

Bransby Horses
Audited Financial Statements
Year ending 31 December 2016
Charity number 1075601

Nicholsons
Statutory Auditors
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

Bransby Horses
(Registered Number 03711676)

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for the Year Ended 31 December 2016

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Report of the trustees
for the year ending 31 December 2016

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 December 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Constitution

The Charity was founded in 1968 and was registered as a charity soon after. The Registered Charity Number is 1075601. Bransby Horses (then known as Bransby Home of Rest for Horses) was Registered in England and Wales as a Company Limited by Guarantee on 11 February 1999 and is governed by its Memorandum and Articles of Association. The Articles of Association were amended in November 2012. The Charity name was amended to Bransby Horses at the same time.

Structure, Governance and Management

The charity's principal and registered office is Bransby House, Bransby, Lincoln, Lincolnshire, United Kingdom, LN1 2PH.

The trustees of the charitable company are its Directors and Members and throughout this report are collectively referred to as the "trustees".

The trustees serving during the year ending 31 December 2016 and to date are as follows:

Mr J S M Bradshaw (Resigned 21 January 2016)
Mr D Crowe (Appointed 11 March 2016, resigned 11 March 2017)
Miss E A Dawson (Vice Chairman)
Mrs S J Dolan (Appointed 11 March 2016)
Mrs H C Elston (Appointed 11 March 2016)
Mrs C N Fisher (Chairman)
Mr C Hoskins (Appointed 11 March 2016, resigned 11 March 2017)
Mr M S Mitchell (Treasurer)
Mrs P Phillipson (Resigned 26 June 2016)
Ms C F Sowden (Appointed 11 March 2016)

The Board of trustees meet quarterly as a minimum and more frequently when necessary.

The Articles of Association provide the trustees with power to appoint trustees with such specialist skills, knowledge or expertise as they think fit. The Board aims to appoint dedicated trustees and ensure they have a diverse set of skills with which to serve the charity. The recruitment, induction and training of trustees are governed by Policies approved by the Board.

The Board advertises for trustees on the charity website and other relevant platforms and ensures trustee candidates satisfy the legal compliance standards and requirements prior to appointment. Once appointed trustees receive an induction pack and ongoing training. Visits to both sites currently owned by the charity introduce the trustees to managers and staff.

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Structure, Governance and Management (continued)

The Articles of Association grant the trustees power to delegate authority to subcommittees to such extent and on such terms and conditions as they think fit. The trustees have delegated powers to the Finance and Audit Subcommittee and Equine Health & Welfare Subcommittee under Terms of Reference which set out its scope and responsibilities under a trustee (chairman) together with the Chief Executive, appropriate managers and staff; they meet quarterly and report to the trustees at quarterly Board meetings. The remuneration level for key personnel is calculated based on benchmarking the roles within the industry and by assessing key criteria based on expertise, experience and areas of responsibility.

The Board of trustees approves policies which are reviewed annually to ensure they reflect best practice and current legislation and are communicated throughout the charity. Policies, procedures and processes are monitored and reported on regularly to the Finance and Audit Subcommittee and Board.

Policies include:

Governance incorporating Conflicts of Interest and Risk Management
Finance incorporating Investments and Reserves; Complaint handling
Human Resources incorporating Health and Safety; Employment and Volunteer Management
Marketing incorporating Fundraising and Communications
Equine Health and Welfare and Estates Management.

The Articles of Association provide for the delegation of the trustees powers, functions, and implementation of decisions on day to day management of the affairs of the charity to any person they think fit. The daily management of the charity is delegated to and undertaken by the Chief Executive, Joanne Snell, who provides reports to the Board to facilitate informed discussion and decision making in the best interests of the charity and is accountable to the Board for the delivery of the charity's strategic plan. Joanne is accountable for the management of all staff and volunteers and has full delegated financial authority.

Our Purposes and Activities

The Objects of the charity are:

- To prevent and relieve cruelty to horses, (which expression shall herein include ponies mules and donkeys), to protect them from unnecessary suffering and for that purpose to promote knowledge of their proper care and treatment among the public;
- To ameliorate the pain and suffering of horses which are for any reason unfit for work or in need of care by the provision, maintenance and management of a home of rest or homes of rest, stabling and grazing, or by the provision of suitable work under the supervision of the charity or by arranging for their painless destruction or by any combination of such means aforesaid; and
- To make grants or such other assistance as is suitable in the circumstances for the prevention of suffering to horses.

In preparing the charity's strategic plan, the trustees identified the core values as:

- Inspirational
- Caring
- Progressive
- Knowledgeable

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Our Purposes and Activities (continued)

The core business of the charity is the welfare of horses. Its primary role is to rescue those in need of help; some of which have been subject to serious and prolonged periods of neglect. The charity works closely with other welfare organisations and local authorities to ensure that it helps the most needy cases. The primary aim of the charity is to improve the standards of care and quality of life for horses that have suffered. As a rescue centre, the charity is committed to taking into care those horses whose welfare needs have been severely compromised, it provides the expertise, treatments and rehabilitation required to improve the future of each horse that is brought into the charity's care. In extreme cases, the charity provides immediate pain relief to eliminate prolonged suffering and is then committed to providing a safe haven for life-long supportive care.

The charity's Animal Reception Centres (ARC) are purpose built isolation facilities at both the Lincolnshire and Herefordshire sites. All horses that arrive at the charity pass through these facilities for a minimum period of six weeks, while initial assessments of their medical condition and wellbeing are undertaken. The charity provides immediate care from a team of highly trained welfare staff, vets, dentists and farriers. At times the ARC facilities at both sites are full to capacity; the time that the horses stay here varies on a case by case basis, dependent upon the care they need and their legal status. Some horses are held in this facility on behalf of other organisations, pending prosecution. The charity works closely with other horse charities and other organisations throughout the UK; including RSPCA, Trading Standards, Local Authorities and the Police to ensure a better quality of life for all horses, ponies, donkeys and mules.

Whilst in sanctuary care the charity undertakes a significant amount of work rehabilitating horses. This includes a significant amount of one to one care whilst in the ARC; and the behavioural rehabilitation continues once the horse has moved onto one of the farms. The more nervous horses that require routine and consistent longer-term handling for their behavioural rehabilitation; move on to the charity's specialist handling yard.

Wherever possible the charity will try to rehome its horses, so that they can benefit from new lives in a home with foster carers. The charity's Friend for Life rehoming scheme offers an opportunity for horses that have been rescued to have a loving home that provides one to one care. The work the charity does in preparing horses to be rehomed and supporting foster carers with their new friend, helps to ensure that the charity has sufficient sanctuary care space available to continue to provide safety for other horses in need of care and rehabilitation. However some horses are not suitable for rehoming, this maybe because they have a range of complex or serious medical conditions such as arthritis, equine metabolic syndrome or because they have behavioural issues that due to their age or history can never be fully resolved. Regardless of the reason, the charity is committed to always giving these horses a happy, fulfilling home in sanctuary care for the rest of their life.

The charity's specialist welfare officers provide help and support to horse owners who need it, including the hundreds of foster carers who look after the charity's horses in private homes. The welfare team also identify the action needed following calls from concerned members of the public.

