

Company no. 06353944  
Charity no. 1121920

**HorseWorld Trust**  
**Report and Audited Financial Statements**  
**31 December 2016**

**HorseWorld Trust**

**Contents**

**For The Year Ended 31 December 2016**

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# **HorseWorld Trust**

## **Report of the Trustees for the year ended 31 December 2016**

### **An introduction to HorseWorld Trust (the "Charity") – our history**

Our charitable work commenced 65 years ago in 1952 as "The Friends of Bristol Horses Society" (the Society). It was then a campaign to save the lives of working horses in Bristol that were being replaced in industry by motorised vehicles. Under the banner "Retirement Not Slaughter" - for many were destined for the abattoir - the Society, which became a registered charity in November 1952, offered a haven in Bristol for the horses, ponies and donkeys that had worked on the railways, in the dockyards, the coal mines, with the armed forces, on the roads and elsewhere in industry.

HorseWorld Trust was registered with the Charity Commission on 11 December 2007 under number 1121920. It is a charitable company limited by guarantee and without share capital. It is registered at Companies House under number 06353944. The Charity was set up as part of the incorporation of the Society under the terms of which all the charitable operations of the Society were transferred to the Charity on 31<sup>st</sup> December 2007.

### **What we do – our principle charitable objectives and activities**

In the UK today working horses are largely a memory of the past but none-the-less a very real demand remains for our prime charitable objectives of rescuing, rehabilitating and re-homing horses and ponies that have suffered maltreatment, neglect or deprived circumstances. In addition, we promote the education of the public in matters concerning to the welfare of equines in general and the prevention of cruelty to and suffering by such animals. Once a horse, pony or donkey is accepted into our care our utmost efforts are directed at restoring the animal to full health, then undertaking such rehabilitation as may be appropriate and, wherever practical, re-homing it. All re-homed animals are inspected regularly and in the great majority of cases the Charity retains title to the re-homed animal.

We also run the Discovery educational programme. This brings children and young people who have special educational needs, behavioural problems or are otherwise vulnerable together with horses and the natural environment with the aim of promoting emotional growth and learning in these young people.

### **Our principal focuses in 2016**

Predominately our efforts were directed at promoting the Charity's work to as wide an audience as possible and generally enhancing the profile through all possible means.

In addition, we sought to develop new sources of sustainable income such that our heavy dependency on legacies is reduced over time with the aim of securing a situation where non-legacy income substantially or fully covers the forecast annual expenditure. The focus in achieving this goal was to develop our supporter base by increasing the frequency and quality of communications with existing and prospective supporters and donors.

A further key activity was the on-going expansion and development of the Discovery programme and the teams' skill sets is such that we can offer a wider range of learning opportunities and qualifications for disadvantaged children and young people.

As in previous years, a comprehensive review of our infrastructure and the equipment requirements for Keynes Farm was undertaken resulting in an updated plan for future improvements.

### **How we have performed against the charitable objectives:**

#### **Rescue, Rehabilitation & Re-homing**

Whenever possible and practical we try by providing advice and guidance to ensure that horses remain with their owners but where this is not achievable, all too frequently because the owner cannot be identified, we will take the animal into our care. During 2016 there was an increasing number of instances where advice and guidance was offered, either first-hand or in response to emails or telephone calls.

As well as our equine advice and guidance to members of the public we assist local authorities, the police and the fire & rescue services. Our welfare staff continue to liaise with relevant authorities to scrutinize identified

## HorseWorld Trust

### Report of the Trustees for the year ended 31 December 2016

issues and instigate initiatives to reduce these problems. We have been working with several recently rescued feral equines that have significant behavioural training needs and there are indications this may be an area making increased demands on our services.

2016 saw a significant increase in the number of welfare assistance cases – those incidents that required immediate support from the Charity not all of which resulted in horses being taken into care. We collaborated with the RSPCA and other equine charities on several rescues.

<b>2016 Statistics</b>	<b>2015</b>	<b>2016</b>
No of equines on site at year end	113	105
No of equines on loan at year end	257	248
No of equines with potential for rehoming	75	68
No of equines unable/unlikely to be rehomed	38	37
No of equines rescued	10	26

2016 saw the commencement of a relationship with the Mounted Branch of the Avon and Somerset Police and we now offer them a livery service whereby we look after police horses enjoying a well-earned break and recuperation.

During the year 33 horses in our care were rehomed. As always, it is a delicate balance to ensure these animals that have successfully completed their training and rehabilitation programme and are awaiting homes are kept fit and able whilst commencing the training of other animals on site. Each year we see an increasing number of re-homed horses and ponies returned to us because of changed economic circumstances or ill-health of the home loaners. There were 27 horses returned to us by loaners in 2016.

Regrettably, there is no sign of any diminution of demand for our advice, guidance, rescue and re-homing services.

#### Open Days and Events

Typically, our open days attract an audience of between 800 and 1,000 visitors, many of whom are committed supporters. Unfortunately, one of the four planned open day events for 2016 had to be cancelled due to adverse weather conditions.

Most of the visitors at these events take the opportunity to talk with our welfare staff about the animals and to reassure themselves that we continue to focus on our rescue, rehabilitation and rehoming objectives. They are usually keenly interested to see and hear of the progress of the latest rescue animals.

These events are free of entry charge and permit our supporters the opportunities to visit and to go 'behind the scenes' to see for themselves the charitable work that we are doing. For those supporters who contribute directly to the upkeep and welfare of animals through our adoption scheme this is their opportunity to meet both the adopted animals and the staff who care so well for them.

Attractive levels of voluntary donations and significant new adoption income are a hallmark of the open days, and competitions and entry-free prize draws provide sufficient incentive for visitors and supporters to provide us with helpful personal data.

Whilst most visitors and supporters are not able to re-home one of the horses or ponies in our care, there are usually a handful of rehoming enquiries and we have had rehoming successes because of holding these open-day events.

Employees of several of our corporate supporters regularly volunteer to help us organise and run these events, which also provide an opportunity for them to gain a deeper understanding of the Charity, its work and to interact with our supporters and visitors.

External talks have been provided to many local community groups and Townswomen's Guilds for a nominal donation to cover expenses. These talks are given mostly to women's groups where the attendees have an interest in horses and the rescue work of the charity.

