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The Home of Rest for Horses
(A company limited by guarantee and
not having a share capital)

Committee's Report and Financial Statements

Year ended

31 December 2000



THE HOME of
REST for HORSES



THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Annual report and financial statements for the year ended 31 December 2000

Founded 1886 * Incorporated 1983 * Registered Charity 231748

Company Limited by Guarantee * Eng Reg No. 347417

The Society is a member of the National Equine Welfare Council (NEWC).

Registered office: Westcroft Stables, Speen Farm,
Slad Lane, Lacey Green,
Princes Risborough,
Buckinghamshire,
HP27 0PP.

President: The Lady Somerleyton OBE

Vice-Patroness: Fiona, Countess of Arran

Vice Presidents: General Sir John Mogg GCB CBE DSO DL
The RT Hon. Lord Wetherill DL

Management Committee:

Mr PA Irby (Chairman)
Dr MJ Clyne *
Mr MRC Crawshay
Professor GB Edwards FRCVS *
Lieut Colonel SV Gilbert-Denham CVO
Professor S Love MRCVS
Mr JCF Magnay
Baroness A Mallalieu QC
Professor SA May MRCVS
Mr J McAinsh FCIM •
Mrs JF de Moller
Dr JA Mumford Hon Assoc RCVS *
Mr ML Tait CMG LVO
Professor WD Tavernor FRCVS * (Hon. Treasurer)
Mr NJ Wingfield-Digby MRCVS

- * members of the Scientific Sub-Committee
- retired at 2000 AGM

Chief Executive and Secretary:

Brig. PGH Jepson MRCVS

Bankers: Coutts and Co, St Martins Branch, 440 The Strand, London, WC2R 0QS.

Auditors: BDO Stoy Hayward, Derby House, 27 Exeter Road, Newmarket, Suffolk, CB8 8AR.

Solicitors: Underwood & Co, 40 Welbeck Street, London, W1M 8LM.

Investment managers: Morley Fund Management, No 1 Poultry, London, EC2R 8EJ.

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Report of the committee for the year ended 31 December 2000

The committee submit their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2000.

Statement of responsibilities of the committee of management

Company law requires the committee members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the committee members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its charitable activities.

The committee members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Review of activities

The company is a charitable organisation governed by its Memorandum and Articles whose activity continues to be concerned with general equine welfare. Substantial sums have been expended on taking horses, ponies and donkeys in for care at the Home and providing Equine Welfare Grants for other activities. During the year and previously, the committee have approved future grants amounting to £4,086,206 (1999: £4,067,105) which are represented by a separate designated fund. In all, a total of 37 scientific projects leading to improvement in the veterinary care of horses, ponies and donkeys were supported by grants. Grants paid in 2000 and 1999 were as follows:-

	2000 £	1999 £
Liverpool University	522,209	548,928
Edinburgh University	447,467	256,425
Animal Health Trust	291,084	150,202
Glasgow University	277,747	59,000
Royal Veterinary College	243,270	261,392
Cardiff University	42,496	-
Cambridge University	29,343	41,030
Bristol University	22,500	24,000
Thoroughbred Rehabilitation Centre	4,432	-
British Equine Veterinary Association	1,746	-
National Equine & Welfare Council	1,000	-
Devon Horse & Pony Society	-	6,181
Equine Veterinary Journal	-	3,000
New Zealand Equine Research Foundation	-	1,777
Newcastle University	-	1,250
British Horse Society	-	500
	<u>1,883,294</u>	<u>1,353,685</u>

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Report of the committee for the year ended 31 December 2000 (Continued)

Financial results

The Home was fortunate again in the past year to receive in excess of £1 million from legacies and donations which has enabled the Charity to again provide significant support to a range of equine welfare projects. In addition further improvements have been made at Speen Farm in order to enhance the standard of care provided to our resident equines. The Home has also instituted a programme of furthering education in the care of horses, ponies and donkeys.

The additional charitable activity has led to expenditure exceeding income for the year by £830,000 in a period when investment values fell significantly, in line with the UK investment market. The combination of all these factors has caused a reduction of £2.3 million in the overall accumulated funds of the Home through the year 2000.