The charity is committed to being a learning organisation that promotes knowledge of the proper care of horses by providing support and learning opportunities. It does this in the hope that the more knowledge it can pass on the more this will impact directly on the number of cases of cruelty and neglect that are experienced first-hand. The charity is committed to continually learning, upskilling and increasing its expertise in equine welfare.

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Our Purposes and Activities (continued)

The charity provides learning opportunities to communicate with children in key stage one and two with interactive visits and follow up activities. The focus on education enables schools and clubs to participate easily and effectively so promoting the charity and its work seamlessly. The charity's facilities and accessibility are adapted to cater for those with limited mobility to ensure inclusivity. Higher education initiatives are in hand to provide undergraduates and post graduate studies.

The principal activity of Bransby Horses Trading Limited, a 100% owned subsidiary, is general trading in goods of various kinds including branded items of stationery, cards and giftware. These goods are sold in the mail order gift catalogue, which is mailed out to approximately 96,000 supporters on the charity's supporter database. The trade of this subsidiary also includes the gift shop and the café at the visitor centre at the Lincoln site, for which it pays rent to the charity; which was visited by 27,380 visitors in 2016. Both the mailing and the visitor centre have an important role in promoting the charity's work to this large audience of supporters and visitors. This trading subsidiary also rents land from the charity to farm as arable.

Strategic report

- Achievements and Performance

In recent years Bransby Horses has achieved a great deal to improve its policies and further develop the way in which it approaches its core business of, the welfare of horses. Successes in fundraising practices, site development, external welfare work within the community, rehabilitation of the horses and training them for a successful future in their own caring homes, have been rewarding and this is reflected in the number of horses the charity has been able to rescue, rehabilitate and rehome.

In 2016, the charity:-

Rescued 188 equines from situations of abandonment, cruelty or neglect
Rehomed 143 equines to loving and knowledgeable foster homes

The external welfare team has taken part in microchipping, passporting and castration clinics alongside similar organisations to assist the community in caring for their equines and providing education on the care of equines.

Working alongside associates and horse professionals, the teams have invested a great deal of time in handling nervous horses, the aim of this is to make their rescue and rehabilitation a less traumatic experience and to ensure all routine and unforeseen treatments can be carried out safely and in a way that builds trust with humans. A specialist handling yard was created for this purpose and became operational in 2016 with much success.

Since its opening in 2013, the Visitor and Education Centre at the charity's Lincoln site has welcomed more than 125,000 visitors. The centre offers educational, interactive days for families, children and students on a regular basis, providing a wealth of opportunities to its supporters.

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- Achievements and Performance (continued)

In 2016, the trustees approved a revised five year strategy that outlines the overarching aim to improve the standards of care and quality of life for horses that have suffered, which remains at the heart of everything we do at Bransby Horses. The strategic plan outlines the vision for the charity over the next five years and it details how we aim to impact on the lives of many more horses during that period, how we will address the challenges we expect to face, from our IT systems and fundraising practices to the development of our physical resources that will provide for the number of horses we need to support.

The charity's three key welfare commitments are detailed in the Strategic Plan, these are:-

- Commitment to Rescue

- In order to further improve the service the charity offers to rescuing equines in need, the charity trained more trailer and lorry drivers to ensure even big rescues can be carried out at very short notice. Additional trailers were also purchased.
- A new system was implemented to ensure all new arrivals at the charity's Animal Reception Centre were 'processed' within six weeks of arrival (unless in severe ill-health) to ensure the maximum number of equines could be taken in to the charity's care.
- In 2016, the charity's 24 hour response and on call systems were reviewed and changes implemented to improve the process for members of the public contacting Bransby Horses with welfare concerns. This also included improvements in response times to assessing equines following receipt of the initial call.

- Commitment to a safe Haven

- In order to provide the equines in the care of the charity with the best possible chance of being placed in a knowledgeable foster home, Youth Club and Veteran schemes were introduced. These schemes promoted the rehoming of youngsters unable to be trained until maturity and elderly horses that are able to be rehomed though require medication to remain comfortable. This enabled the charity to rehome a greater number of equines, allowing for more space to take in those in need.
- Progress has been made with providing a higher level of support for horse owners and fosterers that are facing the possibility of euthanasia for their equines. This programme will be developed more throughout 2017.
- Bransby Horses has identified a new database system to improve the overall management of equines in the charity's care. The new system is purpose built for an equine welfare environment. The charity plans to implement this new database during 2017/2018.

- Commitment to Support and Learning Opportunities

- Bransby Horses actively supported the work of the Lumen Project: a programme which supports young adults to improve employability. The charity won an award for its contribution to the work experience project in Lincolnshire.

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- Achievements and Performance (continued)

- An Efficacy Through Equines education pilot course was delivered in 2016 which proactively guides young adults to improve confidence, communication, positive relationships, self-awareness, emotional literacy and ability to focus, in order to build their self-efficacy.

This crucial work is supported by two further commitments:-

- Commitment to Developing our People

- A Mentoring scheme has been implemented to ensure new members of staff, volunteers and work experience students have a point of contact for additional support other than their line manager. This has worked well, improving motivation and ensuring a more thorough induction in to the charity.
- The annual performance reviews were redesigned to provide more structure, direction and support to each staff members development. This was very successful, giving clear feedback on targets and objectives.

- Commitment to Protecting and Developing our Resources

- In 2016 work began on the charity's Site Development Plan with the intention of improving facilities to contribute to future sustainability. At the time of generating this report, a new Intensive Care Unit has been built in the charity's Animal Reception Centre to aide the medical rehabilitation of extremely ill horses upon their arrival at the charity. Additional stabling has been created on site to cater for ill or elderly horses in sanctuary care. Two new car parks, a toilet block and café improvements are either completed or nearing completion. Additional arable farming land has been taken back in to grazing use in order to cater for the increasing number of equines requiring the charity's assistance. Improvements also continue to be made to the charity's handling yard for training of nervous equines.
- A land review was carried out on the charity's two sites in Lincolnshire and Herefordshire and short-term and long term plans were created to ensure optimal grazing land for the equines.
- A new marketing strategy was created to ensure heightened awareness of the charity's work, as Bransby Horses continues to grow. The strategy includes targets on engagement within the local community and the national equine sector. Improved visitor experience and numbers, increasing presence at events, increasing fosterer interest in rehoming equines and improving the quality of supporter-facing literature also feature within this strategy.
- At the start of 2017, an application to Trademark the charity's brand was submitted to the Intellectual Property Office.
- In 2016, the charity's new website was successfully launched. The purpose of this was to provide a better user experience, maximise fundraising opportunities and ensure the image of the charity is professional and has relevant subject matter.

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- Financial Review

The group statement of financial activities shows net incoming resources of £2,770,579 (2015: £858,810).

This net income figure does include £2,690,930 (2015: loss £212,793) of gains on investments; of which £163,876 (2015: £82,126) related to realised gains. Therefore the net income excluding the gains on investments is £79,649.

The charitable company reserves represent funds which are invested in its fixed and working capital, or are expected to be spent in the short term or are held in reserve to protect the long term future of its operations.

All aspects of the finances of the group are kept under review by the trustees and their advisors on a regular basis.