# **HorseWorld Trust**

## **Report of the Trustees for the year ended 31 December 2016**

Some of our more able horses, ponies and donkeys attend external events such as Easter and Christmas parades for a nominal donation to cover expenses, so enabling the Charity to reach a wider audience and inform them of the work undertaken.

Our long-term relationship with Animal Friends Pet Insurance led to our selection as one of the charities selected for an online competition in 2016. We won the top prize of £10,000 on the 1<sup>st</sup> July by mobilising the voting power of our social media followers, staff, friends and family, suppliers and supporters with regular posts including video messages.

These videos helped us reach over 40,000 Facebook users and although that only translated into 1,036 votes, it was sufficient to secure first place.

A representative from Animal Friends visited HorseWorld on 26<sup>th</sup> July for a tour of the facilities and to meet key personnel. She wrote "It was wonderful to see the good that our donations go towards and to meet the committed team at Horse World". The representative also published a glowing report of our history and work in her blog which is read by her 164,000 Facebook and Twitter followers. She also took that opportunity to promote the next HorseWorld Open Day then set for 20<sup>th</sup> August.

### **The Discovery Programme**

Many of the horses and ponies in our care are unlikely, for a wide variety of reasons, ever to be re-homed. The Discovery programme focuses on utilising some of these animals as unique tools to alleviate emotional and mental challenges in children and young people and to encourage inter-personal communication and increased levels of confidence. This bringing together of previously mistreated horses and ponies with youngsters who have physical and/or emotional disorders has had quite remarkably positive effects. We see those with severe anti-social and aggressive behavioural problems become calmer and more communicative; withdrawn youngsters beginning to express themselves and employing new, appropriate body language; those demonstrating autistic spectrum behaviours and Attention Deficit Hyperactivity Disorders communicating with their peers, our tutors, the horses and being able to remain focussed on activities for long periods.

A more recent addition to the Discovery programme is "Discover Nature". This is designed to get the children and young people to begin learning about nature, the environment and rudimentary elements of land management. It is proving to be increasingly popular and this aspect of Discovery will be further developed.

There is ongoing evidence that highlights the importance of animal-assisted interventions and other "green-care" options in maintaining the health and wellbeing of vulnerable people. Local authorities are now recognising the importance of alternative provision and there are ongoing consultations with which we have been asked to assist.

Our Discovery Course Leader completed her Level 4 Internal Quality Assurance Qualification in 2016 and her two principal Course Assistants completed their Level 3 Assessors Qualification. Consequently, our Discovery staff are now formally qualified and a highly-experienced team, which will enable our students to gain nationally recognised educational qualifications through City and Guilds and ASDAN.

Now in its seventh year, the Discovery Project is having an increasing and positive impact working with more than 200 children and young people completing courses in 2016.

### **How we have performed against the shorter-term strategic objectives:**

Develop new sources of sustainable income and increasing our supporter base  
It had been our intention to commence a major exercise designed to increase our supporter and donor base. However, changed regulations, which are impacting on all charities, and will require supporters to "opt-in" to all future contact from us meant that a complete rethink of the process was required. Consequently, little progress was made in this area. Full detail of the new regulations and an ability to assess fully their impact is unlikely before the second half of 2017.

We commenced the trial of radio advertising as a method to recruit new donors by telling short, impactful equine rescue stories, with a text giving ask. This has had limited success.

Our Open days continue to be a good source of acquiring new donor data.

## **HorseWorld Trust**

### **Report of the Trustees for the year ended 31 December 2016**

2016 was a time for consolidation and focusing on our core business. Parts of Avonmouth, Bristol became a major drain on our resources. After months of work with the Police, landowners, Local Councils and by use of the Control of Horses Act we successfully managed to move on and find homes for a large number of horses. This area suffered greatly from illegal fly-grazing and our staff worked hard to improve the conditions and help as many horses as possible. One of the horses we rescued and named Twiglet was found starved, obviously beaten and with a fractured spinal bone. He was dangerously underweight but is now well on the road to recovery. Pilgrim and Grace (also named by us) were two more horses successfully rescued from the Avonmouth area. They were found straying on the main road after being illegally fly-grazed.

In February 2016 with the aid of Avon Fire and Rescue and the RSPCA we rescued a young colt, named Joey after the "War Horse" style conditions he was rescued from. The five-month-old foal had fallen into a deep muddy ditch and was too weak to stand. He was freezing cold and needed urgent veterinary care, glucose and fluids. After several hours of trying to raise his temperature using heaters and hot water bottles he started to improve, our staff were with him throughout the night to ensure his recovery. The press coverage of this rescue story reached the National Newspapers and local coverage on the television news reports.

Further consideration has been given to a more suitable and meaningful name for the Charity, but given the strategic importance of this, it was felt necessary to give this more time and also to perform more market-testing before committing to a full re-brand.

The development of a new Website commenced which will be far more flexible and also work better with mobile internet devices. This is anticipated to go live second quarter of 2017.

#### **Governance and Management**

The Charity is a company limited by guarantee and not having a share capital. It operates under the terms of its Memorandum and Articles of Association, copies of which are filed with Companies House and the Charity Commission, were amended by Special Resolution on 15 December 2016.

The overall direction and management of the Charity lies with the Board of Trustee Directors (the "Board"). The Board meets at least bi-monthly to set strategy, approve plans and review and monitor progress in achieving the targets set by the Board.

The Board is ever mindful of the need to recruit appropriately experienced individuals to serve as trustees and to ensure continuity of appropriate specialist skills and services. New trustees are appointed for their relevant commercial, technical or equine knowledge.

New trustees are briefed by the Chairman and Managing Director on

- their legal obligations under charity and company law,
- the Charity Commission's guidance for trustees
- the Memorandum and Articles of Association,
- the committee and decision-making processes,
- the business plan and recent financial performance of the charity, and
- any other relevant information.

They also undertake tours of the charity where they meet staff and are introduced to every aspect of the charitable work.

Day-to-day operational control of the charity is delegated by the Board to the Managing Director who is supported by a team of professionals in finance, human resources, health & safety, communications, fundraising, equine care and welfare. The Managing Director ensures that Board members are made aware of all new legislation and policies that will impact on the management of the Charity and our charitable work.

