

THE KENNEL CLUB CHARITABLE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

REGISTERED CHARITY NO. 327802

THE KENNEL CLUB CHARITABLE TRUST

REGISTERED CHARITY NO. 327802

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

CONTENTS

TRUSTEES' REPORT	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	7
AUDITORS' REPORT	8
STATEMENT OF FINANCIAL ACTIVITIES	11
BALANCE SHEET	12
NOTES ON THE FINANCIAL STATEMENTS	13

THE KENNEL CLUB CHARITABLE TRUST
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2019

The Kennel Club Charitable Trust is a registered charity (No. 327802) and is governed by its Trust Deed dated 3 May 1988.

Patron

HRH The Duchess of Cornwall is the Trust's Patron.

Vice-President

Sir John Spurling KCVO OBE is the Trust's Vice-President.

Trustees

The following have been the Trustees throughout the period covered by the attached financial statements (except where stated):

Revd W King (Chairman) – appointed 20 January 2020
Professor S P Dean – resigned 20 January 2020
Mrs J Millard
Professor M Herrtage
Dr Andrew Higgins
Mr Graham Hill

The Trustees receive no remuneration or benefits from their position, but their expenses connected with the Trust are reimbursed by the Kennel Club Limited (see note 3 to the financial statements).

Ambassadors

The following have been Ambassadors for the Trust throughout the year (except where stated):

Mr R Morland	East Anglia
Mrs I E Terry	South East
Mr M L Vines	Gloucestershire/Avon
Mr A R J Morgon	South Wales
Mr S Jones	North Wales
Mrs M Hennis	Scotland

When called upon, the Ambassadors represent the Trust whenever appropriate (for example, ceremonially accepting donations to the Trust or inspecting applicants for grants who are unknown to the Trustees). In these ways the existence and Objects of the Trust can be made known to a wider audience, and the reputation of the Trust can be protected.

Administration Details

The Principal Office of the Trust is:

The Kennel Club Limited
10 Clarges Street
Piccadilly
London W1J 8AB

THE KENNEL CLUB CHARITABLE TRUST
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2019

Bankers:

Barclays Bank plc
Barnet and Hampstead Business Centre
London N20 0WE

Clydesdale Bank plc
3 The Chase
John Tate Road
Hertford
SG13 7NN

Metro Bank plc
One Southampton Row
London
WC1B 5HA

Auditors:

BDO LLP
55 Baker Street
London
W1U 7EU

Investment Advisors:

CCLA Investment Management Ltd
80 Cheapside
London EC2V 6DZ

THE KENNEL CLUB CHARITABLE TRUST
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2019

Charitable Objectives

The Objects of the charity are:

1. To promote the advancement of education and science by furthering research into canine diseases and hereditary disorders of dogs.
2. To promote the quality of life of human beings by promoting dogs as therapeutic and practical aids to humans.
3. To promote the relief of suffering of dogs which are in need of care and attention.

These Objectives have applied since the foundation of the Trust in 1988.

Financial statements

The accompanying financial statements cover the year ended 31 December 2019.

The trustees have reviewed the financial position as at the date of this trustees' report and the ability of the Trust to continue to operate as a going concern over at least the next year. In carrying out this review the trustees have noted that the Trust holds reserves in cash or other assets easily realised into cash representing three years' expenditure. There are no plans to significantly alter the scale of the Trust's commitments and, whilst the effect of the Covid-19 pandemic has had an adverse effect on the Trust's investment portfolio, the trustees do not anticipate any long-term material change to the level of reserves as a proportion of annual expenditure. On this basis the trustees consider that the going concern basis, on which the accounts are prepared, is appropriate and that the company will be able to continue its operation for the foreseeable future.

Review of the year and future developments

The Trust's total outgoings for 2019 were £655.5K (2018- £631.9K). Of these totals £624.8K (2018 - £596.8K) represented grants made by the Trust.

The Trust's income has been largely provided by The Kennel Club Limited and by Agria Pet Insurance, but also by numerous individual supporters and a number of canine show societies. In 2019 the Kennel Club did not donate (2018 - £405K) to the Trust and the trustees are taking steps to broaden the Trust's sources of income. Total income was £297K compared with £763K in 2018.

Thus there was a net outflow of £359K (2018 - net inflow £131K). Together with a net unrealised gain on the value of investments amounting to £275K (2018 – loss of £44K), overall funds decreased by £83K, whereas in the prior year there was an increase of £87K.