Bransby Horses is committed to ethical fundraising practices. As a member of both the Fundraising Standards Board and Institute of Fundraising, we are compliant with their guidelines. Towards the end of 2016 Bransby Horses became members of the Fundraising Regulator. We are fortunate to have a large supporter database of approximately 96,000 people whom we mail to twice annually, keeping them abreast of our charities vital work. These mailings, alongside two smaller mailings each year to approximately 5,000 'Friends of Bransby Horses' elite supporters, enables us to generate the vast majority of our general donation and legacy income.

- Plans for Future Periods

Commitment to rescue

- It has been necessary to begin a thorough review of the effectiveness of both sites owned by the charity. It is essential that the charity uses its resources effectively to maximise the impact that it has on horse welfare. The charity's second site in Herefordshire has been temporarily closed, due to staffing issues and a thorough review of this site is currently being carried out. The trustees plan to make a decision on the future of the site over the coming months.
- The vet service provided by the charity has been reviewed and in 2017 Bransby Horses will employ two veterinary nurses and a vet on site.
- The charity's need for a national welfare volunteer network will be reviewed.

Commitment to Providing a Safe Haven

- As part of the charity's commitment to provide a safe haven for horses in need, we have been working closely with a charity in Lutterworth – "The Horses Voice" to ensure that the horses that the charity supports continue to receive a high level of care that they deserve. As part of this work Bransby Horses and The Horses Voice are currently in the process of merging charitable operations.
- Due to increased equine numbers on site and increasing demand for both places at the sanctuary and for rehoming ridden equines, a structure review of the charity's rehoming team will take place and additional skilled staff will be recruited.
- A rehoming marketing campaign will be run throughout 2017 to promote the charity's Friend for Life rehoming scheme.

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- Plans for Future Periods continued

Commitment to Support and Learning Opportunities

- The support the charity offers other equine welfare charities will be reviewed and a formal system will be created to ensure this support can be maximised.
- Bransby Horses will become part of a local vet schools final year clinical rotation with two students on site per fortnight for 46 weeks of the year.
- The Educational visitor area will be redesigned to allow for an interactive experience ensuring equine welfare educational opportunities on site are maximised. Educational signage around the charity's Lincoln site will be improved.

Commitment to Developing our People

- In 2017 Bransby Horses will embark upon a management structure review. This review will also incorporate a pay review and revised pay structure for all levels of staff.
- A Leadership Skills Passport will be devised to equip the charity's management team with key leadership skills and will be incorporated in to the induction process for new managers.
- A key competencies and staff development framework will be created.
- An internal communications strategy will be created to boost morale, embed cultural behaviours and define expectations.
- The charity will explore the possibility of gaining 'Investors in People' status or another accreditation for good practice in personnel management. This work will be explored with a view to gaining accreditation by the end of 2019. The charity also takes its policy on equal opportunities very seriously and as a way of demonstrating that commitment, it will explore gaining the Disability Tick, which is a symbol that recognises those employers that are positive about employing disabled people. This work will be completed by winter 2019.

Commitment to Protecting and Developing our Resources

- A full audit of all procedures and processes will take place throughout the charity to ensure these are efficient and complaint.
- A new welfare database will be purchased and implemented over 2017/2018 to improve recording and reporting on animal information.
- The charity's relationship management database for supporters will be reviewed and potential new, more effective databases will be considered.
- It will be considered whether improved rehoming numbers and also health and safety of this function could be achieved by moving all rehoming operations off the charity's main site, also allowing for the sanctuary care of more horses and an increase in rehoming numbers.
- A long-term fundraising strategy will be developed with a focus on increasing fundraising activity and general donations.
- A long-term land management action plan will be created in order to ensure grazing land owned by the charity is improved and is closely managed.

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- Principal Risks and Uncertainties

The trustees have a formal Risk Framework to identify the risks faced by the charity and develop strategies to manage them on a timely basis. The Risk Framework incorporates major strategic, business and operational risks facing the charity and the control and reporting systems in place. The Risk Framework is monitored and amended as circumstances change and new risks are identified. Regular meetings held at all levels in the organisation enable the circulation of information relating to risk management. During 2016, Bransby Horses appointed a Health and Safety Manager whom holds a vast wealth of experience in health and safety practices. This addition has resulted in great improvements in the function including compliance and behaviour. Departmental reports are prepared, reviewed by the Finance and Audit Subcommittee quarterly meetings with appropriate action monitored and reported on to the Board. Financial risks are tightly monitored and controlled by appropriate authorisation systems and trustees carry out monthly sampling of financial and payroll procedures. The auditors have assisted in ensuring good practice remains in place and in training trustees in good governance. The trustees have identified that along with the inherent risks that affect all charities, there are two specific significant risks:

- The indications are that the current financial climate is likely to reduce the amount of donations that the charity receives over the next few years. It is also the case that people are living longer and requiring care in old age, which may mean less income can be expected from legacies.

The trustees have attempted to reduce this risk by ensuring that systems are in place to attract and maximise future legacies and other donation income.

- The other main risk is that of disease. Rescued equines are often in very poor condition on arrival. Elderly equines may require an increased level of specialist care for chronic conditions and all are prone to the various equine illnesses that are present in the national herd.

Whilst every effort is made to prevent the transmission of disease into the charity's herd, which itself involves expensive isolation and veterinary procedures at the Animal Reception Centre, it cannot be eliminated altogether. Unpredictable outbreaks of disease are always costly and usually require extensive use of medicines and veterinary attention as well as resulting in an increase in staff costs.

Grant-making Policy

The charity awards grants from its unrestricted funds to educational and research institutions and other equine charities for the prevention of suffering to horses.

The awarding of grants is determined annually by the trustees, based on applications received. Bransby Horses continues to support Lluest Horse and Pony Trust, which is located in the Brecon Beacons in South Wales. In 2016 £70,500 (2015: £46,500) was granted to Lluest and this support will continue in 2017. The work carried out by this charity in the area is invaluable to ensure that horses are not left to suffer from neglect. In line with Charity Commission recommendations regarding collaborative working, a Collaborative Working Agreement has enabled Bransby Horses to provide support and knowledge to Lluest Horse and Pony Trust in addition to financial grants.

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Performance of the Trading Company

The trading company continues to record an overall profit (before taxation) of £10,800 (2015: £19,580). Turnover for the trading company as a whole increased to £377,930 from £343,334 in 2015.

The Feedroom Café generated turnover of £106,796 (2015: £100,351). Despite an improved gross profit a loss of £23,824 was still recorded (2015: £9,498) owing primarily to increased staff costs.

Farming income rose to £88,654 in 2016 (2015: £61,195) and recorded a net profit of £11,177 (2015 loss: £15,390). Farming pays a rent to the charity for the land and also provides the charity with a way of disposing of its horse manure.

The mail order gift catalogue which is sent out by the trading company is distributed across the UK and overseas. Mail order turnover of £118,510 was up slightly on 2015 £116,161 but margins were reduced. The net profit of the mail order activity in 2016 was £27,024 compared to £31,954 in 2015.

The Gift Shop also recorded a net loss for 2016 of £3,577 (2015 profit: £12,514) due to an increase in fixed costs.

Due to the misappropriation of cash, £25,718 was written off in the year. This matter was reported to the Charity Commission and Police and is currently being investigated. A review of procedures has taken place and systems modified where necessary to prevent any future occurrences of this nature.