Reserves

The Committee has developed over past years its policy with regard to the accumulated funds of the Home. As explained in note 11 to the accounts designated funds have been established to reflect funds held to finance charitable fixed assets, approved future grants and a Capital fund. The remaining £1,241,000 represents free reserves for the general charitable and running costs of the Home. At slightly less than 50% of expenditure for the past year the committee believe this amount to be a prudent retention of available funds.

Fixed assets

Details of movements in fixed assets during the year are set out in notes 6 and 7 to the financial statements.

Land and buildings

The market value of freehold properties, included in the balance sheet at a book value of £393,178, is considered by the committee to be in excess of that value.

Committee members

The Committee members during the year were as follows:

Mr PA Irby	Dr MJ Clyne
Mr MRC Crawshaw	Professor GB Edwards
Mr JCF Magnay	Lieut Colonel SV Gilbert-Denham
Dr JA Mumford	Mr J McAinsh (retired 6 July 2000)
Professor S Love	Baroness A Mallalieu
Mrs JF de Moller	Mr ML Tait
Professor SA May	Mr NJ Wingfield-Digby
Professor WD Tavernor	

For the purposes of the Companies Act 1985 members of the Committee of Management are deemed to be directors and are appointed in accordance with the requirements of the Memorandum and Articles.

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Report of the committee for the year ended 31 December 2000 *(Continued)*

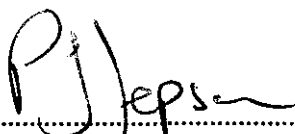
Register of members

The register of members is available for inspection by members, free of charge, at the registered office of the company.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

This report was approved by order of the Committee on 17th July 2001.



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Brigadier PGH Jepson
Secretary

THE HOME OF REST FOR HORSES**(A company limited by guarantee and not having a share capital)****Independent auditors' report****To the members of The Home of Rest for Horses****(A company limited by guarantee and not having a share capital)**

We have audited the financial statements of The Home of Rest for Horses for the year ended 31 December 2000 on pages 5 to 14, which have been prepared under the accounting policies set out therein.

Respective responsibilities of the committee of management and auditors

The committee of management's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Committee of Management's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Committee of Management's Report is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Committee of Management's Report and consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2001 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**BDO STOY HAYWARD**Chartered accounts and
Registered auditors
Newmarket

15 July 2001

THE HOME OF REST FOR HORSES**(A company limited by guarantee and not having a share capital)****Income and expenditure account incorporating statement of financial activities
for the year ended 31 December 2000**

	Note	2000 £	£	1999 £	£
Incoming resources					
Subscriptions and donations		48,248		40,998	
Legacies and related interest		1,114,820		1,062,939	
Investment income		579,360		732,024	
		<u>1,742,428</u>		<u>1,835,961</u>	
Resources expended					
	2				
Charitable grants		1,883,294		1,353,685	
Education in equine welfare		27,742		-	
Home direct costs		393,574		456,315	
Home support costs		126,308		132,772	
Administrative expenditure		101,142		105,563	
Fundraising		40,897		40,848	
		<u>(2,572,957)</u>		<u>(2,089,183)</u>	
Net outgoing resources	3	(830,529)		(253,222)	
Net realised investment gains		748,580		1,662,715	
Historical cost movement in resources		(81,949)		1,409,493	
Net unrealised investment (losses)/gains	7	(2,264,839)		661,132	
Net movement in funds		(2,346,788)		2,070,625	
Accumulated funds brought forward		<u>21,735,487</u>		<u>19,664,862</u>	
Accumulated funds carried forward	11	<u>19,388,699</u>		<u>21,735,487</u>	

All recognised gains and losses are included within the above statement.
All amounts relate to continuing activities.

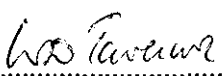
The notes on pages 7 to 14 form part of these financial statements.

