

Company no. 06353944
Charity no. 1121920

HorseWorld Trust
Report and Audited Financial Statements
31 December 2017



HorseWorld Trust

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For The Year Ended 31 December 2017

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Report of the Trustees for the year ended 31 December 2017

The Trustee Directors are pleased to present their annual report together with the financial statements of HorseWorld Trust for the year ending 31 December 2017. 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 1st January 2015).

An Introduction to HorseWorld Trust (the "Charity") – our history

Our charitable work commenced over 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, mainly 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 11th 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 31st 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. The re-homed animals are inspected regularly and in the great majority of cases the Charity retains title to the re-homed animal.

We also devised and 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 2017

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 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 exhibiting at events and using cost-effective advertising where appropriate,
- Explore new or alternative means 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 to animal welfare,
- Advancing the training, education and mentoring of disadvantaged children and young people, specifically 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 our apprenticeship scheme focusing on equine care,
- Promoting HorseWorld at National Equine Welfare Meetings,
- As in previous years, a comprehensive review of our land and 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 seek, 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 2017 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 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.

2017 saw a significant increase in the number of welfare assistance cases, 97 calls or emails, 38 of those incidents 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.

2017 Statistics	2016	2017
No of equines on site at year end	105	106
No of equines on loan at year end	248	248
No of equines with potential for rehoming	68	68
No of equines unable/unlikely to be rehomed	37	39
No of equines rescued	26	22

During the year 38 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 28 horses returned to us by loaners in 2017.

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. This year there were no cancellations due to weather and all four planned open day events took place.

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.

Most visitors at our Open Days 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.

Attractive levels of voluntary donations and significant new adoption income are a hallmark of these events and competitions and entry-free prize draws provide sufficient incentive for visitors and supporters to provide us with 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 number of rehoming enquiries and we have had rehoming successes as a consequence.

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.

Gatcombe & Keynsham Festival Report

In August, we exhibited at The Gatcombe Festival of British Eventing to help increase the profile of the Charity, attract new supporters and develop relationships with potential new equine loaners. The event was a great success for us and we are very grateful to Gemma Tattersall (British Open Champion) who visited our stand to sign autographs and have pictures with our guests.

We also supported our local town Keynsham community event held at the Somerdale Pavilion by providing Donkeys and a raffle adoption prize.

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 ladies' groups where the attendees have a general interest in horses and our charitable work.

Some of our more able horses, ponies and donkeys are transported to external events such as Easter and Christmas parades, again 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 a further donation of £6,000 from them to enable us to purchase a new equine weighing machine for which we are extremely grateful.

The Discovery Programme

Among the horses and ponies in our care at any one time there are some that are unlikely, for a wide variety of reasons, ever to be re-homed. The Discovery programme focuses on utilising some of these horses 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 issues 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 increasing periods.

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

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. We are finding that local authorities are now recognising the importance of alternative provision and there are ongoing consultations with which we have been asked to assist.

Now in its tenth year, the Discovery Project is having an increasing and positive impact working with more than 200 children and young people completing courses in 2017.

Major Grant Income

Our first year's venture into Grant Funding Applications yielded a promising start with £25,667 of new income into the Charity. There are many more applications in the pipeline for 2018 so we envisage this income figure to increase.

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 during 2017 designed to increase our supporter and donor base. However, the General Data Protection Regulations (GDPR), which came into force on 25th May 2018, required that we made significant and costly changes to both software and hardware. These have been fully and successfully implemented and have resulted in the deleting of a large number of supporters from our database where there has been no recent two-way communication.

The delayed, highly-amended exercise to attract new supporters and donors will commence shortly.

We undertook a trial of radio advertising to recruit new donors by telling short, impactful equine rescue stories, with a text giving ask. This had limited success and is unlikely to be repeated.

Our Open Days continue to be popular, are well-supported and a good means of acquiring new supporter and donor data.

2017 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 starving, dangerously underweight, having been beaten and with fractured spinal bones. He is now well on the road to recovery.