Public Benefit

All charities are expected to provide public benefits beyond their specific objectives. Currently identified for Bransby Horses are:

- providing expertise on legislation, regulations and policy concerning horse welfare, including membership of the All Party Parliamentary Group for Animal Welfare;
- providing a 24 hour response to requests for advice or assistance from local authorities, police, RSPCA and members of the public, including a welfare advice line;
- working with police and local authorities in England and Wales and The Fire and Rescue Service developing methods and training to help officers manage stray horses effectively;
- taking into care from the RSPCA and local authorities horses that have been neglected or cruelly treated;
- providing a welfare and legacy scheme, this being a scheme whereby responsible horse owners can provide for their horses in the event of illness or their own death;
- delivering talks and seminars on horse and donkey welfare to a wide variety of key target groups;
- hosting visits by disabled adults and children and those with learning difficulties;
- hosting visits by school parties and contributing to appropriate sections of the national curriculum;
- hosting visits from community interest groups;
- providing a site with a community focus, its miles of countryside walkways used frequently by dog walkers, walking groups and ramblers;

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Public Benefit continued

- providing a mixture of opportunities for volunteers, which cater for their well-being and career development requirements;
- providing a diverse range of work experience placement opportunities to school children, college and university students;
- providing training and career opportunities to school leavers through the National Apprenticeship Scheme and
- providing assessment and training facilities for professional studies, research and qualifications.

In setting objectives and planning activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

Reserves Policy Statement

In recent years, Bransby Horses has undergone a period of expansion in order to meet the ever increasing needs of suffering equines. The charity is committed to growing and improving its facilities and to providing a high level of care required to the equines it assists. The charity has developed an aspirational five year strategic plan to further develop its facilities in order to meet the welfare needs of equines in need of much care and attention. It feels that it has an obligation to its supporters who have given their money in good faith to ensure that it is constantly improving to ensure that it has maximum impact on the equine welfare crisis.

Inevitably, with such aspirational plans, levels of expenditure will increase significantly in order to deliver upon these commitments and this has been considered in this reserves policy.

The trustees operate a reserves policy which they consider to be appropriate and takes into consideration the following:

1. Future expenditure

Future expenditure in relation to the ongoing running costs of the charity to ensure that it can provide for the 500 equines currently in sanctuary care; and a further 341 on the charity's Friend for Life rehoming scheme.

The trustees aim to be in a position whereby they can meet the costs of running the charity for a period of three years. This decision has been made based on future forecast expenditure, the volatility of its income streams, the diverse functions undertaken by the charity, its asset base, the environment and the reliance upon its services by its beneficiaries.

Current levels of expenditure are forecast to be £4.45m; therefore a level of £13.4m of reserves is needed to ensure that the charity can continue to operate for a period of three years whilst it reacts to the challenges that it faces within the environment in which it operates. This level will be reviewed on an annual basis.

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Reserves Policy Statement continued

2. Income stream risk

The charity is heavily reliant upon voluntary income. Over 60% of the charity's income is from legacies. Whilst this income stream is regularly monitored and reported to the trustees, uncertainty about its long term sustainability remains.

Included in the current level of free reserves are legacies advised of, but for which no money has been received. This equates to £0.6m. The trustees feel that it is prudent to remove this amount from its free reserves when it calculates the amounts available for use.

As a responsible charity, Bransby Horses ensures that it maximises the return on the funds it holds through holding proactively managed investment portfolios, which provides additional income to support the charity's vital welfare work .

3. Operational risk

The charity operates within an environment whereby there is an inherent risk of the health of the herd cared for by the charity being compromised by an outbreak of infectious disease. Whilst the charity operates a robust bio-security management programme, including strict quarantine, and practises herd vaccination whenever applicable/available, the risk of a disease outbreak cannot ever be fully eliminated. These risks include highly-infectious diseases which are currently enzootic in the UK, such as equine influenza and strangles. It is recognised, for example, that the influenza virus is constantly evolving and, although Bransby Horses always uses the latest vaccine strains, the risk of an outbreak caused by a novel strain remains a real possibility. In addition, a number of equine diseases which are currently exotic to the UK are nevertheless considered to be a potential risk. In particular, several of these currently exotic diseases are transmitted by insect vectors and the threat from them is widely considered to be increasing, particularly as climate change progresses, thereby providing a more permissive environment for the vectors in the UK. Such diseases include West Nile virus, equine infectious anaemia and African horse sickness (AHS). An outbreak of EIA occurred in the south-west of the UK in 2012, for example, and the potential threat from African horse sickness has been highlighted by relatively recent UK outbreaks of bluetongue in ruminants, as the two viral diseases are transmitted by similar species of *Culicoides* midges. The Trustees therefore provide £2m of its reserves by way of a contingency fund, should such a situation arise.

4. Future strategy

The trustees have developed plans for the further development of the services the charity offers to help horses in need of care and assistance. The charity has recently reviewed and updated its five year strategic plan and it is essential that the trustees ensure that funds are available to deliver upon the commitments contained within the plan, which are:

- **Commitment to rescue**

The charity aims to be in a position whereby it can always provide emergency care and safety for horses whose welfare has been severely compromised; this will be achieved by reviewing the current facilities and resources the charity has available and by being proactive in working in partnership with other welfare organisations.

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Reserves Policy Statement continued

- Commitment to provide a safe haven

The charity aims to be in a position where it will provide a safe haven for all horses that are brought into the charity's care; whether this is to provide life-long sanctuary care or by finding the right foster home. The facilities and resources at both sites will require review to ensure that they are fit to cope with the demands that will be placed upon them.

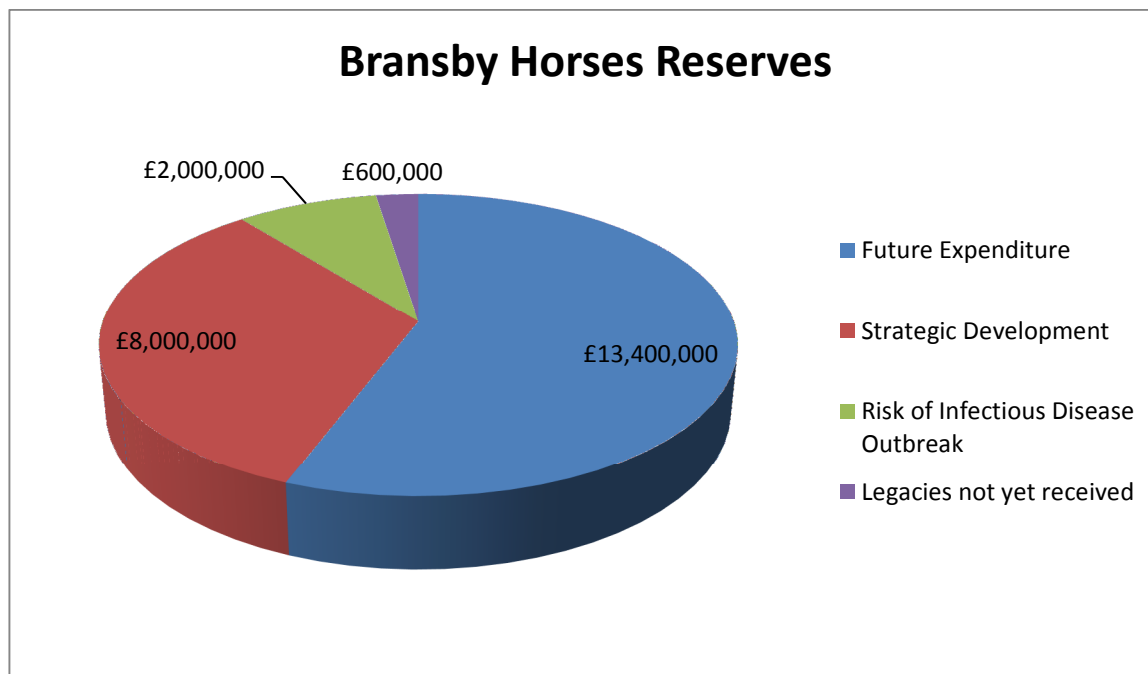
- Commitment to provide support and learning opportunities

The charity has aspirational plans to further develop support and learning opportunities by providing non-judgmental support and promoting the knowledge of the proper care of horses to those in need of assistance.