THE HOME OF REST FOR HORSES
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Balance sheet at 31 December 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	6	500,579	500,183
Investments	7	18,882,882	20,607,162
		<u>19,383,461</u>	<u>21,107,345</u>
Current assets			
Stocks	8	3,290	3,826
Debtors	9	19,420	273,789
Cash at bank and in hand		44,782	409,291
		<u>67,492</u>	<u>686,906</u>
Creditors: amounts falling due within one year	10	<u>62,254</u>	<u>58,764</u>
Net current assets		<u>5,238</u>	<u>628,142</u>
Net assets		<u><u>19,388,699</u></u>	<u><u>21,735,487</u></u>
Represented by			
<i>Unrestricted funds</i>			
General fund		1,241,045	2,086,591
<i>Designated funds</i>			
Charitable fixed assets		500,579	500,183
Future grants		4,086,204	4,067,105
Capital fund		13,557,588	15,073,847
		<u>19,385,416</u>	<u>21,727,726</u>
<i>Restricted funds</i>		<u>3,283</u>	<u>7,761</u>
Total accumulated funds	11	<u><u>19,388,699</u></u>	<u><u>21,735,487</u></u>

The financial statements on pages 5 to 14 were approved by the committee of management on 17th July 2001.


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Committee member

The notes on pages 7 to 14 form part of these financial statements.

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Notes forming part of the financial statements for the year ended 31 December 2000

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention with the exception of investments which are stated at market value.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all fixed assets, other than freehold land and certain improvements thereto, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Property improvements	- over 10 years by equal instalments
Loose boxes	- over 25 years by equal instalments
Plant and equipment	- at 10% of the reducing balance
Furniture, fixtures and fittings	- at 10% of the reducing balance, and over 3 years by equal instalments
Motor vehicles	- over 5 years by equal instalments
Horse ambulance	- at 10% of the reducing balance

No depreciation charge is made in respect of certain property improvements on the grounds that it would be immaterial as estimated residual value is not materially different from the carrying amount.

Investments

Investments are stated at market value.

Stocks

Stocks are stated at the lower of cost and net realisable value on a first-in, first-out basis.

Pension costs

The company operated one defined contribution pension scheme in the year and a group personal pension plan. Contributions to the pension schemes are charged to the income and expenditure account when made.

Legacies

Legacies and related interest thereon are treated as one source of income when received by the company. Legacies are accrued as receivable when their quantification and receipt can be ascertained with reasonable certainty.

Other income and expenditure

Interest on short term deposits and all expenditure are accounted for on an accruals basis. All other income is accounted for on a cash basis.

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Notes forming part of the financial statements for the year ended 31 December 2000 (Continued)

1 Accounting policies (Continued)

Taxation

The Home as a charity is not liable for assessment to tax on its results. Tax recoverable on income received is accounted for on an accruals basis.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the Committee in furtherance of the Home's general charitable objectives.

Designated funds are those funds designated for particular purposes or projects at the discretion of the Committee.

Restricted funds are created when income is received which has a restriction placed on its use by the donor.

Compliance with accounting standards and Companies Act 1985

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have also been prepared in accordance with the Statement of Recommended Practice, Accounting by Charities, with the following exception:

- realised investment gains (net) are based on historical cost.

The company has revised, as provided by Schedule 4 paragraph 3(3) of the Companies Act 1985, its format of accounts to include headings which are relevant to its activities thus enabling it to show a true and fair view.

2 Analysis of resources expended

	Payroll	Direct animal costs	Other direct costs	Depreciation	2000	1999
	£	£	£	£	£	£
(a) Charitable expenditure						
Home direct costs	147,494	63,012	166,741	16,327	393,574	456,315
Home support costs	109,721	-	14,845	1,742	126,308	132,772
	<u>257,215</u>	<u>63,012</u>	<u>181,586</u>	<u>18,069</u>	<u>519,882</u>	<u>589,087</u>
(b) Other expenditure						
Administrative						
- Home	-	-	45,845	-	45,845	43,527
- Investments	-	-	55,297	-	55,297	62,036
Fundraising						
- Advertising	-	-	36,564	-	36,564	38,061
- Other	-	-	4,333	-	4,333	2,787
	<u>-</u>	<u>-</u>	<u>142,039</u>	<u>-</u>	<u>142,039</u>	<u>146,411</u>
	<u>257,215</u>	<u>63,012</u>	<u>323,625</u>	<u>18,069</u>	<u>661,921</u>	<u>735,498</u>
(c) Other charitable expenditure – Welfare grants					1,883,294	1,353,685
Education in equine welfare					<u>27,742</u>	-
					<u>2,572,957</u>	<u>2,089,183</u>