The Trustees met on four occasions during the year to consider the business of the Trust and the making of grants.

Scientific grants amounted to £333K, the largest beneficiary again being to support the Kennel Club Genetics Centre at the Animal Health Trust. The Trustees note with sadness the appointment of liquidators to the Animal Health Trust in July 2020. The Trustees have moved swiftly since then to seek to secure the scientific value of Animal Health Trust work funded by grants from the Trust, as well as negotiating new grants with other research bodies to continue this important work. Prior to the Animal Health Trust's demise, the Trustees had also suspended grant payments in order to protect the Trust's assets to ensure they could be deployed to optimal public benefit. Non-scientific grants amounted to £94K, made to a total of 17 recipient bodies, including those nominated by the finalists in the Eukanuba/Kennel Club Friends for Life competition, and those breed rescue societies whose photographs were accepted for inclusion in the KCBR calendar for 2019. Details of all grants made are shown in Note 2.

Investments and Cash Balances

The Trustees, advised by their professional investment advisors, follow an investment policy which seeks balanced income and capital growth, with a moderate attitude to risk, and within ethical parameters which they have defined. The Trust's investments are represented by Units in CCLA's Charities Investment Fund.

THE KENNEL CLUB CHARITABLE TRUST

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2019

There was no change in the content of the Trust's investment portfolio during 2019. The market value of the holdings increased during 2019 by £275K (18%). With an income yield of 3.09%, the total return was therefore approximately 21%. Since the year end, as a result of the response of investment markets to the Covid-19 pandemic, the value of the Trust's investment portfolio has fallen markedly and, at 30 June 2020 had fallen by 1 % to £1,799 K.

CCLA, the Trust's investment managers and advisers, have a benchmark of achieving an inflation (RPI) adjusted total return of an average of 5% pa over the business cycle (5-7 years); and also measure their performance against a composite comparator index.

The Trust's cash balances decreased over the year by £361 8K (2018: increase of £153.3K), reflecting the income and expenditure deficit for the year reported above.

Reserves

The Trust's reserves decreased by £83K to £ 2,316.1K (2018 - £2,399.4K). The trustees consider this level of reserves to be necessary for two reasons, firstly that the Trust relies on its investment portfolio to drive income and other investment returns which support its grant making capacity and, secondly, that it can no longer rely (at least for the short to medium term) on the scale of donations it has enjoyed from The Kennel Club Limited in the past and, as such, the Trust needs to draw on its reserves to give time to broaden its income base.

The Trustees wish to see the level of the Trust's support increase over the next few years, and to be in a position to meet such requests as are considered worthy of support. This is particularly so in respect of the welfare objective of the Trust, given an increasing emphasis on breed rescue, in addition to general welfare groups.

In consequence of the above, the Trustees seek in the long term to hold an amount of at least two years' future grants in reserves. As at 31 December 2019, reserves represented approximately 3 years of future grants. The Trustees are satisfied that the level of reserves is not only adequate, but remains appropriate.

Risks

The Trustees have during the year reconsidered the major risks to which the Trust may be exposed and concluded that they have in place controls which could reasonably be expected to manage and control (but not eliminate) those risks, and thus protect the financial and reputational standing of the Trust. The Trust has been adversely impacted by the Covid-19 pandemic through the impact on its investment portfolio as reported above. It has also during 2020 been in a position to support community dog welfare charities which have been adversely impacted by the pandemic to the tune of grants of over £50K.

Grant making policy

All applications are fully considered by the Trustees against specific criteria and with the support of specialist advice where appropriate. The latter includes peer review of substantial scientific applications. Grants are approved by the Trustees collectively. Generally, applications purely for building costs, or requests from individuals or from organisations whose concern is not predominantly with the dog do not receive favourable attention.

The Trust's work is advertised through the Kennel Club website, in the Kennel Club Journal and by direct contact with individuals, societies and universities, as well as in the Directory of Grant Making Trusts and other listings of charities. The Trust has also worked with the Our Dogs publication to promote its work. Furthermore, the Trustees are continuing their attempts to develop wider publicity programmes, including at Crufts, in order to bring the Trust's activities to a wider audience, of both benefactors and applicants for the Trust's funding. A revised legacy document was published in 2014.

