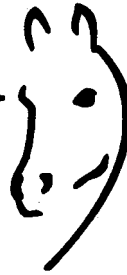


Charity Registration No. 231748  
Company Registration No. 347417

**The Horse Trust**  
Advancing Excellence  
in Equine Care



**The Horse Trust**  
**(A company limited by guarantee and not having  
share capital)**

**Report and financial statements**  
**31 December 2017**

SATURDAY



A15 \*A7ANV64H\* #313  
21/07/2018  
COMPANIES HOUSE

## **The Horse Trust**

### **Legal and administrative information**

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<b>Charity name</b>	The Horse Trust
<b>Charity registration number</b>	231748 Founded 1886, Incorporated 1938
<b>Company registration number</b>	347417

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

<b>Registered office and operational address</b>	The Horse Trust Home of Rest for Horses Speen Princes Risborough HP27 OPP
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<b>Patron</b>	Her Royal Highness The Princess Royal
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<b>President</b>	Baroness Mallalieu QC
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<b>Vice President</b>	The Lady Somerleyton OBE
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<b>Board of Trustees</b>	Professor M Bowen	
	Professor P Clegg	appointed 21 <sup>st</sup> June 2017
	Lord R De Mauley	
	Mrs C Djivanovic	retired 21 <sup>st</sup> June 2017
	Mr D Cook	appointed 21 <sup>st</sup> June 2017
	Mrs B Jones	
	Mr C Marriott	
	Professor B McGorum	
	Mr R Neal	appointed 21 <sup>st</sup> June 2017
	Mr J Samuelson	retired 21 <sup>st</sup> June 2017
	Mr A Sinclair	retired 21 <sup>st</sup> June 2017
	Professor J D Slater	Chairman
	Mrs M Soames	

<b>Chief Executive and Secretary</b>	Miss J M Allen
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<b>Bankers</b>	Coutts and Co St Martins Branch 440 The Strand London WC2R 0QS
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## **The Horse Trust**

### **Legal and administrative information (continued)**

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#### **Auditors**

Saffery Champness LLP  
St John's Court  
Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1JX

#### **Solicitors**

Underwood & Co  
40 Welbeck Street  
London  
W1M 8LM

Lupton Fawcett  
Yorkshire House  
East Parade  
Leeds  
West Yorkshire  
LS1 5BD

Hatch Legal  
12 Park House  
11 Park Row  
Leeds  
LS1 5HB

#### **Investment Managers**

Cazenove Capital Management Limited  
12 Moorgate  
London  
EC2R 6DA

Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

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**Report of the Board of Trustees for the year ended 31 December 2017**

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The Board of Trustees has pleasure in presenting its report and the financial statements for the year ended 31 December 2017.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), which incorporates the report of the directors for the purposes of company law.

**Structure, governance and management**

**Status and administration**

The Trust was founded in 1886 and incorporated as a company limited by guarantee on 16 December 1938. It is registered as a charitable company and governed by its Memorandum and Articles of Association. A Board of Trustees, the members of which are set out on page 1 of this report, is responsible for the activities of the charity.

For the purposes of the Companies Act 2006 members of the Board of Trustees are deemed to be directors and are appointed in accordance with the requirements of the Memorandum and Articles of Association.

**Recruitment and induction of Trustees**

Board members normally serve for a maximum of 6 years, 9 in some circumstances, and are selected to provide a broad spectrum of relevant expertise and experience.

Existing trustees and members are invited to submit names of potential trustees, who have to be registered members elected by The Board of Trustees. The Board will scrutinise these nominations with a view to ensuring that the duly elected Board contains the necessary skills mix. During 2017 an open advert was also placed for a first opinion veterinary trustee as the Board decided it would be beneficial to recruit in this way. Trustee vacancies can be filled at any time through election by the Board but such appointments have to be confirmed through election by the members at the next AGM. Trustees serve for a nominal term of three years after which they can stand for election for a further three year term, in some cases a third term of three years can also be served.

Induction training is provided for all new trustees. They visit the registered office so they can see how the charity operates on a day to day basis. This also gives the new trustees an opportunity to meet the Chief Executive and other key personnel. The new trustees are given a briefing pack of important documentation. This pack is due to be reviewed and updated during 2018.