Pilgrim and Grace (also named by us) were two more horses rescued from the Avonmouth area. They were found straying on the main road after being illegally fly-grazed

Rescues

In November, we joined forces with a number of other equine charities to round-up a group of 19 Shire horses found illegally fly-grazing in Bewdley, near Kidderminster. During the 15-hour rescue operation, all 19 horses were successfully removed from the site and we gave homes to 3 that are now being rehabilitated with a view to finding long-term loan-homes.

Early summer we were called out by members of the public to attend a very poorly miniature Shetland pony that they had spotted from the footpath. On arrival with the vet, it quickly became apparent that the owners weren't coping well with the herd of ponies and unfortunately the poorly pony didn't make it. Sadly, the owner was suffering ill-health and the family were really struggling to cope with so many ponies, so HorseWorld stepped in and took ownership of 7 of them, many of the mares being pregnant. Two of the mares have gone onto have healthy foals later in the year.

Website

The development of a new website commenced which will be far more flexible and also work "responsively" with mobile internet devices. This went live in the 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, as amended by Special Resolution on 15 December 2016. Copies are filed with Companies House and the Charity Commission.

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 activities and progress in achieving the strategies and 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.

Report of the Trustees for the year ended 31 December 2017
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 undertake tours of the charity where they meet staff and are introduced to all aspects 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 the charitable work.

Staff salaries are reviewed annually and benchmarked against charities of a similar size and structure.

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 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 aims and 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, 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 services 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 fully on our core charitable work staff morale and team spirit is excellent.

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

Report of the Trustees for the year ended 31 December 2017

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 and greeting, or helping on stalls at our Open Days and external events.

Over the course of the year there were 83 people who generously contributed 2,929 volunteer hours, mainly 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 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 2017 but the hours that were formally supervised were, again, much reduced. These small groups of people work at Keynes Farm whilst serving community service orders and are supervised to ensure appropriate behaviour and that the allocated work is completed properly and on a timely basis.

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 part of 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 dormant, wholly-owned subsidiary) has been prepared and submitted to Companies House.

The Charity's statement of financial activities records total incoming resources in 2017 was £800,384 (2016 - £1,412,040). The Charity's principle source of funding is legacy income. By its nature it cannot be reliably forecast and is subject to substantial year-on-year variations. In 2017 it was £515,254 (2016 - £963,463). However, notifications have been received of substantial legacies in the Charity's favour but based on the information currently advised is insufficient to be recorded formally as income. Please refer to Note 23 to the Report & Accounts.

Expenditure on our charitable activities increased to £959,841 (2016 - £840,192).

The sales, with the benefit of planning permission for housing, of the two lots comprising the former visitor centre site to Bellway Homes Limited and Whitecroft Developments Limited completed during the year. These significant capital receipts will ensure the continuity of the Charity's work for the foreseeable future. The sale caused significant net gains in the year, which totalled £4,116,411 (2016 - £69,674).

The net movement in funds in the year totalled £3,705,106 (2016 - £394,545).

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.

Investment Objectives and Risk

In anticipation of the capital receipts from the land sales The Board took the decision to establish an Investment Committee the members of which are drawn from the Board and senior management. This committee has a mandate to appoint and manage the investment managers and set investment targets.

Report of the Trustees for the year ended 31 December 2017

Smith & Williamson Investment Management Limited ("SWIML"), were initially appointed as investment managers in 2008 with a mandate to achieve a prudent balance between income generation and capital growth. Their re-appointment was affirmed by the Investment Committee.

This committee additionally appointed Rathbone Investment Management Limited ("Rathbone") as an investment manager.

Additional funds were transferred to SWIML and an opening investment made with Rathbone on 18 September 2017. Both firms operate under the same investment policy which defines the Charity's investment objectives; risk profile; liquidity requirements; time horizon; ethical policy and reporting and monitoring requirements. The overall investment portfolio is apportioned equally between the firms.