The Trustees have provided £8m for the further development of its facilities and resources in order to fulfil its strategy.

Supplementary Information:

The Trustees are committed to ensure that the charity maintains a level of reserves that safeguards the charity's activities well into the future. Whilst they will set a minimum level of reserves required annually, based on forecast expenditure; free reserves will be closely monitored on a quarterly basis by the Finance and Audit Committee. The current summary of Bransby Horses free reserves is as follows:



The total in reserves equates to £24m.

Bransby Horses
(Registered Number 03711676)

Trustees' Annual Report
For the Year Ended 31 December 2016

Investment Policy and Objectives Statement

The Articles of Association authorise the trustees to make and hold investments using the general funds of the charitable company. The trustees of Bransby Horses wish to pursue a policy that provides revenue for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in line with the objects of the charity.

As permitted by the charity's Articles of Association, the trustees have given the investment managers discretion to manage the portfolio within an agreed risk profile. The trustees have regular review meetings with the three individual investment managers in order to ensure that the portfolios are performing in line with their benchmark. The trustees use the services of a professional advisor as needed to assist with the monitoring and review of the performance of the investments. During the year the investments achieved the agreed level of capital growth and yielded £923,081 (2015: £823,158) of revenue income, this being against an agreed target of £800,000.

During 2016 the charity generated total revenue of £946,933 (2015: £849,827) in terms of dividends and interest received.

Qualifying Third Party Indemnity Provisions

Qualifying third party provisions made by the charity are in force for the benefit of the trustees.

Reference and Administrative Details

Directors

Miss E A Dawson (Vice Chair)
Mrs S J Dolan
Mrs H C Elston
Mrs C N Fisher (Chair)
Mr M S Mitchell (Treasurer)
Ms C F Sowden

Honorary President

Mr H C Marshall BSc, MICE, MIWEM

Chief Executive Officer

Mrs J Snell

Secretary

Miss D Hall

Bransby Horses
(Registered Number 03711676)

Trustees' Annual Report
For the Year Ended 31 December 2016

Registered Office

Bransby House
Bransby
LINCOLN
Lincolnshire
LN1 2PH

Registered Company

03711676 (England and Wales)

Registered Charity

1075601

Registered Auditors

Nicholsons
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire
LN6 3QN

Bankers

Clydesdale
8-10 Guildhall Street
LINCOLN
Lincolnshire
LN1 1TT

Solicitors

Chattertons McKinnells
17-23 West Parade
LINCOLN
Lincolnshire
LN1 1NW

Investment Managers

Barclays Wealth
11 Park Square East
LEEDS
LS1 2NG

Quilters
St Helen's
1 Undershaft
LONDON
EC3A 8BB

Bransby Horses
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Trustees' Annual Report
For the Year Ended 31 December 2016

Charles Stanley & Co Limited
Mercury Place
St George Street
LEICESTER
LE1 1QG

Property Advisors

J H Walter
1 Mint Lane
LINCOLN
Lincolnshire
LN1 1VD

Bransby Horses
(Registered Number 03711676)

Trustees' Annual Report
For the Year Ended 31 December 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information (as defined by Section 418 of the Companies Act) of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Nicholsons, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium companies.

FOR AND ON BEHALF OF THE BOARD:

Mrs C N Fisher – Trustee (Chair)

Date: 15 June 2017

Bransby Horses
(Registered Number 03711676)

Report of the Independent Auditors to the Members of

Bransby Horses
(Registered Number 03711676)

We have audited the financial statements of Bransby Horses for the year ended 31 December 2016 which comprise, the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheet, the Consolidated and the Statement of Cash Flows and Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees’ Responsibilities Statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this 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 group’s and the parent charitable company’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. In addition, we read all the financial and non-financial information in the Trustees’ Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group’s and the parent charitable company’s affairs as at 31 December 2016, and of the group’s incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Bransby Horses
(Registered Number 03711676)

Report of the Independent Auditors to the Members of

Bransby Horses
(Registered Number 03711676)

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Emma Murray (Senior Statutory Auditor)
For and on behalf of Nicholsons
Statutory Auditor
Newland House
The Point
Weaver Road
LINCOLN
Lincolnshire, LN6 3QN

Date: 26 June 2017

Bransby Horses
(Registered Number 03711676)

Consolidated Statement of Financial Activities
(including consolidated income and expenditure account)
for year ending 31 December 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Income:					
Donations and legacies	4	2,687,094	3,129	2,690,223	3,552,578
<i>Income from charitable activities:</i>					
Activities for generating funds	5	229,622	-	229,622	199,750
<i>Income from other trading activities:</i>					
Commercial trading operations	6	377,930	-	377,930	343,334
Investment income	7	988,014	-	988,014	890,632
Other incoming resources		48,185	-	48,185	48,871
Total income		4,330,845	3,129	4,333,974	5,035,165
Expenditure					
<i>Costs of raising funds:</i>					
Commercial trading operations	6	341,807	-	341,807	296,102
Costs of generating funds	8	494,243	-	494,243	455,550
<i>Expenditure on charitable activities:</i>					
Operation of the charity	9	3,403,675	14,600	3,418,275	3,211,910
Net (gains)/losses on investments	16	(2,690,930)	-	(2,690,930)	212,793
Total expenditure		1,548,795	14,600	1,563,395	4,176,355
Net income/(expenditure) and net movement in funds for the year		2,782,050	(11,471)	2,770,579	858,810
Reconciliation of funds					
Total funds brought forward		42,605,851	164,068	42,769,919	41,911,109
Total funds carried forward		45,387,901	152,597	45,540,498	42,769,919

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes at pages 23 to 40 form part of these accounts

Bransby Horses
(Registered Number 03711676)