Recruitment, induction and training of Trustees

The policy for recruitment of new Trustees is to consider nominations from the existing Trustees and from the Board of the Kennel Club Limited. Induction and training is conducted by encouraging a potential Trustee to attend a "trial" meeting of the Trustees, and by providing copies of the Trust Deed, the latest accounts and Minutes, and the Charity Commission's booklet "The Essential Trustee". Where the individual is inexperienced in the role of being a Trustee, one-on-one training is provided.

THE KENNEL CLUB CHARITABLE TRUST
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2019

Where and when necessary, and particularly where new requirements for Trustees are introduced by law and/or the Charity Commission, attendance at seminars or individual tuition is arranged.

Public Benefit

The Trustees are fully aware of the Charity Commission's requirements on the subject of public benefit.

The whole purpose of the Trust is to improve the health and welfare of dogs, and to provide healthy and trained canine companions as companionable aids to human beings.

The Trust accepts grant applications across a broad base, within the confines of the UK and within the Objects of the charity. It operates an open process, assessing applications on the basis of credibility of the applicant, the assessed efficiency of the proposed object for support and the likely ability of the recipient to fund themselves on a continuing basis.

Estimates of the number of dogs in the UK range from six to ten million. This includes pedigree, purebred, crossbreed and mongrel dogs - the Trust makes no distinction as regards the recipients of its funding.

The list of grants in Note 2 indicates the breadth of institutions supported, and Press Releases expand on some of these case studies.

The Trustees believe that the Trust clearly provides a public benefit, without discrimination, and that each of its Objects incorporates this feature in positive terms.

Thanks

The Trustees wish to thank HRH The Duchess of Cornwall for her continuing interest and support; Sir John Spurling for his encouragement and expertise in his role as Trustee and subsequently Vice-President; the Trust's Ambassadors; all donors, including especially the Kennel Club and Agria Pet Insurance; and all the recipients of our grants who work for the benefit of dogs and their health and welfare. With us, they help "make a difference for dogs".

On behalf of the Trustees:



Revd W H King

Trustee

Date 7th September 2020

THE KENNEL CLUB CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102.

Charity law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping 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 2011 and regulations made thereunder. 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE KENNEL CLUB CHARITABLE TRUST

Opinion

We have audited the financial statements of The Kennel Club Charitable Trust ("the Charity") for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: The Trustees' Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE KENNEL CLUB CHARITABLE TRUST *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept the Charity; 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.

Responsibilities of Trustees

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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act[s] and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. 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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE KENNEL CLUB CHARITABLE TRUST *(continued)***

Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

THE KENNEL CLUB CHARITABLE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2019

	<u>Notes</u>	<u>2019</u> Unrestricted £	<u>2019</u> Restricted £	<u>2019</u> Total £	<u>2018</u> Total £
INCOME					
Donations received		95,556	106,822	202,378	661,956
Donations in kind					
Costs borne by the Kennel Club	3	38,017	-	38,017	43,772
Deposit interest		1,053		1,053	3,023
Interest and dividends on investments		55,527	-	55,527	53,941
		<hr/>	<hr/>	<hr/>	<hr/>
		190,153	106,822	296,975	762,692
		<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURE					
Charitable expenditure					
Promotional costs borne by the Kennel Club	3	30,821	-	30,821	35,148
Scientific and Research project support	2	333,009	197,520	530,529	467,830
Other grants made - general	2	94,231	-	94,231	129,015
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURE		458,061	197,520	655,581	631,993
		<hr/>	<hr/>	<hr/>	<hr/>
Unrealised gain on investment assets	4	261,505	13,763	275,268	(43,758)
		<hr/>	<hr/>	<hr/>	<hr/>
NET EXPENDITURE FOR THE YEAR		(6,403)	(76,935)	(83,338)	86,941
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 1 January 2019		1,857,751	541,672	2,399,423	2,312,482
		<hr/>	<hr/>	<hr/>	<hr/>
at 31 December 2019		1,851,348	464,737	2,316,085	2,399,423
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All amounts arise from continuing activities.

All gains and losses in the year are included in the Statement of Financial Activities.

The notes on pages 13 to 19 form part of these accounts.

