assets	5	-	-
Investments	6	<u>986,351</u>	<u>744,938</u>
		<u>986,351</u>	<u>744,938</u>
CURRENT ASSETS			
Debtors	7	<u>109,976</u>	88,457
Cash at bank		<u>1,346,992</u>	<u>1,801,108</u>
		<u>1,456,968</u>	1,889,565
CREDITORS: Amounts falling due within one year	8	<u>(117,970)</u>	<u>(197,878)</u>
Net current assets		<u>1,338,998</u>	<u>1,691,687</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,325,349	2,436,625
CREDITORS: Amounts falling due after more than one year	8	<u>(128,317)</u>	<u>(4,000)</u>
NET ASSETS		<u>2,197,032</u>	<u>2,432,625</u>
FUNDS			
Restricted funds	9	<u>1,430,880</u>	1,582,850
Unrestricted funds		<u>766,152</u>	<u>849,775</u>
		<u>2,197,032</u>	<u>2,432,625</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf on 13th May 2009

} Trustee

The notes on pages 16 to 22 form part of these financial statements

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES ON THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2008

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 in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities, (SORP 2005).

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 fund has been notified of its legal right based on a reasonable estimate of the value.

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 and other 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.

h) Freehold land

The freehold land is stated at probate valuation less any impairment. The trustees carry out an impairment review of the value of the property annually and regular professional valuations are undertaken. Any diminution in the value of the property is recognised in the Statement of Financial Activities as soon as it becomes apparent.

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 DECEMBER 2008

1. ACCOUNTING POLICIES

i) 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. Net realised and unrealised gains and losses are reflected in the statement of Financial Activities.

j) Subsidiary undertaking

The Charity has a wholly owned subsidiary, BVA:AWF Trading Limited, whose principal activities were the provision of an affinity credit card and trading merchandise on behalf of the parent charity.

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

2. INVESTMENT INCOME

	2008 £	2007 £
Dividends	31,339	31,850
Interest on cash deposits	78,314	97,411
	109,653	129,261

3. RESOURCES EXPENDED

	Staff costs £	Grants payable £	Direct costs £	Support costs £	2008 Total £	2007 Total £
Cost of generating funds	5,425	-	27,752	952	34,129	34,200
Charitable activities						
Research projects	-	-	4,500	-	4,500	(15,712)
Debate and education	17,364	179,681	36,406	3,039	236,490	3,855
Promotion	15,194	-	5,769	2,682	23,645	17,444
Governance costs	16,278	-	8,498	2,861	27,637	35,122
Total resources expended	54,261	179,681	82,925	9,534	326,401	74,909

Allocation of support costs

	Printing, postage and stationery	General expenses	Total
Cost of generating funds	139	813	952
Charitable activities			
Research projects	-	-	-
Debate and education	441	2,598	3,039
Promotion	401	2,281	2,682
Governance costs	422	2,439	2,861
Total support costs	1,403	8,131	9,534

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 DECEMBER 2008

3. RESOURCES EXPENDED (Continued)

Analysis of current year direct costs	2008	2007
	£	£
Cost of generating funds		
Advertising and raffle	6,183	4,539
Commission on grazing fees and associated legal fees	(438)	311
Legacy agent and associated legal fees	1,165	976
Fundraising consultant	10,127	-
Investment manager's fees	10,715	3,249
	<u>27,752</u>	<u>9,075</u>
 Research Projects		
Garden Bird Health Initiative	<u>4,500</u>	<u>-</u>
 Debate and education		
Discussion forum AWF Divisional Reps	18,345	14,807
Welfare forum for students	6,517	7,034
BATS welfare project	-	4,450
On-line tutorials : University of Newcastle	-	3,500
Educational leaflets and posters	6,947	3,522
DVD : Disbudding of Goats	2,044	-
International Farm Animal Welfare Symposium	2,553	-
Society for Experimental Biology : Animal Physiology	-	1,000
GUVMA Animal Welfare Symposium	-	597
	<u>36,406</u>	<u>34,910</u>
 Promotion		
Veterinary events	649	1,351
BVA:AWF website costs	1,021	1,401
Annual Report	4,099	3,999
	<u>5,769</u>	<u>6,751</u>
 Governance costs		
Audit fee	4,078	3,980
Trustee expenses	4,420	5,961
	<u>8,498</u>	<u>9,941</u>
 Total	<u>82,925</u>	<u>60,677</u>

Staff costs

An average of 2 (2007: 2) 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 £54,261 (2007 £62,645).