Staff salaries are reviewed annually and benchmarked against charities of a similar size and structure. Senior management salaries were benchmarked in 2015 through an external independent market rate consultant and adjustments made with effect from 1<sup>st</sup> January 2016.

## **HorseWorld Trust**

### **Report of the Trustees for the year ended 31 December 2016**

HorseWorld is a corporate member of the Institute of Fundraising and the Charity undertakes its fundraising activities in accordance with best practice. As at 31 December 2016, due to HorseWorld's relatively low Fundraising expenditure, the Charity was not invited to register with the Fundraising Regulator but is giving full "consideration" to making an optional application.

#### **Risk Management**

The charity maintains a risk register as part of its risk management processes. The register is accessible to all managers who can add new incidents and risks of any nature (e.g. governance & management; operational; financial; external & environmental and compliance) as soon as they are identified or occur. Risk management policies set out how each risk or incident is scored relative to the likelihood of occurrence; recurrence and estimated impact. The register is reviewed every six months by the Board and by the operational management team as circumstances dictate.

#### **Public Benefit**

The Trustee Directors and staff acknowledge the importance of working for the public benefit and achieve this in many ways. Our core activities focus on and are undertaken in the furtherance of our charitable purposes and for the public benefit. They comprise:

- All aspects of equine care and welfare,
- Operating a re-homing service for the rehabilitated horses and ponies in our care,
- The advancement of public education pertaining to the animal welfare in general and the prevention of cruelty to animals,
- Advancing the education, training and mentoring of students, young persons, disadvantaged children and young persons including those with learning difficulties and/or behavioural problems,
- Providing assessment and training facilities for professional studies and qualifications,
- Working with local authorities, the police and fire and rescue service in dealing with the challenges of abandoned and stray horses and ponies,
- Being a full Equine Welfare Member of the National Equine Welfare Council (NEWC),
- An apprenticeship scheme focusing on equine care,
- Our involvement in the Youth Offenders Team and other community schemes,
- Providing employment to 31 people, and
- Managing our land in a conscientious and environmentally appropriate manner.

In determining the charitable objectives and planning the activities set out in this report the Board has fully considered the Charity Commission's guidance on public benefit. The Charity relies predominately on legacies and donations and, to a much lesser extent, on fees and charges to cover its operating costs. In setting the level of any fees and charges the Board considers the accessibility of the Charity's facilities. Where public access is restricted it is for sound management and/or welfare and safety reasons.

#### **Staff, Volunteers and Supporters**

Following a period of staff consolidation with the emphasis focussing fully on our core charitable work the staff morale and team spirit has never been higher.

In-house training courses for our Welfare Staff are conducted in collaboration with our veterinary practice. These encompass areas such as parasites, nutrition, lameness, basic first aid, injections, zoonotic diseases and assessing for ill-health. Following the successful completion of this in-house course staff will be assessed and further formal NVQ training will be considered for those wishing to take their learning in these important areas to higher levels. We have also invested heavily in staff-training, providing specialist in-house training on equine behavioural issues to help our staff work with the more challenging equines we rescue.

We have a number of regular, committed volunteers some of whom help around the site whilst others offer office-based support or in our second-hand tack shop. We have many volunteers who we can call on for help with car park marshalling, meeting & greeting and helping on various stalls at our open days and events.

Over the course of the year there were 49 people who generously contributed 2,403 volunteer hours, mainly

## **HorseWorld Trust**

### **Report of the Trustees for the year ended 31 December 2016**

working with the Equine Welfare, Discovery Courses and Maintenance Departments. The figures include regular volunteers, volunteers for Open Days and events, veterinary placements, corporate groups and youth offenders.

As ever, we are most grateful to all staff members, supporters, volunteers and the "Friends of HorseWorld" for their continuing support without which we would achieve so much less in all areas.

#### **Community Projects**

Our work with the Youth Offending Team continued in 2016 but the hours that were formally supervised were much reduced. These small groups of people work at Keynes Farm whilst serving community service orders and normally (but not always) are supervised to ensure appropriate behaviour and that the allocated work is completed properly and on a timely basis. Our staff are not permitted (nor do they have the capacity) to supervise these people.

#### **Education**

We continue to provide training and educational activities for a host of professional and trade bodies, ranging from equine dental technicians, the fire and rescue service, through to saddle micro-chippers and post-doctoral veterinary surgeons.

As in previous years we continued to expand and enhance our equine care and welfare education programmes working with children from local schools and those privately introduced. These programmes have provided an opportunity for young people to learn about the care of horses, to work as a team with a range of people, to overcome fear by approaching and learning to handle horses respectfully.

#### **Financial Review**

A separate set of accounts for HorseRescue Limited (our non-trading subsidiary) has been prepared and submitted to Companies House.

The Charity's statement of financial activities shows that net incoming resources in 2016 were £1,412,040 (2015 - £1,060,501).

Legacy income is subject to wide year-on-year variations and increased to £963,463 (2015 - £733,380).

Expenditure on our charitable activities decreased to £840,192 (2015 - £901,445).

As previously reported contracts for sale of the two lots comprising the former visitor centre were exchanged with Bellway Homes Limited ("Bellway") and Whitecroft Developments Limited ("Whitecroft") on 25 June 2015. The Bellway contract is conditional, inter alia, on Bath & North East Somerset Council's (B&NES) approval of its planning application. Their application for 97 homes was approved for outline planning consent by B&NES on 11<sup>th</sup> January 2017. The negotiations in respect of the associated Section 106 Agreement are still in course. However we are expecting that the full planning consent will be received shortly.

Whitecroft's planning application is expected to attain full planning consent by 15 June 2017, full listed building consent has already been approved, and if approved the sale proceeds should be received toward the year-end.

The sale of the two lots has not been accounted for yet as they are conditional on planning consent. They are disclosed in note 23 to the accounts as contingent gains. The expected significant capital receipts will ensure the continuity of the Charity's work for the foreseeable future.

Following the implementation of SORP FRS 102 a decision was taken not to produce consolidated accounts with effect from the 2015 Report & Accounts. Transactions conducted through the Charity's wholly owned subsidiary HorseRescue Limited (formerly HorseWorld (Trading) Limited) were immaterial to the Charity's accounts and this subsidiary company is dormant.