Consolidated Balance Sheet
as at 31 December 2016

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Fixed assets					
Tangible assets	15	8,208,590	7,679,697	8,174,119	7,637,425
Investments	16	30,352,483	27,798,547	30,352,583	27,798,647
Investment properties	17	1,065,000	1,065,000	1,065,000	1,065,000
Total fixed assets		39,626,073	36,543,244	39,591,702	36,501,072
Current assets					
Stock		99,188	113,272	30,071	28,813
Debtors	18	646,907	1,957,579	807,015	2,084,076
Short-term deposits		4,736,244	4,191,312	4,736,244	4,191,312
Cash at bank and in hand		965,560	328,029	888,804	310,347
Total current assets		6,447,899	6,590,192	6,462,134	6,614,548
Liabilities					
Creditors falling due within one year	19	(533,474)	(363,517)	(496,797)	(320,602)
Net current assets		5,914,425	6,226,675	5,965,337	6,293,946
Total assets less current liabilities		45,540,498	42,769,919	45,557,039	42,795,018
The funds of the charity:					
Non charitable trading	21	(16,541)	(25,099)	-	-
General funds		24,463,407	25,303,486	24,463,407	25,303,486
Restricted funds		152,597	164,068	152,597	164,068
Investment revaluation fund		6,234,432	4,000,914	6,234,432	4,000,914
Designated funds		14,706,603	13,326,550	14,706,603	13,326,550
Total charity funds		45,540,498	42,769,919	45,557,039	42,795,018

The financial statements were approved by the Board of Trustees on 15 June 2017 and were signed on its behalf by:

Mrs C N Fisher, Chair of trustees

Miss E A Dawson, Vice Chair of Trustees

The notes at pages 23 to 40 form part of these accounts

Bransby Horses
(Registered Number 03711676)

Statement of Cash Flows and Consolidated Statement of Cash Flows
for year ending 31 December 2016

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Cash used in operating activities	23	863,341	331,248	803,868	357,309
Cash flows from investing activities					
Investment income		988,014	890,632	988,014	890,632
Purchase of tangible fixed assets		(840,898)	(296,077)	(840,499)	(295,267)
Purchase of fixed asset investments		(5,461,481)	(9,671,755)	(5,461,481)	(9,671,755)
Sale of tangible fixed assets		35,013	24,050	35,013	24,050
Sale of fixed asset investments		5,579,601	9,482,484	5,579,601	9,482,484
Cash provided by (used in) investing activities		300,249	429,334	300,648	430,144
Increase (decrease) in cash and cash equivalents in the year		1,163,590	760,582	1,104,516	787,453
Cash and cash equivalents at the beginning of the year		4,829,725	4,069,143	4,812,043	4,024,590
Total cash and cash equivalents at the end of the year		5,993,315	4,829,725	5,916,559	4,812,043

The notes at pages 23 to 40 form part of these accounts

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Bransby Horses meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The charity reported a net cash inflow of £1,104,516 for the year and £1,163,590 on a group basis. The trustees are of the view from these results that on this basis the Charity is a going concern for at least the next 12 months from the date of signing the Financial Statements.

c) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Bransby Horses Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Investment income

Investment income on funds held is included when interest and dividends are receivable and the amount can be measured reliably by the charity; this is normally upon notification of the income paid or payable.

g) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income and gains are allocated to the appropriate fund.

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

h) Expenditure and value added tax

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure directly attributable to specific activities has been included in those cost categories. Other costs are apportioned to cost categories based on estimates by management using various appropriate measures.

The charity is not registered for VAT, irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. The trading subsidiary is registered for VAT and its income and expenditure are shown net of VAT.

i) Allocation of support costs

Support costs are those associated with the general management of the charity, other than governance costs, that are not directly attributable to charitable activities or fundraising. These costs are allocated based primarily on head count. Office and associated costs are allocated based on staff numbers and activities carried out by each. General running costs are allocated based on total head count including all charity staff.

j) Grants payable

Grants paid and payable are included as a liability when a constructive obligation is entered into by the charity, being the date a written grant offer letter is communicated to the grant recipient.

k) Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

l) Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

Rentals paid under operating leases are charged on a straight-line basis over the term of the lease.

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

m) Tangible fixed assets

Tangible fixed assets (excluding investment assets) are recorded at cost or, in cases where fixed assets have been donated, at valuation at the time of acquisition. There is no specific capitalisation threshold.

Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Freehold land	Not provided
Freehold buildings	2% Straight line / 4% reducing balance
Freehold property improvement	10% Straight line
Plant, motor and machinery	15% / 25% Straight line 15% / 20% reducing balance

Where an asset is under construction depreciation is not charged until the asset is complete.

n) Investment assets

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

o) Investment property

Investment property is shown at the fair value valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the SOFA.

p) Stock

Stock consists of purchased goods for resale together with veterinary goods and feed stocks for own use and are included at the lower of cost and net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

q) Debtors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term investments with a short maturity from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

t) Financial instruments

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Legal status of the charity

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

3 Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary which operates sale of stationery cards, fancy goods and clothing appropriate to the objectives of its parent company along with farming activities and a café.

The summary financial performance of the charity alone is:

	2016 £	2015 £
Income	3,980,610	4,717,683
Expenditure on charitable activities	(3,909,519)	(3,665,660)
Net gains/(losses) on investments	2,690,930	(212,793)
Net income	<hr/> 2,762,021	<hr/> 839,230
Total funds brought forward	42,795,018	41,955,788
Total funds carried forward	<hr/> 45,557,039	<hr/> 42,795,018
Represented by:		
General funds	24,463,407	25,303,486
Restricted income funds	152,597	164,068
Investment revaluation fund	6,234,432	4,000,914
Designated funds	14,706,603	13,326,550
	<hr/> 45,557,039	<hr/> 42,795,018

4 Income from donations and legacies

	2016 £	2015 £
Donations		
Gifts	497,804	498,733
Legacies	2,192,419	3,053,845
	<hr/> 2,690,223	<hr/> 3,552,578

The income from donations and legacies was £2,690,223 (2015: £3,552,578) of which £2,687,094 was unrestricted (2015: £3,384,958) and £3,129 restricted (2015: £167,620).

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

5 Income from charitable activities

	Unrestricted funds 2016 £	Unrestricted funds 2015 £
Open day receipts	9,825	6,948
Raffle tickets	91,576	92,684
Adoptions	83,270	72,731
External welfare income	44,951	27,387
Total income from charitable activities	<u>229,622</u>	<u>199,750</u>

6 Income earned from other activities

The wholly owned trading subsidiary Bransby Horses Trading Limited is incorporated in the United Kingdom (company number 02480383). Bransby Horses Trading Limited operates sale of stationery cards, fancy goods and clothing appropriate to the objectives of its parent company along with farming activities and a café. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2016 £	2015 £
Turnover	377,930	343,334
Cost of sales and administration costs	<u>(367,130)</u>	<u>(323,754)</u>
Net profit before taxation	10,800	19,580
Taxation	(2,242)	-
Profit after taxation	<u>8,558</u>	<u>19,580</u>
The assets and liabilities of the subsidiary were:		
Assets	201,475	178,941
Liabilities	<u>(217,916)</u>	<u>(203,940)</u>
Aggregate share capital and reserves	<u>(16,441)</u>	<u>(24,999)</u>

Included within £367,130 (2015: £323,754) is £27,565 (2015: £27,652) being recharges from the charity which have been removed on consolidation.