Reserves Policy

Designated Reserves:

Premises Relocation Fund:

The councils of Bath and North East Somerset, Bristol City, North Somerset, and South Gloucestershire have been working together to produce a West of England Joint Spatial Plan (the "JSP"). This is a proposal for sustainable growth to enable the region to meet its housing and transport needs through to 2036. Whitchurch is among the Strategic Development Locations identified and 2,500 homes and related infrastructure are identified in the JSP for the Whitchurch area and a significant number of the total are proposed for the Charity's land.

The JSP was submitted on 13th April 2018 to the Secretary of State with formal Examination Hearings expected to take place in October & November 2018. Adoption of the JSP is projected for mid-2020.

Should the JSP's proposal for Whitchurch be adopted in its present form, or a similar or expanded version it will require that the Charity finds alternative locations for the core equine charitable activities and the Discovery Programme. The latter will require a location and appropriate facilities close to or within the Bristol City area. To provide for the cost of acquiring the new sites; the associated relocation costs; potential new buildings; field shelters and fencing and other facilities, the trustees have determined that a designated Premises Relocation Fund of £6,500,000 be established.

Fixed Assets:

Unrestricted funds held as tangible fixed assets are accounted for through a designated reserve fund to clearly demonstrate that these funds are not part of the Trust's free reserves.

Other:

Additionally, £70,000 is designated for the upgrading of essential vehicles and equipment; £140,000 for the repair and maintenance for key assets including the improvement and renovation of land, buildings and fencing.

Free Reserves:

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

The Free Reserves Policy is therefore to maintain unrestricted funds, (i.e. those not designated, committed or invested in tangible fixed assets), which are the free reserves of the Charity, at a level that approximates to the 2018 budgeted expenditure. This should ensure the Charity is able to fund its ongoing direct operational costs and will be in a position whereby:

- It is secure in the knowledge that it will be able to care for the equines in its care.
- It can meet the rising costs associated with the care and welfare of equines and can continue to offer a haven for those that have suffered neglect, abuse &/or injury.
- It is in a position to fund the investment to be made in the planned extension and development of the core charitable aims and in essential new fundraising activities.
- It can meet the investment required in the training and development of staff.

Report of the Trustees for the year ended 31 December 2017

- It can invest in any works necessary to ensure that all land in its ownership remains fit for purpose.
- It can maintain in a proper state of repair all the vehicles, equipment, stables, barns, field shelters, fencing and other buildings in its ownership.
- It can ensure that there are appropriately trained staff available to provide advice and assistance to local authorities, the police, fire and rescue service and members of the public.

The free reserves at 31 December 2017 were £1,540,364. The budgeted operational expenditure for 2018 is £1.5m. Of the free reserves £538,011 relates to outstanding legacies of which the Charity has been advised but no monies have been received.

Plans for the Future

The principal focus in 2018 will remain on our core charitable activities, i.e.:

- Increase our supporter base by all means permissible under the new fundraising regulations,
- Expand our Trust/Grant fundraising activities
- Enhance the profile of the Charity by attending external events and using cost-effective advertising where appropriate
- Embrace digital marketing techniques as a very cost effective and efficient method of reaching new potential supporters
- Launch a new Lottery product as an effective way to increase voluntary income.
- Identify and implement new ways of fund raising to become less reliant on legacy income,
- 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 to animal welfare,
- Advancing the education, training and mentoring of students, 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 & rescue services on equine related issues,
- Expanding the apprenticeship scheme focusing on equine care,
- Representing HorseWorld at National Equine Welfare meetings

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	Chairman
	Ernie Hemmings	(Resigned 30 March 2017 Re-appointed 15 February 2018)
	Andrew Dowden	
	Ron Malkin	(Retired 14 December 2017)
	Michael Neale FCA	
	Nigel Daniel	
	Kerry Gwyther LLB (Hons)	
	Patti Shand	(Appointed 12 April 2017)
	Annette Newman	(Appointed 8 June 2017)
	Duncan Ballard BVM&S CertEP MRCVS	(Appointed 8 June 2017)