THE HOME OF REST FOR HORSES**(A company limited by guarantee and not having a share capital)****Notes forming part of the financial statements for the year ended 31 December 2000 (Continued)****3 Net outgoing resources**

	2000 £	1999 £
This is arrived at after charging or (crediting):		
Rent received	(100)	(511)
Depreciation – owned fixed assets	18,069	18,979
Loss on disposal - owned fixed assets	-	8,394
Auditors' remuneration	4,000	3,500
Exceptional item - pension contributions and gratuity	-	60,290
	<u> </u>	<u> </u>

4 Employees*(a) Number of employees*

During the year the average monthly number of staff employed by the Home was as follows:-

	2000 Number	1999 Number
Farm and stables	12	12
Administration	3	4
	<u>15</u>	<u>16</u>

(b) Employment costs

	2000 £	1999 £
Wages and salaries	222,836	201,209
Social security costs	18,662	17,276
Other pension costs	15,717	72,040
	<u>257,215</u>	<u>290,525</u>

All staff are employed by the charity.

(c) Higher paid employees

	2000	1999
One employee received emoluments (excluding pension)		
Between : £60,001 - £65,000	1	-
£50,001 - £55,000	<u>-</u>	<u>1</u>

(d) Committee of management

No remuneration was paid to any member of the committee of management either in 2000 or 1999.

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Notes forming part of the financial statements for the year ended 31 December 2000 (*Continued*)

5 Taxation

The company is a registered charity and is not considered liable to taxation on its income. Income tax deducted at source from income is recoverable from the Inland Revenue.

6 Tangible fixed assets

(a) Summary

	Freehold property & improvements	Plant and equipment	Furniture, fixtures and fittings	Motor vehicles and horse ambulance	Total
	£	£	£	£	£
<i>Cost</i>					
1 January 2000	436,843	91,644	15,346	52,546	596,379
Additions	14,000	4,465	-	-	18,465
31 December 2000	450,843	96,109	15,346	52,546	614,844
<i>Depreciation</i>					
1 January 2000	28,267	35,486	6,821	25,622	96,196
Charge for the year	3,267	6,062	1,742	6,998	18,069
31 December 2000	31,534	41,548	8,563	32,620	114,265
<i>Net book value – owned assets</i>					
31 December 2000	419,309	54,561	6,783	19,926	500,579
31 December 1999	408,576	56,158	8,525	26,924	500,183

(b) Analysis of freehold property and loose boxes

Freehold property includes an amount of £393,178 (1999: £379,178) which is not depreciated. Freehold property comprises property at Speen Farm and Little Mosely Farm, Buckinghamshire, Elm Park Estate, Bristol and Croydon, Surrey.

(c) The fixed assets above are used for charitable purposes other than an element of furniture, fixtures and fittings which is used for administration purposes.

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Notes forming part of the financial statements for the year ended 31 December 2000 (*Continued*)

7 Investments

(a) Summary

	2000 £	1999 £
<i>Cost</i>		
1 January 2000	14,562,900	13,845,925
Additions	24,692,123	28,234,202
Disposals	(25,358,942)	(27,517,227)
31 December 2000	13,896,081	14,562,900
<i>Unrealised gain</i>		
1 January 2000	5,480,019	4,818,887
Movement in year	(2,264,839)	661,132
31 December 2000	3,215,180	5,480,019
<i>Market value of quoted investments</i>		
31 December 2000	17,111,261	20,042,919
<i>Other investment monies</i>		
Stockbrokers open accounts	(589)	260
Bank deposit accounts	1,728,623	533,896
Bank current accounts	589	869
Income tax recoverable	37,000	26,989
Bank deposit interest due	5,998	2,229
31 December 2000	1,771,621	564,243
Total investments	18,882,882	20,607,162

(b) Significant investments

Investments held representing more than 5% of portfolio of quoted investments:

Holding	2000		1999	
	Market value £	Proportion %	Market value £	Proportion %
506,550 Vodafone Group ordinary shares	1,243,580	7.3	-	-
1,275,698 Commercial Union Unit Trust	1,168,412	6.8	-	-
61,414 Glaxo Smithkline ordinary shares	1,160,725	6.8	-	-
187,500 BP Amoco ordinary shares	1,012,500	5.9	1,341,961	6.7
66,699 British Telecom ordinary shares	-	-	1,009,156	5.0
327,145 Vodafone Airtouch ordinary shares	-	-	1,003,517	5.0

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Notes forming part of the financial statements for the year ended 31 December 2000 (*Continued*)

8 Stocks

	2000 £	1999 £
Forage	<u>3,290</u>	<u>3,826</u>

The replacement cost of stock is not materially different from the cost as noted above.