Trustees are encouraged to attend appropriate external training events, seminars, workshops and be briefed on and discuss topical matters to assist them in the understanding and performance of their role. Articles, bulletins and notices relevant to their duties and responsibilities are circulated to trustees.

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 25 to the accounts.

**Key management personnel remuneration**

The Trust is managed and operated by employed staff. The key management personnel are identified to be the Chief Executive, the Equine Care Director and the Finance Director. The pay of the senior staff is reviewed annually by the Board and normally increased in accordance with an average annual figure for CPI.

**Organisation**

The Board of Trustees meet quarterly and are responsible for all strategic decisions and for setting policy. The Chief Executive is appointed to execute policy and to manage the administrative and day-to-day operations of The Trust.

The Charity has one wholly owned subsidiary, The Horse Trust Trading Company Limited, which is incorporated in the United Kingdom. The trading subsidiary has not been consolidated within these financial statements as in the opinion of the trustees, the trading subsidiary is not material and the exclusion of the trading subsidiary within The Horse Trusts accounts does not impact on the true and fair view of these financial statements. Further details can be found in note 1.2 and the results of the trading subsidiary and of its balance sheet are fully disclosed in note 31 of the accounts.

**Risk management**

The Board of Trustees examines the major strategic business and operational risks which The Trust faces on an annual basis. They also ensure that there are the systems and procedures in place to mitigate these risks and to minimise any potential impact on the charity.

The main areas of risk are considered to be fire or an incident at The Home of Rest for Horses. A full fire assessment has been carried out by an external specialist and no major issues were found and any minor recommendations have been implemented. In the future it is hoped that the Trust will be piloting a new equine establishment fire suppression system within the stables. In order to reduce the risk of an incident at the charity all staff have been issued with current standard protective equipment as well as receiving regular training.

**Objectives and activities**

The objects of the charity can be summarised in our mission statement:

The Horse Trust exists to enhance and improve the quality of life of equidae in the UK. This encompasses their physical and psychological needs. It will achieve this through the development, demonstration and dissemination of best practice in equine care.

In achieving these objectives, The Trust undertakes four main strategic aims:

- 1. Sanctuary – Demonstrate best practice**  
To provide lifelong sanctuary and respite care at the Home of Rest for Horses, for equines (1) who have served their country or community, (2) who come to us suffering, distressed and in need of special care or (3) for special cases as defined by the Trust.
- 2. Scientific Research – Develop Best Practice**  
To fund non-invasive research of the highest scientific standard that advances our knowledge of veterinary treatment, the optimal care of equines and the prevention of disease and suffering. The aim is to impact positively on the wider equine population.
- 3. Knowledge and Skills – Disseminate Best Practice**  
To devise and deliver a broad spectrum of training modules, courses and programmes for a variety of specified audiences and utilising a variety of media and techniques, that will impact most positively, the quality of life of the largest number of equines.
- 4. Policy - Direct Best Practice**  
To continue our policy work in a politically neutral way that does not compromise our scientific investment but that plays a key role in facilitating the development of national policy and best practice that improves equine welfare in the UK.

These objectives and the work done by the charity to achieve them are reviewed regularly by the Board and a new strategic plan is devised approximately every five years.

### **Statement of public benefit**

The Trustees in exercising their powers and duties have complied with their duty in Section 17 of the Charity Act 2011. The Board of Trustees has referred to the guidance contained in the Charity Commission's general guidance on public benefit, including the guidance public benefit; running a charity (PB2), when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. Improving horse welfare is the primary aim and through the ongoing and planned activities described in this report, the charity fulfils its remit to public benefit through the advancement of education, the advancement of science, relief to animals in need and relief to needy owners and carers of animals through the provision of counselling and advice. The Horse Trust also benefits the taxpayer by providing training to police, fire and rescue and trading standard officers as well as providing respite care to working horses.

### **Achievements and performance**

The Board would like to formally thank all the volunteers that assist the employees at events and with the running of both the office and the yard.

### **Home of Rest for Horses**

The Horse Trust is probably best known for its work providing retirement to working horses who have served their community or their country, such as horses from the Police, Army, Royal Mews and charities such as Riding for the Disabled Association and Horse Rangers. The Home of Rest for Horses will continue to provide lifelong retirement for these and also for local equines found in urgent need of rescue.