The Trustees are directors of the charity and Trustees of the company for the purposes of the Charities Act 2013

Senior Managers	Mark Owen	Managing Director
	Nicola Light	Director of Finance & Company Secretary
	Rebecca Hopkins	Director of Human Resources and Administration
	Stephen Poole	Fundraising & Communications Manager

Bankers Barclays Bank plc
46 High Street
Keynsham BS31 1DX

Legal & Administrative Information (continued)

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

Rathbone Investment Management Limited
8 Finsbury Circus
London
EC2M 9AZ

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

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:

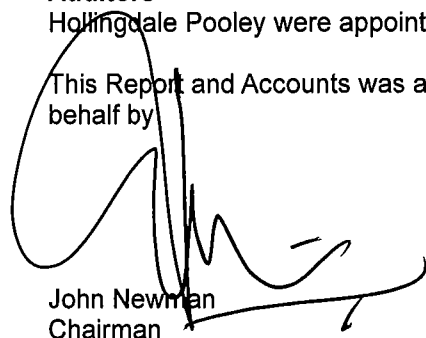
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained 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 16 August 2018 and signed on their behalf by



John Newman
Chairman

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HORSEWORLD TRUST (LIMITED BY GUARANTEE)

OPINION

We have audited the financial statements of HorseWorld Trust (the "charitable company") for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, 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 (FRS 102) (effective 1 January 2015).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 (FRS 102) (effective 1 January 2015); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HORSEWORLD TRUST (LIMITED BY GUARANTEE)

we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 10, 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, and for such internal control as the trustees directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
HORSEWORLD TRUST (LIMITED BY GUARANTEE)**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our audit report.



MARK POOLEY (Senior Statutory Auditor)
For and on behalf of
HOLLINGDALE POOLEY
Chartered Accountants
& Statutory Auditor

**Bramford House
23 Westfield Park
Clifton
Bristol
BS6 6LT**

Date: 29/8/18

HorseWorld Trust

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

For the year ended 31 December 2017

	Note	Endowment £	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Income from:						
Donations and legacies	3	-	8,718	624,745	633,463	1,081,483
Charitable activities		-	30,000	32,275	62,275	44,596
Other trading activities	4	-	-	56,124	56,124	48,004
Investments		997	-	42,179	43,176	35,894
Other	5	-	-	5,346	5,346	202,063
Total income		<u>997</u>	<u>38,718</u>	<u>760,669</u>	<u>800,384</u>	<u>1,412,040</u>
Expenditure on:						
Raising funds		207	-	251,641	251,848	246,977
Charitable activities		-	17,187	942,654	959,841	840,192
Total expenditure	7	<u>207</u>	<u>17,187</u>	<u>1,194,295</u>	<u>1,211,689</u>	<u>1,087,169</u>
Net income / (expenditure) before gains / (losses)		790	21,531	(433,626)	(411,305)	324,871
Net gains / (losses) on investments		<u>586</u>	<u>-</u>	<u>4,115,825</u>	<u>4,116,411</u>	<u>69,674</u>
Net income / (expenditure)		1,376	21,531	3,682,199	3,705,106	394,545
Transfers between funds		<u>-</u>	<u>(6,720)</u>	<u>6,720</u>	<u>-</u>	<u>-</u>
Net movement in funds	9	1,376	14,811	3,688,919	3,705,106	394,545
Reconciliation of funds:						
Total funds brought forward		<u>34,384</u>	<u>12,652</u>	<u>6,909,154</u>	<u>6,956,190</u>	<u>6,561,645</u>
Total funds carried forward		<u><u>35,760</u></u>	<u><u>27,463</u></u>	<u><u>10,598,073</u></u>	<u><u>10,661,296</u></u>	<u><u>6,956,190</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 2017