# HorseWorld Trust

## Report of the Trustees for the year ended 31 December 2016

### Investment Objectives and Risk

The Charity's investment managers, Smith & Williamson Investment Management Limited ("SWIML"), were appointed in 2008 with a mandate to achieve a prudent balance between income generation and capital growth. This mandate was established considering the year-on-year deficits of income against expenditure.

In October 2012, given the then deficit of income against expenditure, the Board resolved to reduce further the risk within the investment portfolio and to simplify potential cash flow demands. At that time, it was decided that SWIML should maintain at least 50% of the value of the investment portfolio or £1.4m (whichever was the greater) in UK gilts and fixed interest securities and/or cash with the remainder invested in equities. This cautious mandate remains in place.

As at the 31<sup>st</sup> December 2016, 12% of the investment portfolio was held in equities with the remainder invested in UK gilts, fixed interest securities or held as cash. The effect of this highly conservative investment policy is that a high degree of protection exists against downward market movement but the benefits of upward movements is equally limited. There are no social, ethical or environmental considerations affecting the portfolio. During the financial year the portfolio produced a positive return of 7.9%. The average annual return since SWIML was appointed in July 2008 to manage the portfolio 7.4%.

### Reserves Policy

The policy is to maintain free unrestricted funds, (i.e. those not designated, committed or invested in tangible fixed assets or investment properties), which are the free reserves of the Charity at a level that equates to 12 months' forecast expenditure. This will ensure the Charity is able to fund its ongoing direct operational costs such as feed, bedding, veterinary costs, staffing and other costs associated with providing for the equines in our care.

The Charity's principle source of funding is legacy income and by its nature this cannot be reliably forecast and it fluctuates significantly from year to year. Consequently, the Charity can be, and has been, subject to significant deficits of income against expenditure.

	£
The free reserves at 31 December 2016 were calculated as follows:	
Total unrestricted funds	6,909,154
Less tangible fixed assets (not convertible to cash and designated)	(2,331,110)
Less other designated funds	(210,000)
Less investment property (not readily convertible to cash)	(2,000,000)
	<hr/>
	2,368,044

Of the £2,368,044 of free reserves, £1,055,909 relates to legacy debtors of which we have accounted for under our income recognition policy, but for which no funds have yet been received. This results in free cash reserves of £1.3m which equates to 12 months' forecast operational expenditure in 2017.

### Plans for the Future

The principal focus in 2017 will remain on our core charitable activities, i.e:

- Increase our supporter base by all means permissible under the new fundraising regulations,
- Expand our fundraising operations to include Trust/Grant fundraising
- Enhance the profile of the Charity by attending more events and using cost-effective advertising where appropriate
- Consider new ways of fundraising so we are less reliant on legacies,
- Promoting all aspects of equine care and welfare to the widest possible audience,
- A re-homing service for the rehabilitated horses and ponies in our care,
- The advancement of public education pertaining the animal welfare,
- Advancing the education, training and mentoring of students, young persons, disadvantaged children and young persons including those with learning difficulties and/or behavioural problems,
- Promoting the Discovery Courses to a wider network with a view to rolling it out over a wider geographical area.
- Working with local authorities, the police and fire services,
- Expanding the apprenticeship scheme focusing on equine care,
- Representing HorseWorld at National Equine Welfare meetings

## HorseWorld Trust

### Report of the Trustees for the year ended 31 December 2016

#### Legal & Administrative Information

Charity number 1121920

Company number 06353944

Registered office and operational address Delmar Hall, Keynes Farm,  
Staunton Lane, Whitchurch  
Bristol, BS14 0QL

Trustee Directors	John Newman Ernie Hemmings Benjamin Brodie Andrew Dowden Ron Malkin Michael Neale FCA Margaret Stenner Nigel Daniel Kerry Gwyther Patti Shand	Chairman (Retired 30 March 2017) (Resigned 14 March 2016)    (Retired 6 January 2017) (Appointed 21 April 2016) (Appointed 12 April 2017)
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The Trustees are directors of the charity and Trustees of the company for the purposes of the Charities Act 2013

Senior Managers	Mark Owen Nicola Light Rebecca Hopkins  Stephen Poole	Managing Director Director of Finance & Company Secretary Director of Human Resources and Administration Fundraising & Communications Manager
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Bankers Barclays Bank plc  
46 High Street  
Keynsham  
Bristol BS31 1DX

Investment Managers Smith & Williamson Investment Management Limited  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

Auditors Hollingdale Pooley  
Chartered Accountants and Registered Auditors  
Bramford House  
Clifton  
Bristol  
BS6 6LT

## HorseWorld Trust

### Report of the Trustees for the year ended 31 December 2016

The Trustee Directors are pleased to present their annual report together with the financial statements of HorseWorld Trust for the year ending 31 December 2016. The report has been prepared to meet the requirements of a Directors' Report and Accounts for Companies Act purposes.

Additionally, the financial statements comply with the Charities Act 2013, the Companies Act 2006 and Accounting and Reporting by Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective as of 1<sup>st</sup> January 2015).

#### Statement of Responsibilities of the Trustee Directors

The law applicable to charities in England and Wales requires the Trustee Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources including the net income or expenditure of the group for the year.

In preparing those financial statements the Trustee Directors are required to:

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

The Trustee Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustee Directors are also responsible for safeguarding the assets of the group and Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

Hollingdale Pooley were appointed as auditors under Section 487(2) of the Companies Act 2006.

This Report and Accounts was approved by the Trustee Directors on 19/6/17 and signed on their behalf by



John Newmar  
Chairman

## **Independent auditors' report**

### **To the members of**

#### **HorseWorld Trust**

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We have audited the financial statements of HorseWorld Trust for the year ended 31 December 2016 which comprise the statement of financial activities, balance sheet, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, 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.

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 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 Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

## Independent auditors' report

To the members of

**HorseWorld Trust**

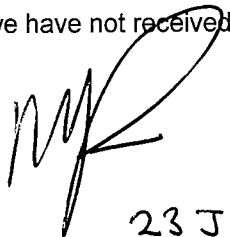
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### Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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.