The Horse Trust has made considerable improvements to the new farm purchased during 2016. This has allowed the resident horse numbers to increase by approximately twenty animals, allows for an increased average area of land per horse as suits our herds' needs and has also allowed the older, arthritic retired working horses, of which we have many, to enjoy more access to flat land rather than the steep hills of Speen Farm. This has all been achieved in line with the charity's ongoing strategic plan.

A variety of professional equine focused organisations have been using our facilities and horses for their CPD training, including veterinary surgeons, equine behaviourists, farriers and equine dental technicians. Our unique herd and range of teaching facilities allow professionals and statutory officers to further develop their skills and in turn means they are better equipped to help more people and horses. All of these training courses, offered on our site by external providers, add to the pool of better trained and qualified professionals that our own training programmes provide. Taken together they produce a significant benefit to horses, owners and to the public at large.

The rehabilitation work continues with the horses and a number have been successfully rehomed throughout the year which has freed up places here for horses that are on the waiting list.

### **Research Grant Making Policy**

The Horse Trust invites applications for both Research Grant Projects and PhDs. Once preliminary applications have been received they are reviewed by the Scientific Committee who then short list a selection that are invited to submit a full application. These full applications are then subject to a peer review and are ranked. The Board of Trustees of The Horse Trust will then make the final funding decisions from these rankings. These will be based in part on the impact assessment report of each short listed application. The applicants will need to have demonstrated clearly the intended benefits to the UK equine population, how such benefits will be communicated to the horse owning and keeping public as well as veterinary and allied professionals and will be prompted to look at a variety of criteria when completing

## The Horse Trust

### Report of the Board of Trustees for the year ended 31 December 2017 (continued)

their reports. When the research grants are being discussed the meetings are chaired by the legally qualified trustee and all perceived, potential or actual conflicts of interest are scrupulously declared and recorded.

#### Research

During 2017 The Horse Trust committed to funding three new scientific project and two new PhDs.

Research Projects Supported	<u>2017</u>		<u>2016</u>	
	No	£	No	£
University of Liverpool	5	176,604	4	90,860
University of Edinburgh	3	101,251		
RVC	2	81,773	2	42,797
AHT	2	56,226	2	71,833
Moredun Research	1	54,008	1	43,429
University of Bristol	1	36,365		
The Royal (Dick) School of Veterinary Studies and Roslin Institute			1	31,793
University of Glasgow			1	4,272
	<b>14</b>	<b>506,227</b>	<b>11</b>	<b>284,984</b>

Current research projects are also being analysed to seek new best practice which can then be incorporated in our own yard routines as well as disseminated to appropriate audiences. Subjects being researched under Horse Trust funding include the causes of Atypical Myopathy, Wormer Resistance, the spread of exotic disease by mosquitos, Equine Dentistry, investigating the bacterium responsible for Strangles to aid the creation of an efficacious and affordable vaccine and the possible causes of Grass Sickness.

In February The Horse Trust planned and hosted an ambitious three-day symposium entitled “*The State of Our Equine Nation*”. It was a unique event that brought together 32 expert opinion leaders from the three key disciplines that intersect to define equine well-being: equine clinical disease research, equine behaviour science and human behaviour science. The goal of the symposium was to identify the scientific approaches required to establish a robust evidence base for the issues affecting the well-being of the UK’s equine population. The event was a huge success and has allowed The Horse Trust to structure a pathway ahead to gather further evidence. There are three post symposium working groups that are looking in more detail at three areas of equine clinical disease research, equine behaviour science and human behaviour science. Each group has been awarded a foundation grant of £20,000 to commence this work.

#### Education in Equine Welfare

The Horse Trust has continued to train fire fighters and officers from various Fire and Rescue Services in 2017 in conjunction with the British Animal Rescue and Trauma Association (BARTA). The purpose of this course is to provide an introduction to horse behaviour and handling. This course will safeguard fire fighters when rescuing horses, by giving them a greater understanding of how horses behave and learn and how their actions can greatly affect the horse’s behaviour. This training also equips fire fighters to better safeguard the public in a horse related incident. This will therefore safeguard the welfare of horses, professionals and the public across the UK. The course has been a huge success with all fire fighters and officers giving The Horse Trust excellent feedback, including sharing examples of when they have put the training to use within their daily work.