	Note	£	2017 £	2016 £
Fixed assets				
Tangible assets	12		2,355,410	2,343,372
Investments	13		<u>6,121,878</u>	<u>3,351,951</u>
			8,477,288	5,695,323
Current assets				
Stocks	14	116		600
Debtors	15	768,480		1,064,446
Cash at bank and in hand		<u>1,475,963</u>		<u>243,190</u>
		2,244,559		1,308,236
Liabilities				
Creditors: amounts falling due within 1 year	16	<u>(60,551)</u>		<u>(47,369)</u>
Net current assets			<u>2,184,008</u>	<u>1,260,867</u>
Net assets	17		<u>10,661,296</u>	<u>6,956,190</u>
Funds	18			
Endowment funds			<u>35,760</u>	<u>34,384</u>
Restricted funds			<u>27,463</u>	<u>12,652</u>
Unrestricted funds				
<i>Designated funds:</i>				
Property relocation			6,500,000	-
Fixed assets			974,627	944,787
Fixed asset revaluation reserve			1,373,082	1,386,323
Vehicles and equipment			70,000	70,000
Repairs and maintenance			<u>140,000</u>	<u>140,000</u>
			9,057,709	2,541,110
<i>General funds:</i>				
Revaluation reserve			244,033	1,015,524
General funds			<u>1,296,331</u>	<u>3,352,520</u>
Total charity funds			<u>10,661,296</u>	<u>6,956,190</u>

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 16 August 2018 and signed on their behalf by

John Newman
Chairman

HorseWorld Trust

Statement of cash flows

For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash used in operating activities:			
Net cash provided by / (used in) operating activities	19	<u>(89,863)</u>	<u>(256,176)</u>
Cash flows from investing activities:			
Dividends and interest from investments		43,176	35,894
Proceeds from the sale of property, plant and equipment		3,600	726
Purchase of tangible fixed assets		(70,624)	(2,100)
Proceeds from the sale of investments		6,525,938	433,252
Purchase of investments		<u>(4,515,012)</u>	<u>(9,545)</u>
Net cash provided by / (used in) investing activities		<u>1,987,078</u>	<u>458,227</u>
Increase / (decrease) in cash and cash equivalents in the year		1,897,215	202,051
Cash and cash equivalents at the beginning of the year		<u>263,204</u>	<u>61,153</u>
Cash and cash equivalents at the end of the year	20	<u><u>2,160,419</u></u>	<u><u>263,204</u></u>

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 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 2017

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	20.13%
Charitable activities	79.87%

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 2017

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into 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.

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 £43,325 (2016: £36,845).

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 2017

2. Prior period comparatives

	Endowment £	Restricted £	Unrestricted £	2016 Total £
Income from:				
Donations and legacies	-	390	1,081,093	1,081,483
Charitable activities	-	-	44,596	44,596
Other trading activities	-	-	48,004	48,004
Investments	887	-	35,007	35,894
Other	-	-	202,063	202,063
Total income	887	390	1,410,763	1,412,040
Expenditure on:				
Raising funds	198	-	246,779	246,977
Charitable activities	-	4,562	835,630	840,192
Total expenditure	198	4,562	1,082,409	1,087,169
Net income / (expenditure) before gains / (losses)	689	(4,172)	328,354	324,871
Net gains / (losses) on investments	1,258	-	68,416	69,674
Net income / (expenditure)	1,947	(4,172)	396,770	394,545
Transfers between funds	-	-	-	-
Net movement in funds	1,947	(4,172)	396,770	394,545

3. Donations and legacies

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Legacies	-	515,254	515,254	963,463
Donations	8,718	63,496	72,214	73,862
Appeals	-	20,328	20,328	29,169
Grants	-	25,667	25,667	14,989
Total donations and legacies	8,718	624,745	633,463	1,081,483

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2017

4. Other trading activities

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Rental income	-	23,212	23,212	11,156
Merchandise and tack shop sales	-	14,289	14,289	9,684
Adoptions	-	9,606	9,606	8,579
Events	-	9,017	9,017	18,575
Subscriptions	-	-	-	10
Total income from other trading activities	-	56,124	56,124	48,004