THE KENNEL CLUB CHARITABLE TRUST
BALANCE SHEET
AS AT 31 DECEMBER 2019

	<u>Notes</u>	£	<u>2019</u>	£	£	<u>2018</u>	£
FIXED ASSETS							
Investments	4		1,814,682			1,539,414	
CURRENT ASSETS							
Cash at bank and on short term deposit	5	508,530			870,315		
Debtors and accrued income	6	13,882			12,831		
			522,412			883,146	
CURRENT LIABILITIES							
Creditors	8		(21,009)			(23,137)	
NET CURRENT ASSETS							
			501,403			860,009	
NET ASSETS							
			2,316,085			2,399,423	
UNRESTRICTED ACCUMULATED FUND							
			1,851,348			1,857,751	
RESTRICTED FUNDS							
	7		464,737			540,672	
			2,316,085			2,399,423	

These accounts have been prepared in accordance with the special provisions relating to small entities regime in accordance with the provisions of FRS102 Section 1A - Small Entities.

The notes on pages 13 to 19 form part of these accounts.

The financial statements on pages 11 to 19 were approved and authorised for issue by the Trustees and signed on their behalf on 2020 by:


 Revd W H King

THE KENNEL CLUB CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

1 ACCOUNTING POLICIES

(a) Basis of accounting and going concern

The entity is a trust established in England at 10 Clarges Street, London W1J 8AB. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, including the July 2015 Section 1A 'Small entities' amendments.

The financial statements have been prepared under the historical cost convention. As disclosed in the Trustees Report, the trustees have reviewed the financial position of the Trust and, based on its reserves position, are satisfied that it has the financial resources to continue in business for the foreseeable future. As such, accounts of the Trust have been prepared on a going concern basis.

The Charity meets the definition of a public benefit entity under FRS 102.

(b) Critical accounting judgements and estimations

In preparing the financial statements, the trustees are required to make estimates and judgements. The items in the financial statements where these judgments and estimates have been made include:

(i) Accruals - The estimate for payables relates to the liabilities not settled at the year end. A review is performed on an individual creditor basis to estimate the amount will be collected.

(c) Cash flow statement

As a qualifying entity (for the purposes of FRS 102 Section 1A Small Entities), the charitable entity has taken advantage of the reduced disclosure framework exemption from requirement to prepare a statement of cash flows.

(d) Donations and legacies

Donations are included when received. Legacies are included when the charity is entitled to receipt of the bequest and the amount has been quantified.

Donated services are recognised when the benefit to the charity is reasonably quantifiable. The value placed on these resources is the estimated value to the charity of the service received.

(e) Investments and investment income

Investments are included at market value as required by the Statement of Recommended Practice. Unrealised gains or losses on revaluation are included in the Statement of Financial Activities. Investment income is included on an accruals basis.

The Trust's investments are represented by units in CCLA's general investment fund. Any charges form part of the movement in the price of those units.

(f) Research project support and grants made

Research project support and grants made are charged to expenditure when performance conditions are met and payment is approved. Where grants are expected to span more than one year, subsequent years' awards are subject to conditions (for example, the requirement for progress reports to be presented to the Trustees) and are shown as Commitments (see Note 9).

(g) Employees

There were no employees during the year (2018 - Nil).

(h) Cash

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

(i) Debtors

Trade and other debtors are recognised at the settlement amount.

(j) Financial instruments

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

THE KENNEL CLUB CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019 (continued)

2 DIRECT CHARITABLE EXPENDITURE	<u>2019</u>	<u>2018</u>
	£	£
Payments from unrestricted funds		
<i>Scientific and research project support</i>		
Animal Health Trust - KC Genetics Centre	103,500	195,000
Animal Health Trust:	48,750	4,320
- Oncology Research	-	100,000
Royal Veterinary College	92,162	-
-		
University of Cambridge - A genetic approach to causation of Brachycephalic Obstructive Airway Syndrome in Dogs	-	25,000
Canine Partners	23,303	-
Roslin Institute	47,494	-
Wageningen Livestock Research	-	4,415
Argo Paris (Shizi Thesis)	-	17,970
University of Cambridge	17,800	15,882
University of Glasgow	-	10,000
	<hr/>	<hr/>
	333,009	372,587
	<hr/>	<hr/>

THE KENNEL CLUB CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2019 *(continued)*