The plan to train Highways England officers with BARTA was implemented in 2017 with 860 officers completing the course both at Speen and in a venue in the north of England. The Horse Trust has written the horse behaviour and legislation content for this and has also enabled the professional dog trainers to



deliver their essential training to Highways England at The Horse Trust's Speen Farm site (where the outdoor sand school is dog proofed), so the officers can do horse and dog training on the same day in the same location.

There are now 17 learners currently working on our level 3 Diploma in Equine Legislation, Welfare and Field Skills with more waiting to be enrolled on the next cohort. The current learners are progressing well through the qualification and their feedback is extremely positive:

We also provide our own BEVA approved CPD courses for vets, vet nurses and vet students in ethical and safe horse handling and equine ethology.

### **Policy**

The Horse Trust has continued with its policy work in a politically neutral way, that does not compromise the scientific investment, but that plays a key role in facilitating the development of national policy and best practice that improves equine welfare in the UK. Our role of sector facilitator has become ever more utilised by government and the rest of the UK's equine sector during 2017. The main ongoing task in this area being led by The Horse Trust is the merger of the Equine Sector Council and the British Horse Industry Confederation under our CEO's Chairmanship to become the new British Horse Council. This will finally bring together completely all aspects of equine interest in the UK including racing, breeding, elite sport, leisure riding, enforcement, veterinary and welfare agencies, providing a single unified voice to government on equine related matters where consensus exists. The Horse Trust is also supporting the development of the central equine database.

### **Financial Review**

#### **Review of the year**

2017 has been a financially successful year for The Horse Trust, due in the most part to legacies, although it must be remembered that legacy income is highly unpredictable and so we cannot reasonably expect this level of legacy income every year. During 2017 The Horse Trust received legacies of £1,534,466 which was lower than the previous year (2016 - £1,816,829) but still higher than expected.

Research costs to existing grants have been made in line with the budget and five new projects were awarded during 2017. Good financial management and a careful control of expenditure have meant the charity made a surplus in the year of £1,111,162 (2016 - £1,911,046).

#### **Investment policy**

The Board of Trustees has the power to invest in such assets as it sees fit. Management of The Trust's investment portfolio is split equally between two investment houses, Sarasin & Partners and Cazenove Capital Management who invest finances and advise the Investment Management Group, a sub-committee of the Board of Trustees which reviews investment performance and makes recommendations to trustees. Ultimately changes in investment policy are the responsibility of the Board of Trustees. Currently the mandate for both houses is a long-term target of CPI +4%.

A significant proportion of investments are held in listed equity shares. The performance of the portfolio is generally in line with the overall UK stock market. At the year end the total amount held in investments was £20,416,794 (2016 - £19,551,648). On 31<sup>st</sup> December 2017 the stock market was on a substantial high which means the year end figures look very healthy. It must be remembered that these values can easily go down as well as up and so cannot be completely relied upon. In the first three months of 2018 the portfolios have fallen significantly from the year end position.

**Reserves**

The Board of Trustees has developed over past years its policy with regard to the accumulated funds of The Trust. As explained in the notes to the accounts, designated funds are held to finance charitable fixed assets, future grant commitments and a capital fund.

The Horse Trust continues to accept research grant applications and so the Trust has transferred money to the designated Future Grants Fund as the nature of our funding is to generally commit to three-year long projects. This designated fund currently stands at £1,500,000 which will ensure that research grants can be awarded for the next three years (approximately £500,000 per year) Once projects have been awarded the required monies are transferred to the Future Awarded Grants Fund. This fund is then used to pay the agreed amounts to the grant recipients on a twice yearly basis providing there is satisfactory progress.

The Capital fund represents funds set aside to ensure a flow of income which is sufficient to support the future activities of the Charity including long term plans to issue significant grants for further scientific research. The General Fund is the operating reserves of the charity and is set at approximately twelve months expenditure to ensure the flexibility to meet immediate future plans. Further details can be found in note 21.

**Public relations and fundraising**

During 2017 The Horse Trust continued with a proactive donor acquisition marketing strategy to recruit new supporters in ethical ways and to encourage donations through advertising, direct mail, public relations and other fundraising initiatives. The continuing objective is to acquire new donors, turn "one off" donors into regular givers and then to encourage committed donors to become legators. The Horse Sponsorship scheme has proven highly successful and social media, Home of Rest visitors and our attendance at external events such as Royal Windsor Horse Show remain our most effective donor recruitment tools. Costs have continued to be controlled throughout 2017 and new technologies and mechanisms introduced to further increase efficiency. The Board members are satisfied that all Horse Trust fund raising activities are ethical and conducted within the law and best practice and have adopted a new formal Ethical Fundraising Policy to ensure our very high standards are maintained in this area.