5. Other income

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Miscellaneous income	-	3,141	3,141	2,063
Profit on disposal of fixed assets	-	2,205	2,205	-
Promotion income	-	-	-	200,000
Total other income	-	5,346	5,346	202,063

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 2017 was £13,136 (2016: £11,989). 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 2017

7. Total expenditure

	Raising funds £	Charitable activities £	Support & governance costs £	2017 Total £	2016 Total £
Staff costs (note 10)	119,762	475,227	146,054	741,043	649,502
Equine costs	-	96,435	-	96,435	103,314
Establishment costs	16,295	130,570	49,755	196,620	191,714
Cost of sales and events	668	-	-	668	946
Fundraising costs	9,665	-	-	9,665	62,945
Marketing & publications	43,988	-	-	43,988	27,704
Legal and professional	-	-	46,895	46,895	(13,992)
Investment managers' fees	10,332	-	-	10,332	8,867
Audit and accountancy fees	-	-	7,908	7,908	7,380
Bad debt provision	694	250	-	944	(5,008)
Depreciation	-	57,191	-	57,191	53,530
Loss on disposal	-	-	-	-	267
Sub-total	201,404	759,673	250,612	1,211,689	1,087,169
Allocation of support costs	50,444	200,168	(250,612)	-	-
Total expenditure	251,848	959,841	-	1,211,689	1,087,169

8. Support and governance costs

Support and governance costs are allocated to activities as follows:

	Raising funds £	Charitable activities £	2017 Total £	2016 Total £
Staff costs	29,398	116,656	146,054	138,552
Establishment costs	10,015	39,740	49,755	52,117
Legal and professional fees	9,439	37,456	46,895	(13,992)
Audit and accountancy fees	1,592	6,316	7,908	7,380
	50,444	200,168	250,612	184,057

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2017

9. Net movement in funds

This is stated after charging:

	2017 £	2016 £
Depreciation	57,191	53,530
Loss / (profit) on disposal of fixed assets	(2,205)	267
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	651	724
Auditors' remuneration:		
▪ Audit (inc VAT)	6,888	6,690
▪ Other services	1,020	1,200
Operating lease rentals	<u>7,491</u>	<u>11,014</u>

Trustees reimbursed expenses of £651 relate to travel and subsistence expenses for 3 trustees (2016: £724, 2 trustees).

10. Staff costs and numbers

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	636,514	563,452
Social security costs	46,984	43,701
Pension costs	43,325	36,845
Employee benefits	<u>14,220</u>	<u>5,504</u>
	<u>741,043</u>	<u>649,502</u>

One employee received emoluments between £70,000 and £80,000 during the year (2017: 1, £70,000 - £80,000).

The key management personnel of the charity comprise the Managing Director, Director of Finance, Director of Human Resources and the FR, PR and Communications Manager. The total employee remuneration and benefits of the key management personnel of the charity were £263,583 (2016: £234,771).

	2017 No.	2016 No.
Average head count	<u>33.25</u>	<u>31.75</u>

11. Taxation

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

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2017

12. Tangible fixed assets

	Assets in the course of construction	Freehold land and buildings £	Temporary structures £	Leasehold land £	Plant and equipment £	Furniture and office equipment £	Motor vehicles £	Total £
Cost or valuation								
At 1 January 2017	-	2,283,755	92,248	16,245	478,910	280,447	132,320	3,283,925
Additions in year	28,978	-	-	-	10,662	-	30,984	70,624
Disposals	-	-	-	-	-	-	(22,347)	(22,347)
At 31 December 2017	28,978	2,283,755	92,248	16,245	489,572	280,447	140,957	3,332,202
Depreciation								
At 1 January 2017	-	66,000	66,912	-	423,883	280,447	103,311	940,553
Charge for the year	-	22,000	6,782	-	16,637	-	11,772	57,191
Disposals	-	-	-	-	-	-	(20,952)	(20,952)
At 31 December 2017	-	88,000	73,694	-	440,520	280,447	94,131	976,792
Net book value								
At 31 December 2017	28,978	2,195,755	18,554	16,245	49,052	-	46,826	2,355,410
At 31 December 2016	-	2,217,755	25,336	16,245	55,027	-	29,009	2,343,372

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 2017, 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 £838,917 (2016: £847,677).