Date:



23 June 2017

Mark Pooley FCA  
**Senior Statutory Auditor**

For and on behalf of  
**HOLLINGDALE POOLEY**  
Chartered Accountants &  
Statutory Auditors  
Bramford House  
23 Westfield Park  
Bristol  
BS6 6LT

# HorseWorld Trust

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2016

	Note	Endowment £	Restricted £	Unrestricted £	2016 Total £	2015 Total £
<b>Income from:</b>						
Donations and legacies	3	-	390	1,081,093	<b>1,081,483</b>	834,853
Charitable activities		-	-	44,596	<b>44,596</b>	117,155
Other trading activities	4	-	-	48,004	<b>48,004</b>	42,320
Investments		887	-	35,007	<b>35,894</b>	51,087
Other	5	-	-	202,063	<b>202,063</b>	15,086
<b>Total income</b>		<u>887</u>	<u>390</u>	<u>1,410,763</u>	<u><b>1,412,040</b></u>	<u>1,060,501</u>
<b>Expenditure on:</b>						
Raising funds		198	-	246,779	<b>246,977</b>	202,887
Charitable activities		-	4,562	835,630	<b>840,192</b>	901,445
<b>Total expenditure</b>	7	<u>198</u>	<u>4,562</u>	<u>1,082,409</u>	<u><b>1,087,169</b></u>	<u>1,104,332</u>
<b>Net income / (expenditure) before gains / (losses)</b>		689	(4,172)	328,354	<b>324,871</b>	(43,831)
Net gains / (losses) on investments		<u>1,258</u>	<u>-</u>	<u>68,416</u>	<u><b>69,674</b></u>	<u>(41,011)</u>
<b>Net income / (expenditure)</b>		1,947	(4,172)	396,770	<b>394,545</b>	(84,842)
Transfers between funds		-	-	-	-	-
<b>Net movement in funds</b>	9	1,947	(4,172)	396,770	<b>394,545</b>	(84,842)
<b>Reconciliation of funds:</b>						
Total funds brought forward		<u>32,437</u>	<u>16,824</u>	<u>6,512,384</u>	<u><b>6,561,645</b></u>	<u>6,646,487</u>
<b>Total funds carried forward</b>		<u><u>34,384</u></u>	<u><u>12,652</u></u>	<u><u>6,909,154</u></u>	<u><u><b>6,956,190</b></u></u>	<u><u>6,561,645</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the accounts.

# HorseWorld Trust

## Balance sheet

As at 31 December 2016

	Note	£	2016 £	2015 £
<b>Fixed assets</b>				
Tangible assets	12		<b>2,343,372</b>	2,395,795
Investments	13		<b>3,351,951</b>	3,707,862
			<b>5,695,323</b>	6,103,657
<b>Current assets</b>				
Stocks	14	600		-
Debtors	15	1,064,446		477,808
Cash at bank and in hand		<b>243,190</b>		39,261
		<b>1,308,236</b>		517,069
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	16	<b>(47,369)</b>		(59,081)
<b>Net current assets</b>			<b>1,260,867</b>	457,988
<b>Net assets</b>	17		<b>6,956,190</b>	6,561,645
<b>Funds</b>	18			
Endowment funds			<b>34,384</b>	32,437
Restricted funds			<b>12,652</b>	16,824
Unrestricted funds				
Designated funds:				
Fixed assets			<b>944,787</b>	990,823
Fixed asset revaluation reserve			<b>1,386,323</b>	1,399,564
Vehicles and equipment			<b>70,000</b>	-
Repairs and maintenance			<b>140,000</b>	-
General funds:				
Revaluation reserve			<b>1,015,524</b>	971,093
General funds			<b>3,352,520</b>	3,150,904
<b>Total charity funds</b>			<b>6,956,190</b>	6,561,645

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 19/6/17 and signed on their behalf by

John Newman  
Chairman

**HorseWorld Trust**

**Statement of cash flows**

**For the year ended 31 December 2016**

	Note	2016 £	2015 £
<b>Cash used in operating activities:</b>			
<b>Net cash provided by / (used in) operating activities</b>	19	<b><u>(256,176)</u></b>	<b><u>(356,826)</u></b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		<b>35,894</b>	51,087
Proceeds from the sale of property, plant and equipment		<b>726</b>	16,020
Purchase of tangible fixed assets		<b>(2,100)</b>	(130,302)
Proceeds from the sale of investments		<b>433,252</b>	462,242
Purchase of investments		<b><u>(9,545)</u></b>	<b><u>(357,711)</u></b>
<b>Net cash provided by / (used in) investing activities</b>		<b><u>458,227</u></b>	<b><u>41,336</u></b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>202,051</b>	(315,490)
Cash and cash equivalents at the beginning of the year		<b><u>61,153</u></b>	<u>376,643</u>
<b>Cash and cash equivalents at the end of the year</b>	20	<b><u><u>263,204</u></u></b>	<b><u><u>61,153</u></u></b>



## HorseWorld Trust

### Notes to the financial statements

For the year ended 31 December 2016

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#### 1. Accounting policies

##### 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 in 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.

HorseWorld Trust 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) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

##### c) 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.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 Trust 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

##### d) 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 the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

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.

## HorseWorld Trust

### Notes to the financial statements

For the year ended 31 December 2016

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#### 1. Accounting policies (continued)

##### e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

##### f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or expendable according to the nature of the restriction. Endowments and the subsequent increases and decreases in value are shown in the Statement of Financial Activities as part of those funds.

##### g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### h) Allocation of support and governance costs

Expenditure is allocated to particular activities where the cost relates directly to that activity. However, the costs of overall direction and administration of each activity, comprising the governance and support costs of the charity, are apportioned on the following basis which is an estimate, based on staff costs, of the amount attributable to each activity:

Cost of raising funds	16.72%
Charitable activities	83.28%

##### i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold land	0%	
Freehold buildings	2%	straight line
Temporary structures (e.g. field shelters)	20%	straight line
Leasehold land	0%	
Plant and equipment	20%	straight line
Furniture and office equipment	20%	straight line
Motor vehicles	25%	reducing balance

## **HorseWorld Trust**

### **Notes to the financial statements**

**For the year ended 31 December 2016**

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#### **1. Accounting policies (continued)**

##### **i) Tangible fixed assets (continued)**

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Freehold and leasehold land and buildings are included at valuation. The charity revalues land and buildings every 5 years. The most recent revaluation was carried out at 31 December 2013. Other fixed assets are included at cost including any incidental expenses of acquisition. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

##### **j) Listed investments**

Investments in quoted shares, traded bonds and similar investments are measured initially at cost and subsequently at fair value (their market value). The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

##### **k) Investment properties**

Investment properties are properties held by the charity for capital appreciation rather than for use in the charity's day to day activities. Investment properties are measured at fair value at the reporting date, with gains and losses arising on revaluations throughout the year included in the statement of financial activities. No depreciation is charged.