**Land and buildings**

The value of freehold land and properties, included in the balance sheet at a book value of £4.8m, is considered by the Board of Trustees to be in excess of that value.

**Future plans**

The charity plans to continue to enhance and improve the quality of life of horses in the UK with a greater emphasis on the requirement to cater for their psychological health as well as their physical health.

The Horse Trust will be redeveloping specific areas at Speen to increase our charitable output still further. The charity will be building a new indoor school and education centre to enable us to deliver our training programmes in the safest way and in an environment dedicated to learning. There will also be new additional loose barn style housing for the larger, arthritic horses, three new sand paddocks for horses recovering from laminitis or foot and lower limb problems and a new storage facility that will include specialist archive storage to house our 130 years of historical documents. Unfortunately, The Horse Trust was unsuccessful in gaining planning permission to construct an additional car park to allow the new infrastructure to be fully utilised, the charity is currently having ongoing discussions with Wycombe District Council on this matter.

In the future the Trust will be piloting a new equine establishment fire suppression sprinkler system within a section of the stables. The system is currently undergoing statutory safety testing and should it pass the required standards we will be the first to benefit from a system specifically designed to keep horses far safer should fire break out on an equine premises and this in turn will protect the lives of those that care for them

and the firefighters that come to their aid. It is hoped that once the initial trials are complete the charity will be able to assist in scaling up the system to protect larger yards.

Following on from the successful Symposium the charity will be using the findings of the post symposium working groups to assist in making future funding decisions for research.

The Trust will also continue its partnership with BARTA in the coming year to standardise practical horse handling courses around the UK to ensure all fire fighters and officers receive the same standard of training. In the long term The Horse Trust will consider expanding its training offering from professionals to include horse owners. We will also increase the cohort of learners on the Diploma and find manageable ways to expand our essential training services geographically.

The Horse Trust will be sponsoring Student Equine Veterinary Association (SEVA) Congress at the University of Liverpool in January 2018. With a mix of lectures and practical sessions delegates are to be addressed by leading experts in a range of subjects including Donkey medicine, Orthopaedics, Dentistry, Infectious diseases and Surgery practical's. The event is a perfect opportunity for the Trust to unveil some of its exciting new online courses for veterinary surgeons and students.

The Horse Trust will also continue its policy work and seek to finalise the merger already described. It will undertake to maintain its role as a trusted and politically neutral facilitator for the sector for the benefit of the UK's equine population.

#### **Register of members**

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

#### **Statement of trustees' responsibilities – charitable company**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

**Report of the Board of Trustees for the year ended 31 December 2017 (continued)**

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In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

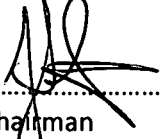
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the reparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure to our auditors**

Insofar as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditors are unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The report was approved by order of the Board of Trustees on 20.06.18

  
.....  
Chairman

## **Opinion**

We have audited the financial statements of The Horse Trust for the year ended 31 December 2017 set out on pages 12 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2017 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006 and Charities Act 2011.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable 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 relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

**Independent auditors' report to the members of The Horse Trust (continued)**

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**Other information**

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

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

We have nothing to report in this regard.

**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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also 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 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 to do so.

Independent auditors' report to the members of The Horse Trust (continued)


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**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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



.....  
Miss K T Bartlett (Senior Statutory Auditor)  
For and on behalf of

Saffery Champness LLP	St John's Court
Chartered Accountants	Easton Street
	High Wycombe
	Buckinghamshire
	HP11 1JX