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2017

13. Investments

	Investment in subsidiary £	Investment properties £	Smith & Williamson Main Fund £	Smith & Williamson Cash Fund £	Smith & Williamson GSR Fund £	Rathbones Fund £	2017 £	2016 £
Market value at 1 January 2017	8	2,000,000	1,266,788	49,712	35,443	-	3,351,951	3,707,862
Additions	-	-	1,791,074	-	8,078	2,715,860	4,515,012	9,545
Equalisation	-	-	-	-	-	(1,120)	(1,120)	-
Net disposals proceeds	-	(5,987,215)	(529,428)	-	(8,175)	-	(6,524,818)	(433,252)
Realised gains / (losses)	-	3,987,215	(661)	-	(175)	-	3,986,379	4,805
Unrealised gains / (losses)	-	-	62,238	398	761	66,635	130,032	64,869
Movement in cash balance	-	-	370,885	(289)	887	292,959	664,442	(1,878)
Market value at 31 December 2017	8	-	2,960,896	49,821	36,819	3,074,334	6,121,878	3,351,951
Represented by:								
Listed equities	-	-	2,577,711	46,861	31,467	2,781,375	5,437,414	1,331,929
Cash and cash equivalents	-	-	383,185	2,960	5,352	292,959	684,456	20,014
Investment properties	-	-	-	-	-	-	-	2,000,000
Investment in subsidiary	8	-	-	-	-	-	8	8
Total	8	-	2,960,896	49,821	36,819	3,074,334	6,121,878	3,351,951

Investment properties comprised 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 properties were disposed of during the year.

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2017

14. Stock

	2017 £	2016 £
Goods for resale	<u>116</u>	<u>600</u>

15. Debtors

	2017 £	2016 £
Trade debtors	3,035	3,568
Prepayments	2,948	2,347
Other debtors	761,040	1,058,531
VAT recoverable	<u>1,457</u>	<u>-</u>
	<u>768,480</u>	<u>1,064,446</u>

16. Creditors : amounts due within 1 year

	2017 £	2016 £
Trade creditors	16,262	19,853
Other taxation and social security	14,135	11,531
Accruals	25,663	11,835
Other creditors	<u>4,491</u>	<u>4,150</u>
	<u>60,551</u>	<u>47,369</u>

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2017

17. Analysis of net assets between funds

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	7,700	2,347,710	2,355,410
Investments	35,760	-	6,086,118	6,121,878
Current assets	-	19,763	2,224,796	2,244,559
Current liabilities	-	-	(60,551)	(60,551)
Net assets at 31 December 2017	<u>35,760</u>	<u>27,463</u>	<u>10,598,073</u>	<u>10,661,296</u>

Prior year comparative

	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)
Net assets at 31 December 2016	<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 2017

18. Movements in funds

	At 1 January 2017 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2017 £
Endowment funds:						
GS Roberts Will Trust	30,056	997	(207)	-	(440)	30,406
GS Roberts Will Trust revaluation reserve	4,328	-		586	440	5,354
Total endowment funds	34,384	997	(207)	586	-	35,760
Restricted funds:						
Wooden Spoon Classroom and Bootroom	3,208	-	(2,200)	-	-	1,008
Welfare Turnout Arena	9,054	-	(2,362)	-	-	6,692
Rescue Boards	390	-	-	-	-	390
Discovery Equipment	-	6,138	(2,391)	-	-	3,747
Discovery Courses	-	23,862	(8,236)	-	-	15,626
Weighbridge	-	6,720	-	-	(6,720)	-
Other Named Horses	-	1,998	(1,998)	-	-	-
Total restricted funds	12,652	38,718	(17,187)	-	(6,720)	27,463