9 Debtors

	2000 £	1999 £
Grant recoverable	-	250,000
Income tax recoverable	4,000	15,878
Other debtors and prepayments	<u>15,420</u>	<u>7,911</u>
	<u>19,420</u>	<u>273,789</u>

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Other creditors	41,403	34,656
Other taxes and social security costs	6,216	6,855
Accruals	<u>14,635</u>	<u>17,253</u>
	<u>62,254</u>	<u>58,764</u>

11 Accumulated funds

	Balance at 1 Jan 2000 £	Incoming resources £	Resources expended £	Investment losses £	Transfer £	Balance at 31 Dec 2000 £
<i>Unrestricted funds</i>						
General fund	2,086,591	1,718,290	(642,978)	-	(1,920,858)	1,241,045
Designated funds:						
Charitable fixed assets	500,183	-	(18,069)	-	18,465	500,579
Future grants	4,067,105	-	(1,883,294)	-	1,902,393	4,086,204
Capital fund	15,073,847	-	-	(1,516,259)	-	13,557,588
	<u>21,727,726</u>	<u>1,718,290</u>	<u>(2,544,341)</u>	<u>(1,516,259)</u>	<u>-</u>	<u>19,385,416</u>
<i>Restricted fund</i>	7,761	24,138	(28,616)	-	-	3,283
Total accumulated funds	<u>21,735,487</u>	<u>1,742,428</u>	<u>(2,572,957)</u>	<u>(1,516,259)</u>	<u>-</u>	<u>19,388,699</u>

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Notes forming part of the financial statements for the year ended 31 December 2000 (*Continued*)

11 Accumulated funds (*Continued*)

The Designated funds are those funds designated at the discretion of the Committee for particular purposes.

The Charitable fixed asset fund represents assets held at Speen Farm and in the immediate locality for the Home's charitable use.

The Capital fund represents funds required to ensure a flow of income which is sufficient to support the future activities of the charity.

The Future grants fund represents Equine Welfare grants that the Committee has agreed to pay over the next 5 years as follows:-

Year	£
2001	2,185,261
2002	1,414,648
2003	481,295
2004	2,500
2005	2,500
	<u>4,086,204</u>

The Restricted fund represents the balance of legacies due to be applied for specific purposes determined by the legators.

12 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Total £
<i>Unrestricted funds</i>				
General fund	-	1,235,807	5,238	1,241,045
Designated funds:				
Charitable fixed assets	500,579	-	-	500,579
Future grants	-	4,086,204	-	4,086,204
Capital fund	-	13,557,588	-	13,557,588
	<u>500,579</u>	<u>18,879,599</u>	<u>5,238</u>	<u>19,385,416</u>
<i>Restricted funds</i>	-	3,283	-	3,283
	<u>500,579</u>	<u>18,882,882</u>	<u>5,238</u>	<u>19,388,699</u>

THE HOME OF REST FOR HORSES

(A company limited by guarantee and not having a share capital)

Notes forming part of the financial statements for the year ended 31 December 2000 *(Continued)*

13 Members guarantee

The company has no share capital but is limited by guarantee. Every member of the company is a guarantor and undertakes to contribute to the assets of the company, in the event of it being wound up, such amounts as may be required. Each guarantor's liability is limited to 5p.

14 Committee of Management interests

During the year 15 members of the Committee of Management received £2,871 (1999: £4,026), in respect of meeting and travel expenses.

15 Pension

The company operates a defined contribution plan and a group personal pension plan. The assets of both schemes are held separately from the company in independently administered funds. The pension cost charge of £11,717 (1999: £11,750) represents contributions payable to the funds and no amounts were in arrears at either year end.