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

7 Investment income

	2016	2015
	£	£
Dividends and other income from investment portfolio	923,081	823,158
Bank and other interest	23,852	26,669
Rental income	41,081	40,805
	<u>988,014</u>	<u>890,632</u>

8 Costs of generating funds

	2016	2015
	£	£
Cost of generating voluntary income:		
Printing and postage	141,026	139,386
Advertising	52,603	40,440
Legal and professional fees	661	3,987
Raffle expenses	16,000	14,615
Other costs	22,016	9,352
Investment management costs	126,207	118,740
Allocated support costs (see note 10)	135,730	129,030
	<u>494,243</u>	<u>455,550</u>

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

9 Analysis of expenditure on charitable activities

	2016	2015
	£	£
Running costs		
Equine welfare wages	1,207,485	1,106,816
Equine welfare costs	533,636	519,206
Feed and bedding	143,080	160,969
Protective clothing	10,275	12,531
Repairs and renewals of fencing	27,332	35,552
Staff uniforms	4,238	5,172
Health and safety costs	15,652	13,021
Educational area costs	1,914	2,218
Subscriptions	6,068	4,640
Rent	-	575
Legal and professional	40,708	24,661
Bank and credit charges	12,598	10,070
Bad debts	2,957	-
Plant, motor and machinery depreciation	115,134	109,933
(Profit)/loss on sale of fixed assets	(11,258)	(12,750)
Allocated support costs (see note 10)	1,221,571	1,161,268
Grant making	70,500	46,500
Governance costs (see note 10)	16,385	11,528
	<u>3,418,275</u>	<u>3,211,910</u>

Expenditure on charitable activities was £3,418,275 (2015: £3,211,910) of which £3,403,675 was unrestricted (2015: £3,208,358) and £14,600 was restricted (2015: £3,552).

Bransby Horses
(Registered Number 03711676)

Notes to the Financial Statements
for the Year Ended 31 December 2016

10 Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function.

Support costs

	2016 £	2015 £
Salaries, wages and National Insurance	689,663	604,743
Training	29,403	16,097
Canteen and staff welfare	12,766	9,881
Repairs and renewals	122,228	143,707
Cleaning and gardening expenses	31,108	26,113
Vehicle and plant running costs	65,895	62,002
Rates	13,519	16,653
Water and drainage rates	9,320	9,220
Heat and light	25,121	29,119
Insurance	89,051	86,603
Telephone	20,754	16,650
Office equipment repairs	5,368	2,981
Stationery	8,213	6,871
Travel expenses	13,400	9,230
Computer costs	41,555	62,081
Security	11,188	21,564
Pest control	3,797	2,083
Sundry administrative charges	35	34
Freehold land and building depreciation	162,728	161,964
Plant, motor and machinery depreciation	2,189	2,702
	<u>1,357,301</u>	<u>1,290,298</u>
Allocation of support costs		
Costs of generating funds	135,730	129,030
Charitable activities	1,221,571	1,161,268
	<u>1,357,301</u>	<u>1,290,298</u>

Governance costs

	2016 £	2015 £
Audit and accountancy	16,000	11,400
Trustee expenses (see note 11)	385	128
	<u>16,385</u>	<u>11,528</u>

Fees payable to the auditors for audit services were £8,100 (2015: £8,100) which includes £2,000 (2015: £2,000) for the subsidiary undertaking.

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11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2016	2015
	£	£
Salaries and wages	1,822,339	1,640,424
Social security costs	122,210	109,949
Pension costs	47,545	41,302
	<u>1,992,094</u>	<u>1,791,675</u>

One employee had employee benefits between £60,000 and £70,000 (2015: nil).

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2015: £nil) travel expenses were reimbursed during the year amounting to £385 (2015: £128). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

The key management personnel of the parent charity, comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £59,779 (2015: £56,094).

The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary Bransby Horses Trading Limited. The key management personnel of Bransby Horses Trading Limited are the Chief Executive Officer whose employee benefits total £59,779 (2015: £56,094). The employee benefit of key management personnel for the group was therefore £59,779 (2015: £56,094).

12 Staff numbers

The average monthly head count was 99 staff (2015: 90 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2016	2015
	Number	Number
Charitable activities	73	69
Cost of generating funds	10	10
Management and administration of the charity	16	11
	<u>99</u>	<u>90</u>

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13 Related party transactions

The charitable company has taken advantage of the exemption in FRS102 (section 33) 'related party disclosure' not to disclose transactions with subsidiary undertakings.

14 Corporation taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Group		Charitable company	
	2016	2015	2016	2015
	£	£	£	£
Current tax:				
UK corporation tax	2,242	-	-	-
	<u>2,242</u>	<u>-</u>	<u>-</u>	<u>-</u>

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15 Tangible fixed assets

Charitable company

	Freehold land and buildings £	Plant, motor and machinery £	Totals £
COST			
At 1 January 2016	8,178,314	1,156,633	9,334,947
Additions	717,273	123,226	840,499
Disposals	(17,314)	(44,130)	(61,444)
At 31 December 2016	<u>8,878,273</u>	<u>1,235,729</u>	<u>10,114,002</u>
DEPRECIATION			
At 1 January 2016	1,022,111	675,411	1,697,522
Charge for year	162,728	117,323	280,051
Eliminated on disposal	(1,999)	(35,691)	(37,690)
At 31 December 2016	<u>1,182,840</u>	<u>757,043</u>	<u>1,939,883</u>
NET BOOK VALUE			
At 31 December 2015	<u>7,156,203</u>	<u>481,222</u>	<u>7,637,425</u>
At 31 December 2016	<u>7,695,433</u>	<u>478,686</u>	<u>8,174,119</u>

Group

	Freehold land and buildings £	Plant, motor and machinery £	Totals £
COST			
At 1 January 2016	8,230,251	1,207,289	9,437,540
Additions	717,273	123,625	840,898
Disposals	(17,314)	(44,130)	(61,444)
At 31 December 2016	<u>8,930,210</u>	<u>1,286,784</u>	<u>10,216,994</u>
DEPRECIATION			
At 1 January 2016	1,060,570	697,273	1,757,843
Charge for year	167,120	121,131	288,251
Eliminated on disposal	(1,999)	(35,691)	(37,690)
At 31 December 2016	<u>1,225,691</u>	<u>782,713</u>	<u>2,008,404</u>
NET BOOK VALUE			
At 31 December 2015	<u>7,169,681</u>	<u>510,016</u>	<u>7,679,697</u>
At 31 December 2016	<u>7,704,519</u>	<u>504,071</u>	<u>8,208,590</u>

Included in land and buildings is land amounting to £2,178,932 (2015: £2,178,932) which has not been depreciated.

Also included within land and buildings is a nominal amount relating to land which is rented out to local farmers, this land is not suitable for grazing. The amount received during the year for land rents amounts to £8,712 (2015: £8,712).

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16 Investments – Charitable company

The charity holds 100 shares of £1 each in its wholly owned trading subsidiary company Bransby Horses Trading Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in note 6.