Statutory Auditors

Date: 17.09.18

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**The Horse Trust**

**Statement of financial activities (including income and expenditure account) for the year ended 31 December 2017**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Unrestricted funds £	Restricted funds £	Total funds 2016 £
<b>Income from</b>							
Donations and legacies	2	1,731,258	38,820	1,770,078	2,032,771	38,820	2,071,591
Charitable activities	3	58,022	-	58,022	36,883	-	36,883
Investment income	4	664,327	-	664,327	709,792	-	709,792
Rent receivable and sundry income	5	24,325	6,000	30,325	28,203	-	28,203
<b>Total</b>		<b>2,477,932</b>	<b>44,820</b>	<b>2,522,752</b>	<b>2,807,649</b>	<b>38,820</b>	<b>2,846,469</b>
<b>Expenditure on:</b>							
Raising funds	6	295,245	-	295,245	350,877	-	350,877
Charitable activities	7	2,270,640	46,021	2,316,661	1,898,068	46,634	1,944,702
Investment management costs		94,909	-	94,909	100,940	-	100,940
<b>Total</b>		<b>2,660,794</b>	<b>46,021</b>	<b>2,706,815</b>	<b>2,349,885</b>	<b>46,634</b>	<b>2,396,519</b>
<b>Netgains/(losses) on investments</b>							
Gains/(losses) on Investment assets		1,295,225	-	1,295,225	331,244	-	331,244
<b>Net Income/ (expenditure)</b>		<b>1,112,363</b>	<b>(1,201)</b>	<b>1,111,162</b>	<b>789,008</b>	<b>(7,814)</b>	<b>781,194</b>
<b>Reconciliation of funds:</b>							
<b>21</b>							
Total funds brought forward		25,111,513	1,889	25,113,402	23,192,652	9,703	23,202,356
<b>Total funds carried forward</b>		<b>26,223,876</b>	<b>688</b>	<b>26,226,564</b>	<b>25,111,513</b>	<b>1,889</b>	<b>25,113,402</b>

All recognised gains and losses are included within the above statement. All amounts relate to continuing activities. The notes on pages 15 to 34 form part of these financial statements.

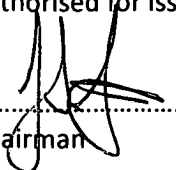


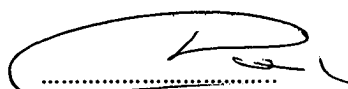
**The Horse Trust**

**Balance sheet  
As at 31 December 2017**

	Note	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16		5,193,267		4,841,419
Investments	17		20,416,794		19,551,648
			<u>25,610,061</u>		<u>24,393,067</u>
<b>Current assets</b>					
Stocks	18	22,279		28,347	
Debtors	19	673,212		659,233	
Cash at bank and in hand		311,823		292,262	
		<u>1,007,314</u>		<u>979,842</u>	
<b>Creditors: amounts falling due within one year</b>	20	392,811		259,507	
<b>Net current assets</b>			<u>614,503</u>		<u>720,335</u>
<b>Net assets</b>			<u>26,224,564</u>		<u>25,113,402</u>
<b>Represented by</b>					
<b>Funds</b>					
<i>Unrestricted funds</i>	21				
General fund			2,600,000		2,250,000
<i>Designated funds</i>					
Charitable fixed assets			5,193,267		4,841,419
Future grants			1,500,000		1,500,000
Awarded future grants			1,504,179		1,250,099
Capital fund			<u>15,426,430</u>		<u>15,269,995</u>
			<u>26,223,876</u>		<u>25,111,513</u>
<i>Restricted funds</i>	22		688		1,889
<b>Total accumulated funds</b>	23		<u>26,224,564</u>		<u>25,113,402</u>

The financial statements on pages 12 to 34 were approved by the Committee of Management and authorised for issue on 20.06.18 are signed on its behalf by:

  
Chairman

  
Honorary Treasurer

**Company Number: 347417**

The notes on pages 15 to 32 form part of these financial activities.

**The Horse Trust**

**Statement of cashflows  
As at 31 December 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash used in operating activities</b>	<b>27</b>	<b>(583,325)</b>	<b>(46,541)</b>
<b>Cashflow from investing activities</b>			
Dividends, interest and rents from investments		664,327	709,792
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(491,520)	(2,990,589)
Proceeds from sale of investments		1,099,550	4,440,222
Purchase of investments		(1,055,253)	(2,579,989)
<b>Net cash (used in)/provided by investing activities</b>		<b>(366,221)</b>	<b>(420,564)</b>
<b>Cashflow from financing activities</b>			
Repayment of borrowings		-	-
Cash inflows from new borrowings		-	-
Receipt of endowment		-	-
<b>Net cash provided by/(used in) financing</b>		<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(366,221)</b>	<b>(467,105)</b>
Cash and cash equivalents at the beginning of the reporting period	<b>28</b>	1,182,736	1,649,841
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>28</b>	<b>816,515</b>	<b>1,182,736</b>

The notes on pages 15 to 34 form part of these financial statements.