2	DIRECT CHARITABLE EXPENDITURE (CONTINUED)	<u>2019</u> £	<u>2018</u> £
	Payments from unrestricted funds		
	<i>Educational and other grants</i>		
	Autsim at Kingwood	9,036	-
	Battersea Dogs & Cats Home	-	13,260
	British Veterinary Nurses Association	6,000	6,000
	Chilterns Dog Rescue	-	10,000
	Dog Assistance in Disability	10,000	-
	Dog Photographer of the Year	1,000	-
	Forest Dog Rescue	3,000	-
	Forest of Dean Dog Rescue	-	3,000
	Friends for Life	9,000	8,000
	Gemma Simmons (Scruffts Kent)	-	137
	German Shepherd Rescue Elite	-	2,500
	Greyhound Gap	-	10,000
	Hope Rescue	-	8,140
	Hula Animal Rescue	10,000	-
	Hypo Hounds	15,000	-
	Innov8ive Software (Anilog)	7,416	5,465
	Leicester & Leicester Animal Aid Association	10,000	-
	Medical Detection Dogs	-	20,000
	Oak Tree Animal Charity	2,660	3,445
	PDSA	12,687	576
	Refuge4Pets	-	5,000
	Rugby Dog Training Club	-	23,000
	Rushton Dog Rescue	5,000	-
	Shak	-	10,000
	Southern Shih Tzu	-	1,000
	Staffy Rescue	3,000	-
	The German Shepherd Rescue Scotland	-	3,000
	Vets Direct	1,985	1,876
	Wageningen Livestock Research	4,269	-
	Wilmington	119	-
	Payments from previous years	(23,137)	(14,008)
	Governance cost allocation	7,196	8,624
		94,231	129,015

THE KENNEL CLUB CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019 (continued)

2	DIRECT CHARITABLE EXPENDITURE (CONTINUED)	<u>2019</u> £	<u>2018</u> £
	Payments from restricted funds		
	Scientific and Research project support		
	International Canine Health Awards 2019	96,270	95,243
	Animal Health Trust – KC Genetics Centre	101,250	-
		<hr/>	<hr/>
		197,520	95,243
		<hr/>	<hr/>
	Summary		
	<i>Unrestricted:</i> Scientific and research project support	333,009	372,587
	Educational and other grants	94,231	129,015
		<hr/>	<hr/>
		427,240	501,602
	<i>Restricted:</i> Scientific and research project support	96,270	95,243
	Animal Health Trust – KC Genetics Centre	101,250	-
		<hr/>	<hr/>
		197,520	95,243
		<hr/>	<hr/>
		624,760	596,845
		<hr/>	<hr/>

THE KENNEL CLUB CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019 (continued)

3 DONATIONS IN KIND

The following donations in kind were received free of charge:

- The Kennel Club Limited provides Trustees' indemnity insurance at a cost of £2,500 (2018 - £2,500);
- The Kennel Club Limited pays for the annual audit of the Kennel Club Charitable Trust, costing £1,500 (2018 - £1,500);
- The Kennel Club Limited provides support for marketing, fundraising and administrative activities, estimated at a cost of £30,821 (2018 - £35,148); and
- The Kennel Club Limited paid expenses of the Trustees amounting to approximately £3,196 (2018: £4,624).

Donations in kind have been accounted for in the Statement of Financial Activities.

4 INVESTMENTS

	<u>2019</u>	<u>2018</u>
	£	£
Quoted investments		
At market value:		
At 1 January	1,539,414	1,583,172
Unrealised loss	275,268	(43,758)
	1,814,682	1,539,414
At 31 December	1,814,682	1,539,414
Historical cost at 31 December	1,087,837	1,087,837

At 31 December 2019 investments comprised 107,196 Charities Investment Fund Income Units.

5 CASH AT BANK AND ON SHORT TERM DEPOSIT

The Trust's cash reserves were invested as follows:

	<u>2019</u>	<u>2018</u>
	£	£
Current account with Barclays Bank	508,409	460,731
Current account with Clydesdale Bank	24	24
Deposit account with Metrobank	1	82,473
Deposit account with Metrobank	96	327,087
	508,530	870,315
At 31 December	508,530	870,315

6 DEBTORS AND ACCRUED INCOME

	<u>2019</u>	<u>2018</u>
	£	£
Bank interest and investment income receivable	13,882	12,831
	13,882	12,831

THE KENNEL CLUB CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019 (continued)

7 RESTRICTED FUNDS

	At 1 January 2018 £	Unrealised Incoming resources £	gain on investment asset £	Resources expended £	Transfers £	31 December 2018
Educational & Other	-	-	-	-	-	
International Canine Health Awards	-	100,000	-	95,243-	4,757	
Ormandy Trust for Bull Terriers	72,453	-	-	-	-	72,453
Other	19,422	3,806	(2,188)	-	-	21,040
Canine Activities	38,422	-	-	-	-	38,422
AHT		405,000				405,000
Total	130,297	508,806	(2,188)	95,243	-	541,672