##### **l) Investment in subsidiary undertakings**

The charitable company has one wholly owned subsidiary, HorseRescue Limited (formerly HorseWorld (Trading) Ltd), (registered company number 3519561). The subsidiary is used for non-primary purpose trading activities. HorseWorld Trust has opted not to prepare consolidated accounts on the basis of immateriality, in application of statutory instrument 2008/629 regulation 19. The accounts of HorseRescue Limited are publicly available from Companies House.

The subsidiary undertaking is valued at cost less any cumulative impairments losses.

##### **m) Stock**

Stock is included at the lower of cost or 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.

##### **n) Debtors**

Trade and other 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.

##### **o) Cash at bank and in hand**

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

## **HorseWorld Trust**

### **Notes to the financial statements**

**For the year ended 31 December 2016**

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#### **1. Accounting policies (continued)**

##### **p) Creditors**

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.

##### **q) 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.

##### **r) Pension costs**

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions. The contributions made for the accounting period are treated as an expense and were £36,845 (2015: £28,844).

##### **s) Operating leases**

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

# HorseWorld Trust

## Notes to the financial statements

For the year ended 31 December 2016

### 2. Prior period comparatives

	Endowment £	Restricted £	Unrestricted £	2015 Total £
<b>Income from:</b>				
Donations and legacies	-	5,430	829,423	<b>834,853</b>
Charitable activities	-	-	117,155	<b>117,155</b>
Other trading activities	-	-	42,320	<b>42,320</b>
Investments	918	-	50,169	<b>51,087</b>
Other	-	-	15,086	<b>15,086</b>
<b>Total income</b>	<b>918</b>	<b>5,430</b>	<b>1,054,153</b>	<b>1,060,501</b>
<b>Expenditure on:</b>				
Raising funds	195	-	202,692	<b>202,887</b>
Charitable activities	-	8,179	893,266	<b>901,445</b>
<b>Total expenditure</b>	<b>195</b>	<b>8,179</b>	<b>1,095,958</b>	<b>1,104,332</b>
<b>Net income / (expenditure) before gains / (losses)</b>	<b>723</b>	<b>(2,749)</b>	<b>(41,805)</b>	<b>(43,831)</b>
Net gains / (losses) on investments	(787)	-	(40,224)	<b>(41,011)</b>
<b>Net income / (expenditure)</b>	<b>(64)</b>	<b>(2,749)</b>	<b>(82,029)</b>	<b>(84,842)</b>
Transfers between funds	-	-	-	-
<b>Net movement in funds</b>	<b>(64)</b>	<b>(2,749)</b>	<b>(82,029)</b>	<b>(84,842)</b>

### 3. Donations and legacies

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Legacies	-	963,463	<b>963,463</b>	733,380
Donations	390	73,472	<b>73,862</b>	57,542
Appeals	-	29,169	<b>29,169</b>	33,624
Grants	-	14,989	<b>14,989</b>	10,307
<b>Total donations and legacies</b>	<b>390</b>	<b>1,081,093</b>	<b>1,081,483</b>	834,853

## HorseWorld Trust

### Notes to the financial statements

**For the year ended 31 December 2016**

#### 4. Other trading activities

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Events	-	18,575	<b>18,575</b>	24,717
Rental income	-	11,156	<b>11,156</b>	11,573
Merchandise and tack shop sales	-	9,684	<b>9,684</b>	-
Adoptions	-	8,579	<b>8,579</b>	5,992
Subscriptions	-	10	<b>10</b>	38
Total income from other trading activities	-	48,004	<b>48,004</b>	42,320

#### 5. Other income

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Promotion income	-	200,000	<b>200,000</b>	-
Miscellaneous income	-	2,063	<b>2,063</b>	4,695
Gain on disposal of fixed assets	-	-	-	10,391
Total other income	-	202,063	<b>202,063</b>	15,086

#### 6. Government grants

The charitable company receives government grants, defined as funding from Rural Payment Agency, to assist with the upkeep of their land. The total value of such assistance in the period ending 31 December 2016 was £11,989 (2016: £10,307). There are no unfulfilled conditions or contingencies attaching to this funding in either period.

# HorseWorld Trust

## Notes to the financial statements

For the year ended 31 December 2016

### 7. Total expenditure

	Raising funds £	Charitable activities £	Support & governance costs £	2016 Total £	2015 Total £
Staff costs (note 10)	85,420	425,530	138,552	<b>649,502</b>	649,116
Equine costs	-	103,314	-	<b>103,314</b>	84,358
Establishment costs	35,334	104,263	52,117	<b>191,714</b>	185,725
Cost of sales and events	946	-	-	<b>946</b>	-
Fundraising costs	62,945	-	-	<b>62,945</b>	36,329
Marketing & publications	27,704	-	-	<b>27,704</b>	28,874
Legal and professional	-	-	(13,992)	<b>(13,992)</b>	77,985
Investment managers' fees	8,867	-	-	<b>8,867</b>	11,398
Audit and accountancy fees	-	-	7,380	<b>7,380</b>	6,636
Bad debt provision	(5,008)	-	-	<b>(5,008)</b>	(22,938)
Depreciation	-	53,530	-	<b>53,530</b>	46,849
Loss on disposal	-	267	-	<b>267</b>	-
<b>Sub-total</b>	<b>216,208</b>	<b>686,904</b>	<b>184,057</b>	<b>1,087,169</b>	<b>1,104,332</b>
Allocation of support costs	<u>30,769</u>	<u>153,288</u>	<u>(184,057)</u>	<u>-</u>	<u>-</u>
<b>Total expenditure</b>	<b><u>246,977</u></b>	<b><u>840,192</u></b>	<b><u>-</u></b>	<b><u>1,087,169</u></b>	<b><u>1,104,332</u></b>