**1 Accounting policies**

The Horse Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The charity is registered in England and Wales. The registered office is The Horse Trust, Home of Rest for Horses, Speen, Princes Risborough, HP27 0PP.

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1 Basis of accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK (FRS102) – Charities SORP 2015 and the Companies Act 2006.

The Horse 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.

There are no material uncertainties about the Charity's ability to continue as a going concern.

The financial statements have been prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

**1.2 Consolidation**

The Charity has one wholly owned subsidiary, The Horse Trust Trading Company Limited, which is incorporated in the United Kingdom. The trading subsidiary has not been consolidated within these financial statements as in the opinion of the trustees, the trading subsidiary is not material and the exclusion of the trading subsidiary within The Horse Trusts accounts does not impact on the true and fair view of these financial statements. The results of the trading subsidiary and of its balance sheet are fully disclosed in note 32 of the accounts.

**1.3 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, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Freehold land	-	Nil
Freehold property	-	over 50 years by equal instalments
Property improvements	-	over 10 to 30 years by equal instalments
Loose boxes	-	over 30 years by equal instalments
Plant and equipment	-	at 10% of the reducing balance
Furniture, fixtures and fittings	-	at 10% of the reducing balance, or over 3 years by equal instalments
Motor vehicles	-	over 5 years by equal instalments
Horse ambulance	-	at 25% of the reducing balance

Individual fixed assets costing more than £500 are capitalised at cost.

**1. Accounting policies**

**(continued)**

**1.4 Investments**

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

Realised gains and losses represent the difference between the market value at the previous balance sheet date and the eventual sale proceeds. Unrealised gains and losses represent the difference between market value at the previous balance sheet date, or cost of any purchases during the year, and the market value at the balance sheet date.

**1.5 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

**1.6 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.

**1.7 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.

**1.8 Creditors and provisions**

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

**1.9 Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.10 Pension costs**

The company contributes to a defined contribution pension scheme and a group personal pension plan. Contributions to the pension scheme are charged to the income and expenditure account as they fall due.

**1. Accounting policies**

**(continued)**

**1.11 Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be measured with reliability.

Voluntary income is received by way of legacies and donations. Donations are included in full in the statement of financial activities when received.

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 (see note 27).

**1.12 Donated goods**

The Trust receives assistance in the form of donated goods. This income is recognised in the statement of the financial activities at market value or managements estimate as the Trust would otherwise have to purchase these goods.

**1.13 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. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fundraising, training and other sundry income and their associated support costs.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure represents those items not falling into any other heading.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases when the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

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

**1. Accounting policies**

**(continued)**

**1.14 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.

**1.15 Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been apportioned on an appropriate basis as set out in Note 13.

**1.16 Taxation**

The Trust as a charity is not liable for assessment to tax on its income and gains to the extent that they are applied to its charitable objectives.

**1.17 Funding 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 of Management in furtherance of the Trust's general charitable objectives.

Designated funds are those funds designated for particular purposes or projects at the discretion of the Committee of Management. These are explained in more detail in Note 22.

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

**The Horse Trust**

**Notes to the financial statements**

**For the year ended 31 December 2017 (continued)**

**2. Donations and legacies**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total Funds 2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations income	196,792	38,820	235,612	254,762
Legacies	1,534,466	-	1,534,466	1,816,829
<b>Total voluntary income</b>	<b>1,731,258</b>	<b>38,820</b>	<b>1,770,078</b>	<b>2,071,591</b>

**3. Income from charitable activities**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total Funds 2017</b>	<b>Total Funds 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising	32,028	-	32,028	22,211
Training income	25,089	-	25,089	13,830
Respite income	905	-	905	842
<b>Total</b>	<b>58,022</b>	<b>-</b>	<b>58,022</b>	<b>36,883</b>

**4. Investment income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Income from investments	662,999	707,668
Bank interest	1,328	2,124
	<b>664,327</b>	<b>709,792</b>

**5. Rent receivable and sundry income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Rent	8,640	4,597
Other	15,652	23,606
	<b>24,325</b>	<b>28,203</b>

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2017 (continued)