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Notes to the financial statements

For the year ended 31 December 2017

18. Movements in funds (continued)

Unrestricted funds									
<i>Designated funds:</i>									
Property relocation								6,500,000	6,500,000
Fixed assets	944,787	-	-	-	-	-	-	29,840	974,627
Fixed asset revaluation reserve	1,386,323	-	-	-	-	-	-	(13,241)	1,373,082
Vehicles and equipment	70,000	-	-	-	-	-	-	-	70,000
Repairs and maintenance	140,000	-	-	-	-	-	-	-	140,000
<i>General funds</i>									
Revaluation reserve	1,015,524	-	-	-	-	128,610	-	(900,101)	244,033
General funds	3,352,520	760,669	(1,194,295)		3,987,215			(5,609,778)	1,296,331
Total unrestricted funds	<u>6,909,154</u>	<u>760,669</u>	<u>(1,194,295)</u>		<u>4,115,825</u>			<u>6,720</u>	<u>10,598,073</u>
Total funds	<u>6,956,190</u>	<u>800,384</u>	<u>(1,211,689)</u>		<u>4,116,411</u>			<u>-</u>	<u>10,661,296</u>

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For the year ended 31 December 2017

18. Movements in funds (continued)

	At 1 January 2016 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2016 £
Prior year comparative						
Endowment funds:						
GS Roberts Will Trust	29,367	887	(198)	-	-	30,056
GS Roberts Will Trust revaluation reserve	3,070	-	-	1,258	-	4,328
Total endowment funds	32,437	887	(198)	1,258	-	34,384
Restricted funds:						
Wooden Spoon Classroom and Bootroom	5,408	-	(2,200)	-	-	3,208
Welfare Turnout Arena	11,416	-	(2,362)	-	-	9,054
Rescue Boards	-	390	-	-	-	390
Total restricted funds	16,824	390	(4,562)	-	-	12,652
Unrestricted funds						
<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
Total unrestricted funds	6,512,384	1,410,763	(1,082,409)	68,416	-	6,909,154
Total funds	6,561,645	1,412,040	(1,087,169)	69,674	-	6,956,190

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.

The Discovery Equipment fund is for grant money we have been awarded to enable us to purchase specialist equipment to aid in the delivery of our Discovery courses, together with equipment for the children and young people taking part in the courses.

The Discovery Courses fund is grant money we have been awarded to enable us to offer fully funded or subsidised Discovery courses to such organisations who work with children and young adults with emotional, educational and behavioural difficulties to help them gain confidence, achieve qualifications and re-engage with society.

The Weighbridge fund was for the purchase of a new weighbridge for our equines so that we can ensure they are the correct weight. This helps with their ongoing healthcare issues.

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 fund is to replace essential assets that the charity uses.

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

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Notes to the financial statements

For the year ended 31 December 2017

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

	2017 £	2016 £
Net movement in funds	3,705,106	394,545
Adjustments for:		
Depreciation charges	57,191	53,530
Loss / (profit) on the sale of fixed assets	(2,205)	267
(Gains) / losses on investments	(4,116,411)	(69,674)
Dividends and interest from investments	(43,176)	(35,894)
Provision for doubtful debts	694	(5,778)
Decrease / (increase) in stock	484	(600)
Decrease / (increase) in debtors	295,272	(580,860)
Increase / (decrease) in creditors	13,182	(11,712)
Net cash provided by / (used in) operating activities	(89,863)	(256,176)

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,475,963	243,190
Cash held as part of fixed asset investments (note 13)	684,456	20,014
Total cash and cash equivalents	2,160,419	263,204

21. Operating lease commitments

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

	2017 £	2016 £
Amount falling due:		
Within 1 year	12,267	6,226
Within 1 - 5 years	15,099	9,822
	27,366	16,048

22. Related party transactions

There were no related party transactions during the period.

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.

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.