### 8. Support and governance costs

Support and governance costs are allocated to activities as follows:

	Raising funds £	Charitable activities £	2016 Total £	2015 Total £
Staff costs	23,163	115,389	<b>138,552</b>	135,567
Establishment costs	8,713	43,404	<b>52,117</b>	50,054
Legal and professional fees	(2,341)	(11,651)	<b>(13,992)</b>	77,985
Audit and accountancy fees	<u>1,234</u>	<u>6,146</u>	<u><b>7,380</b></u>	<u>6,636</u>
	<u><b>30,769</b></u>	<u><b>153,288</b></u>	<u><b>184,057</b></u>	<u><b>270,242</b></u>

# HorseWorld Trust

## Notes to the financial statements

For the year ended 31 December 2016

### 9. Net movement in funds

This is stated after charging:

	2016 £	2015 £
Depreciation	53,530	46,849
Loss / (profit) on disposal of fixed assets	267	(10,391)
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	724	Nil
Auditors' remuneration:		
▪ Audit	5,575	5,400
▪ Other services	1,200	-
Operating lease rentals	11,014	10,902

Trustees reimbursed expenses of £724 relate to travel and subsistence expenses for 2 trustees. There were no reimbursed expenses in the prior year.

### 10. Staff costs and numbers

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	563,452	569,529
Social security costs	43,701	39,796
Pension costs	36,845	28,844
Employee benefits	5,504	10,947
	649,502	649,116

One employee received emoluments between £80,000 and £90,000 during the year (2015: 1, £80,000 - £90,000).

The key management personnel of the charity comprise the Managing Director, Director of Finance, Director of Human Resources and the PR and Communications Manager. The total employee remuneration and benefits of the key management personnel of the charity were £213,745 (2015: £211,588).

	2016 No.	2015 No.
Average head count	31.75	31.66

### 11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.



## Notes to the financial statements

## For the year ended 31 December 2016

## 12. Tangible fixed assets

	Freehold land and buildings £	Temporary structures £	Leasehold land £	Plant and equipment £	Furniture and office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>							
At 1 January 2016	2,283,755	92,248	16,245	482,020	280,447	132,320	3,287,035
Additions in year	-	-	-	2,100	-	-	2,100
Disposals	-	-	-	(5,210)	-	-	(5,210)
At 31 December 2016	2,283,755	92,248	16,245	478,910	280,447	132,320	3,283,925
<b>Depreciation</b>							
At 1 January 2016	44,000	60,131	-	412,694	280,114	94,301	891,240
Charge for the year	22,000	6,781	-	15,406	333	9,010	53,530
Disposals	-	-	-	(4,217)	-	-	(4,217)
At 31 December 2016	66,000	66,912	-	423,883	280,447	103,311	940,553
<b>Net book value</b>							
At 31 December 2016	2,217,755	25,336	16,245	55,027	-	29,009	2,343,372
At 31 December 2015	2,239,755	32,117	16,245	69,326	333	38,019	2,395,795

Freehold and leasehold land and buildings included in tangible fixed assets were revalued as at 31 December 2013. The total value in use of all land and buildings was £2,300,000; broken down into land of £1,200,000 and buildings of £1,100,000. The valuation was carried out by David James & Partners Ltd of Well House, Wotton-under-Edge, Gloucestershire, GL12 7AD.

At 31 December 2016, the comparable amounts of land and buildings included in tangible fixed assets at valuation, determined according to historical cost accounting rules, are cost £1,288,120, depreciation charge £8,759 and net book value £847,677 (2015: £856,436).

# HorseWorld Trust

## Notes to the financial statements

### For the year ended 31 December 2016

#### 13. Investments

	Investment in subsidiary £	Investment properties £	Smith & Williamson Main Fund £	Smith & Williamson Cash Fund £	Smith & Williamson GSR Fund £	2016 £	2015 £
Market value at 1 January 2016	8	2,000,000	1,526,419	147,939	33,496	3,707,862	3,942,228
Additions	-	-	9,545	-	-	9,545	357,711
Disposals proceeds	-	-	(337,728)	(95,524)	-	(433,252)	(462,242)
Realised gains / (losses)	-	-	3,226	1,579	-	4,805	(5,561)
Unrealised gains / (losses)	-	-	62,703	908	1,258	64,869	(35,450)
Movement in cash balance	-	-	2,623	(5,190)	689	(1,878)	(88,824)
<b>Market value at 31 December 2016</b>	<b>8</b>	<b>2,000,000</b>	<b>1,266,788</b>	<b>49,712</b>	<b>35,443</b>	<b>3,351,951</b>	<b>3,707,862</b>
<b>Represented by:</b>							
Listed equities	-	-	1,254,488	46,463	30,978	1,331,929	1,685,962
Cash and cash equivalents	-	-	12,300	3,249	4,465	20,014	21,892
Investment properties	-	2,000,000	-	-	-	2,000,000	2,000,000
Investment in subsidiary	8	-	-	-	-	8	8
<b>Total</b>	<b>8</b>	<b>2,000,000</b>	<b>1,266,788</b>	<b>49,712</b>	<b>35,443</b>	<b>3,351,951</b>	<b>3,707,862</b>

Investment properties comprise land valued at £750,000 and buildings valued at £1,250,000. The last valuation was carried out at 31 December 2013 by David James & Partners Ltd of Well House, Wotton-under-Edge, Gloucestershire, GL12 7AD. The Trustees consider that this valuation is a true and fair representation of the fair value of the properties. The properties were transferred from tangible fixed assets to investment properties in 2014 as the assets were no longer in use by the charity and were instead held for investment potential.