Investments – Group and charitable company

	Listed £	Cash £	Totals £
Market value at 1 January 2016	27,488,162	310,385	27,798,547
Additions to investments at cost	5,461,481	-	5,461,481
Disposals at carrying value	(5,415,725)	-	(5,415,725)
Net cash movements	-	(18,874)	(18,874)
	<u>27,533,918</u>	<u>291,511</u>	<u>27,825,429</u>
Net gain on revaluation at 31 December 2016	<u>2,527,054</u>	-	<u>2,527,054</u>
Market value at 31 December 2016	<u>30,060,972</u>	<u>291,511</u>	<u>30,352,483</u>
Cost of investments at 31 December 2016	<u>23,826,540</u>	<u>291,511</u>	<u>24,118,051</u>
Investment revaluation reserve at 31 December 2016	<u>6,234,432</u>	-	<u>6,234,432</u>
Cost of investments at 1 January 2016	<u>23,487,248</u>	<u>310,385</u>	<u>23,797,633</u>

		Listed £
Listed investments comprise:		
Quilters:	UK gilts	2,801,236
	Europe and global bond fund	341,250
	Equities UK	4,221,693
	Equities Foreign	3,283,311
	Hedge Funds UK	586,564
	Property	904,628
Barclays Wealth:		
Fixed interest -	UK bond funds	681,905
	Europe and global bond fund	632,047
	UK Gilts	104,011
Equities -	UK	5,577,084
	Foreign	2,966,364
Property	UK	823,708
Charles Stanley:		
Fixed interest –	UK gilts	307,140
	UK bond funds	744,368
	Europe and global bond fund	208,678
Equities -	UK	3,092,921
	Foreign	2,299,406
Hedge Funds	UK	322,448
Property	UK	162,210
		<u>30,060,972</u>

No investment represents more than 5% of the total market value.

The above investments are held primarily to provide an investment return.

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Notes to the Financial Statements
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17 Investment property – group and charitable company

Total
£

VALUATION

At 31 December 2015	1,065,000
At 31 December 2016	<u>1,065,000</u>

NET BOOK VALUE

At 31 December 2016	<u>1,065,000</u>
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During the year the investment properties were let or available for let under operating leases.

Investment properties were valued on an open market basis on 30 April 2014 by J H Walters Chartered Surveyors and the trustees are satisfied that this valuation is still reasonable.

If the investment properties were sold at this value the maximum additional corporation tax due would be £Nil.

If investment property had not been revalued it would have been included at the following historical cost:

	2016 £	2015 £
Cost	<u>1,490,435</u>	<u>1,490,435</u>
Aggregate depreciation	<u>(162,185)</u>	<u>(132,376)</u>

18 Debtors

	Group		Charitable company	
	2016 £	2015 £	2016 £	2015 £
Due within one year:				
Amounts due from trading subsidiary	-	-	178,413	152,737
Trade debtors	21,131	34,528	-	-
Other debtors	821	-	821	-
Accrued income	573,575	1,886,410	576,401	1,890,434
Prepayments	51,380	36,641	51,380	36,641
	<u>646,907</u>	<u>1,957,579</u>	<u>807,015</u>	<u>2,079,812</u>
Due greater than one year:				
Amounts due from trading subsidiary	-	-	-	4,264
Aggregate amounts	<u>646,907</u>	<u>1,957,579</u>	<u>807,015</u>	<u>2,084,076</u>

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19 Creditors – Amounts falling due within one year

	Group		Charitable company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	326,273	195,675	316,483	169,486
Other taxation and social security	44,282	37,458	28,335	29,958
Accruals	162,919	130,384	151,979	121,158
	533,474	363,517	496,797	320,602

20 Operating lease commitments

	Group		Charitable company	
	2016	2015	2016	2015
	£	£	£	£
Expiring:				
Within one year	12,072	12,072	-	-

21 Analysis of charitable funds

	Balance 1 January 2016	Incoming resources	Resources expended	Other movement	Funds 31 December 2016
	£	£	£	£	£
Trading company reserves	(25,099)	377,930	(369,372)	-	(16,541)
General funds	25,303,486	3,952,916	(3,590,303)	(1,202,692)	24,463,407
Restricted funds	164,068	3,128	(14,599)	-	152,597
Investment revaluation	4,000,914	-	-	2,233,518	6,234,432
	29,443,369	4,333,974	(3,974,274)	1,030,826	30,833,895
Designated funds					
Capital commitment fund	4,624,125	-	-	843,359	5,467,484
Fixed asset fund	8,702,425	-	(280,051)	816,745	9,239,119
	13,326,550	-	(280,051)	1,660,104	14,706,603
Total funds	42,769,919	4,333,974	(4,254,325)	2,690,930	45,540,498

The general funds balance represents the free funds of the charitable company which are not designated for particular purposes.

The restricted funds balance represents amounts received in relation to the following:

ICU

To improve the facilities at our Animal Reception Centre by building a specialist care area for equines who are dangerously ill.

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Analysis of charitable funds continued

Sarcoids

For the treatment of Sarcoids (a form of equine cancer).

Gemma

Appeal to build a new shelter and woodchip pad for the donkeys at the Visitor Centre.

Rugs

Appeal for funds to purchase winter rugs.

Mumphy Memorial Fund

A fund was created in memory of ex-adoption horse Mumphy to build an all-weather turn-out area at the Visitor Centre.

Capital commitments authorised but not contracted for

	Balance 2015 £	Movement in provision £	Provision spent in the year £	Balance 2016 £
Lincolnshire site				
Fleet	60,000	333,188	(62,688)	330,500
General	10,000	10,703	(10,703)	10,000
IT and telecommunications	60,000	135,600	-	195,600
Site development	1,094,125	1,345,449	(531,090)	1,908,484
Veterinary equipment	-	22,900	-	22,900
Herefordshire site				
Land and development of isolation area	300,000	(300,000)	-	-
Winter housing	80,000	(80,000)	-	-
Conservation area	20,000	(20,000)	-	-
Welfare development	3,000,000	-	-	3,000,000
	<u>4,624,125</u>	<u>1,447,840</u>	<u>(604,481)</u>	<u>5,467,484</u>

The capital commitments fund has been designated by the Trustees for the major capital expenditure expected during 2017 as set out in note 21, some of which has been carried forward from 2016. Funds have also been committed to a welfare development fund; this will enable the charity to make substantial plans for further improving the horse welfare in line with its objects.

The fixed asset fund has been set up to assist in identifying those funds that are not free funds. It represents the net book value of tangible fixed assets of the charitable company and the investment properties held.

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22 Analysis of group net assets between funds

	Designated funds £	General funds £	Restricted funds £	Total £
Fund balances at 31 December 2016 are represented by:				
Tangible fixed assets	8,174,119	34,471	-	8,208,590
Investments	6,532,484	24,884,999	-	31,417,483
Current assets	-	6,295,302	152,597	6,447,899
Liabilities	-	(533,474)	-	(533,474)
Total net assets	<u>14,706,603</u>	<u>30,681,298</u>	<u>152,597</u>	<u>45,540,498</u>

23 Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2016 £	2015 £	Charitable company 2016 £	2015 £
Net movement in funds	2,770,579	858,810	2,762,021	839,230
Depreciation charge	288,251	284,586	280,051	274,599
Income shown in investing activities	(988,014)	(890,632)	(988,014)	(890,632)
(Profit)/loss on disposal of fixed assets	(11,258)	(12,750)	(11,258)	(12,750)
(Profit)/loss on disposal of investments	(163,876)	(82,126)	(163,876)	(82,126)
(Profit)/loss on revaluation of investments	(2,527,054)	294,919	(2,527,054)	294,919
(Increase)/decrease in stock	14,084	(4,173)	(1,258)	7,808
(Increase)/decrease in debtors	1,310,672	(3,860)	1,277,061	29,426
Increase/(decrease) in creditors	169,957	(113,526)	176,195	(103,165)
Net cash used in operating activities	<u>863,341</u>	<u>331,248</u>	<u>803,868</u>	<u>357,309</u>