The trustees did not receive any remuneration during the year (2007: nil). Expenses relating to travel and subsistence of £4,420 (2007: £5,961) were paid by the Foundation. These were paid to 13 trustees (2007: 13).

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 DECEMBER 2008

4. GRANTS PAYABLE

	2008	2008	2007	2007
Reconciliation of Grants Payable:	£	£	£	£
Commitments at 1 January 2008		131,000		398,199
Grants not accrued at 1 January 2008	-		-	
Grants approved/(released) in the year	179,681		(68,152)	
Grants not accrued at 31 December 2008	-		-	
		<u>179,681</u>		<u>(68,152)</u>
Grants payable for the year		179,681		(68,152)
Grants paid during the year		<u>(96,816)</u>		<u>(199,047)</u>
Commitments at 31 December 2008		<u>213,865</u>		<u>131,000</u>
Grants Approved/(Released) in the year were made up of the following institutional grants:				
GP West grant to Feline Advisory Bureau	-		(12,850)	
AWF Lectureships	(9,184)		(52,440)	
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.	188,865		-	
University of Edinburgh	-		(2,862)	
		<u>179,681</u>		<u>(68,152)</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. The trustees consider the remaining land to be of negligible value as they do not expect a sale for the foreseeable future, with any such sale likely to incur significant professional fees.

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 DECEMBER 2008

6. INVESTMENTS

	2008	2007
a) Market Value	£	£
1 January 2008	744,938	699,598
Additions	603,078	76,441
Disposals at opening market value (proceeds £216,728)	(226,592)	(35,400)
Net unrealised investment gains/(losses)	(135,073)	4,299
	<hr/> 986,351	<hr/> 744,938
Market value at 31 December 2008		
	<hr/> 986,254	<hr/> 605,277

Cost represents market value on 12 May 1983 (date of the deed establishing the Foundation), or subsequent purchase costs.

b) Investments comprise the following:

	2008		2007	
	Market Value	Cost	Market Value	Cost
	£	£	£	£
Listed investments				
Government and fixed interest stocks	453,321	427,249	312,875	312,044
Equity shares				
UK	419,822	460,119	344,168	232,159
Other	113,208	98,886	87,895	61,074
	<hr/> 986,351	<hr/> 986,254	<hr/> 744,938	<hr/> 605,277

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

	£
Market value as at 31 December 2008:	
European Investment Bank	86,986
Kreditanstalt Fur Wiederaufbau	191,023

7. DEBTORS

	2008	2007
	£	£
Income tax recoverable	952	702
Other Debtors	20,433	-
Prepayments and accrued income	88,591	87,755
	<hr/> 109,976	<hr/> 88,457

At the year end the Foundation had been notified of its entitlement to legacies of approximately £Nil (2007: £Nil) that are not included within these financial statements.

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 DECEMBER 2008

8. CREDITORS

Amounts falling due within one year	2008	<i>2007</i>
	£	
Other creditors	12,977	<i>21,097</i>
Accruals	19,445	<i>49,781</i>
Grants payable	85,548	<i>127,000</i>
	<u>117,970</u>	<i><u>197,878</u></i>
Amounts falling due after more than one year		
Grants payable in 1 - 2 years	62,336	<i>4,000</i>
Grants payable in 2 - 5 years	65,981	<i>-</i>
	<u>128,317</u>	<i><u>4,000</u></i>

9. RESTRICTED FUNDS

	<i>Balance 1 January 2007</i>	Incoming resources	Resources expended	Gains/(losses) on investments	Balance 31 December 2008
G P West Fund	<i>13,895</i>	-	-	-	13,895
AWF – Norman Hayward Fund	<i><u>1,568,955</u></i>	<u>76,656</u>	<u>206,829</u>	<u>(21,797)</u>	<u>1,416,985</u>
	<i><u>1,582,850</u></i>	<u>76,656</u>	<u>206,829</u>	<u>(21,797)</u>	<u>1,430,880</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.

BRITISH VETERINARY ASSOCIATION ANIMAL WELFARE FOUNDATION
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 DECEMBER 2008

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	-	392,702	1,152,600	128,317	1,416,985
	<u>-</u>	<u>392,702</u>	<u>1,166,495</u>	<u>128,317</u>	<u>1,430,880</u>
Unrestricted funds					
General fund	-	593,649	172,503	-	766,152
	<u>-</u>	<u>986,351</u>	<u>1,338,998</u>	<u>128,317</u>	<u>2,197,032</u>