# HorseWorld Trust

## Notes to the financial statements

For the year ended 31 December 2016

### 14. Stock

	2016 £	2015 £
Goods for resale	<u>600</u>	<u>-</u>

### 15. Debtors

	2016 £	2015 £
Trade debtors	3,568	13,552
Prepayments	2,347	1,630
Other debtors	<u>1,058,531</u>	<u>462,626</u>
	<u>1,064,446</u>	<u>477,808</u>

### 16. Creditors : amounts due within 1 year

	2016 £	2015 £
Trade creditors	19,853	24,703
Other taxation and social security	11,531	19,760
Accruals	11,835	10,121
Other creditors	<u>4,150</u>	<u>4,497</u>
	<u>47,369</u>	<u>59,081</u>

### 17. Analysis of net assets between funds

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	12,262	2,331,110	2,343,372
Investments	34,384	-	3,317,567	3,351,951
Current assets	-	390	1,307,846	1,308,236
Current liabilities	-	-	(47,369)	(47,369)
<b>Net assets at 31 December 2016</b>	<u>34,384</u>	<u>12,652</u>	<u>6,909,154</u>	<u>6,956,190</u>

**HorseWorld Trust**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

**18. Movements in funds**

	At 1 January 2016 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2016 £
<b>Endowment funds:</b>						
GS Roberts Will Trust	29,367	887	(198)	-	-	30,056
GS Roberts Will Trust revaluation reserve	3,070	-	-	1,258	-	4,328
<b>Total endowment funds</b>	<b>32,437</b>	<b>887</b>	<b>(198)</b>	<b>1,258</b>	<b>-</b>	<b>34,384</b>
<b>Restricted funds:</b>						
Wooden Spoon Classroom and Bootroom	5,408	-	(2,200)	-	-	3,208
Welfare Turnout Arena	11,416	-	(2,362)	-	-	9,054
Rescue Boards	-	390	-	-	-	390
<b>Total restricted funds</b>	<b>16,824</b>	<b>390</b>	<b>(4,562)</b>	<b>-</b>	<b>-</b>	<b>12,652</b>
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
Fixed assets	990,823	-	-	-	(46,036)	944,787
Fixed asset revaluation reserve	1,399,564	-	-	-	(13,241)	1,386,323
Vehicles and equipment					70,000	70,000
Repairs and maintenance					140,000	140,000
<i>General funds</i>						
Revaluation reserve	971,093	-	-	68,416	(23,985)	1,015,524
General funds	3,150,904	1,410,763	(1,082,409)	-	(126,738)	3,352,520
<b>Total unrestricted funds</b>	<b>6,512,384</b>	<b>1,410,763</b>	<b>(1,082,409)</b>	<b>68,416</b>	<b>-</b>	<b>6,909,154</b>
<b>Total funds</b>	<b>6,561,645</b>	<b>1,412,040</b>	<b>(1,087,169)</b>	<b>69,674</b>	<b>-</b>	<b>6,956,190</b>

## HorseWorld Trust

### Notes to the financial statements

For the year ended 31 December 2016

#### 18. Movements in funds (continued)

##### Purposes of restricted funds

The Wooden Spoon Classroom fund is for the renovation of two stables into classroom and bootroom space for the Discovery Courses which in turn will help disadvantaged children and children with learning difficulties gain confidence and self esteem and work towards gaining a recognised qualification. Our horses also benefit from the interaction with the children.

The Welfare Turnout Arena fund is for the construction of an All Weather Turnout Track to help with the welfare and ongoing daily care of our equines with specialist needs such as laminitis.

The Rescue Boards fund is for the purchase of rescue boards.

##### Purpose of designated funds

The fixed asset designated fund reflects the net book value of the charity's assets, excluding the portions held in restricted capital funds.

The vehicles and equipment designated fund is to replace essential assets that the charity uses.

The repairs and maintenance designated fund is for the improvement and renovation of the key charity assets of land, buildings and fencing.

#### 19. Reconciliation of net movement in funds to net cash flow from operating activities

	2016	2015
	£	£
<b>Net movement in funds</b>	<b>394,545</b>	<b>(84,842)</b>
Adjustments for:		
Depreciation charges	53,530	46,849
Loss / (profit) on the sale of fixed assets	267	(10,391)
(Gains) / losses on investments	(69,674)	41,011
Dividends and interest from investments	(35,894)	(51,087)
Provision for doubtful debts	(5,778)	(22,938)
Decrease / (increase) in stock	(600)	13,040
Decrease / (increase) in debtors	(580,860)	(300,034)
Increase / (decrease) in creditors	(11,712)	11,566
<b>Net cash provided by / (used in) operating activities</b>	<b>(256,176)</b>	<b>(356,826)</b>

#### 20. Analysis of cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	243,190	39,261
Cash held as part of fixed asset investments (note 13)	20,014	21,892
<b>Total cash and cash equivalents</b>	<b>263,204</b>	<b>61,153</b>

## HorseWorld Trust

### Notes to the financial statements

#### For the year ended 31 December 2016

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#### 21. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2016 £	2015 £
Amount falling due:		
Within 1 year	6,226	10,827
Within 1 - 5 years	9,822	16,420
	<u>16,048</u>	<u>27,247</u>

#### 22. Related party transactions

During the period the charity paid £8,842 to TLT LLP solicitors in respect of legal services. Kerry Gwyther, who was appointed as a trustee during the period, is also a partner of TLT LLP solicitors. There were no amounts outstanding at the period end.

#### 23. Contingent gains

##### Legacies

The charity has been bequeathed a 1/33rd share of the estate of a deceased person who died on 23 July 2016. Grant of probate was obtained by the executors on 29 November 2016.

The net estate per the probate documents is £3,015,634. The Will states that there are pecuniary legacies of £120,000.

No estimate of the size of the legacy has been received from the Executors by the Trust, nor has there been an indication from the Executors as to when the legacy will be received by the Trust.

Based on the probate valuations, the legacy would be in the range of £88,000.

Under the Trust's accounting policy the amount of the legacy cannot be measured reliably and has therefore been disclosed above as a contingent gain.

##### Sale of Land and Buildings

The Trust signed and exchanged two contracts for the sale of two lots comprising the former Visitor Centre with Bellway Homes Ltd (Bellway) and Whitecroft Development Ltd (Whitecroft) on 25 June 2015. Both contracts were conditional on receiving full planning consent for residential development from Bath & North East Somerset Council (B&NES).

Bellway received outline planning consent from B&NES on 11th January 2017, with negotiations continuing with respect of Section 106 payments. It is expected that full planning consent will be received shortly.

Whitecroft is expected to receive full planning consent in June 2017.

The Trust can expect up to £6.5m in total from the conditional sales, depending on the extent of the full planning granted by B&NES. Due to the condition of planning consent by B&NES, the sales have been disclosed as contingent gains and not accounted for in the accounts.