	At 1 January 2019 £	Unrealised Incoming resources £	Unrealised gain on investment asset £	Resources expended £	Transfers £	31 December 2019
Educational & Other	-	-	-	-	-	
International Canine Health Awards	4,757	103,574	-	96,270	-	12,061
Ormandy Trust for Bull Terriers	72,453	-	-	-	-	72,453
Other	21,040	-	13,763	-	-	34,803
Canine Activities	38,422	-	-	-	-	38,422
AHT	405,000	-	-	101,250	-	303,750
Griffon Bruxellois		3,000				3,000
The National Gundog Assoc		248				248
Total	541,672	106,822	13,763	197,520	-	464,737

In 2012, the Trustees of the Ormandy Trust transferred the balance of their funds to the Charitable Trust, to be used for the benefit of the Bull Terrier and Miniature Bull Terrier breeds. No grants were made from this restricted fund to date, although discussions have been held and await the identification of animals affected by a particular condition.

The Charitable Trust administered and awarded prizes for scientific research into the health of dogs for the fifth time in 2018. Funding for these International Canine Health Awards was again provided by Vernon and Shirley Hill. Foundation Awards were made to

“Other” Funds represent ring fenced breed specific donations and also donations made specifically for applications to welfare purposes. The balances at 31 December 2019 represent:

	£
Irish Setters	7,049
Wire Fox Terriers	3,436
English Springer Spaniels	1,879
Donations received and unspent re the Trust’s welfare objects	6,754
SDTC	304
Dachshund Rescue	1,000
Medical Research	2,806
Unrealised gain on investment	<u>11,575</u>
	<u>34,803</u>

In December 2018 the Kennel Club donated £405k representing half of the funding requirement for the next three years of the AHT Genetic testing programme. This donation was restricted to funding of the AHT genetic programme and on the condition that the Trust funded the balance for each of the next three years.

THE KENNEL CLUB CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

8 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted £	Restricted £	Total £
Investments	1,814,682	-	1,814,682
Cash at bank and on short term deposit	43,793	464,737	508,530
Debtors and accrued income	13,882	-	13,882
 Creditors	 (21,009)	 -	 (21,009)
	 1,851,348	 464,737	 2,316,085
	 1,851,348	 464,737	 2,316,085

9 CHARITABLE COMMITMENTS

As at 31 December 2019 the Trust had committed, subject to conditions to be fulfilled by the recipient organisations, to make the following charitable donations/grants:

	£
Year to 31 December	
2020	746,329
2021	435,074
	 1,181,403
	 1,181,403

These commitments are primarily in respect of scientific and research project support, with £565,500 (48%) thereof being for the Kennel Club Genetics Centre at the Animal Health Trust (AHT). As reported in the Trustees' Report on page 4, the AHT has in July 2020 appointed liquidators to handle its affairs. In this light, the Trustees suspended payment of all remaining grant commitments to the AHT, having earlier in 2020 made payments amounting to £136,500 against the above commitments.

The balance of charitable commitments not for the benefit of the AHT (£615,903) is for the Trust's support and welfare objects, 74% of which committed to be spent in 2020.

10 RELATED PARTY TRANSACTIONS

The Trustees received no remuneration in connection with their duties during the year. Trustees' expenses are borne by The Kennel Club Limited.

Apart from transactions with The Kennel Club Limited, as disclosed in these financial statements, there were no related party transactions, as defined in Financial Reporting Standard 102.

11 POST BALANCE SHEET EVENTS – COVID19

Since the year end the Trust, along with many organisations, has been impacted by the Covid19 pandemic. The principal effect of the pandemic on the Trust has been the impact on financial markets, as a result of which the value of the Trust's investment portfolio, as at 30 June 2020, had fallen by 1% to £1,799k. The trustees also anticipate a reduction in dividend income during 2020 as listed companies announce reductions in dividend payments. The pandemic has also significantly impacted community dog welfare organisations and the Trust has made grants to such organisations of over £50k (partly funded by a successful fundraising programme in association with Our Dogs) to provide financial support in maintaining their important work. Notwithstanding the impact of the Covid19 pandemic on the Trust's net assets, its reserves position remains strong and, as such, the trustees are satisfied that the Trust has adequate financial resources to remain solvent over at least the next 12 months and that the financial statements are properly prepared on the going concern basis.