6.	Cost of raising funds	Unrestricted funds allocation £	Restricted funds £	Total Funds 2017 £	Total Funds 2016 £	Basis of
	Cost of generating voluntary income	66,906	-	66,906	168,833	Direct
	Public relations	20,868	-	20,868	19,478	Direct
	Promotional material	4,214	-	4,214	9,313	Direct
	Support costs (see Note 13)	203,257	-	203,257	153,293	Direct
		<u>295,245</u>	<u>-</u>	<u>295,245</u>	<u>350,877</u>	
7.	Charitable activities expenditure	Unrestricted funds £	Restricted funds £	Total Funds 2017 £	Total Funds 2016 £	
	Home of Rest for Horses	1,322,290	-	1,322,290	1,189,005	
	Research costs	650,654	39,615	690,269	444,267	
	Education in Equine Welfare	237,872	6,406	244,278	260,323	
	Governance	59,824	-	59,824	51,107	
	<b>Total</b>	<u>2,270,640</u>	<u>46,021</u>	<u>2,316,661</u>	<u>1,944,702</u>	
		Activities undertaken funds £	Support costs £	Total 2017 £		
	Home of Rest for Horses	617,317	704,973	1,322,290		
	Research costs	494,787	155,867	650,654		
	Education in Equine Welfare	53,807	184,065	237,872		
	Governance	-	59,824	59,824		
	<b>Total</b>	<u>1,165,911</u>	<u>1,104,729</u>	<u>2,270,640</u>		



Notes to the financial statements

For the year ended 31 December 2017 (continued)

8. Analysis of expenditure

	Charitable Activities £	Cost of raising funds £	2017 £	2016 £	Basis of allocation
Forage	35,045	-	35,045	48,747	Direct
Fertiliser and sprays	6,357	-	6,357	2,023	Direct
Repairs and maintenance	95,896	-	95,896	90,511	Direct
Fencing	37,065	-	37,065	-	Direct
Site development	-	-	-	23,060	Direct
Heat and light	39,719	-	39,719	23,526	Direct
Insurances	33,683	-	33,683	29,153	Direct
Council tax and water	14,941	-	14,941	11,804	Direct
Veterinary, farrier and other costs	194,463	-	194,463	153,477	Direct
Yard equipment and uniform	24,935	-	24,935	25,330	Direct
Vehicle expenses	20,452	-	20,452	9,859	Direct
Depreciation	114,760	-	114,760	78,997	Direct
Scientific research	242,248	-	242,248	109,658	Direct
Clinical scholarship	224,363	-	224,363	131,452	Direct
Symposium	27,144	-	27,144	-	Direct
Symposium Groups	1,032	-	1,032	-	Direct
Education sponsorship	18,809	-	18,809	8,495	Direct
Best Practice	8,576	-	8,576	10,141	Direct
Providing professional training	23,330	-	23,330	18,120	Direct
Welfare clinic costs	2,486	-	2,486	1,810	Direct
Equine Policy	607	-	607	1,855	Direct
Cost of generating voluntary income	-	66,906	66,906	168,833	Direct
Public relations	-	20,868	20,868	19,478	Direct
Promotional material	-	4,214	4,214	9,313	Direct
Support costs (see Note 13)	1,104,729	203,257	1,307,986	1,273,303	Direct
	<u>2,270,640</u>	<u>295,245</u>	<u>2,565,885</u>	<u>2,248,945</u>	

**The Horse Trust**

**Notes to the financial statements**

**For the year ended 31 December 2017 (continued)**

**9. Research costs**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Scientific research	242,248	109,658
Clinical scholarship	224,363	131,452
Other	28,176	-
Support costs (see Note 13)	155,867	159,283
	<u>650,654</u>	<u>400,393</u>

**10. Education in Equine Welfare**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Education sponsorship	18,809	8,496
Best Practice	8,575	10,141
Providing professional training	23,330	18,120
Welfare clinic costs	2,486	1,810
Equine Policy	607	1,855
Support costs (see Note 13)	184,065	217,141
	<u>237,872</u>	<u>257,563</u>

**11. Analysis of grants**

<b>Analysis</b>	<b>Grants to institutions</b>	<b>Support costs (see Note 13)</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Veterinary Research	<u>506,227</u>	<u>155,867</u>	<u>662,094</u>
<b>Grants to institutions</b>			
University of Liverpool	176,604		
University of Edinburgh	101,251		
RVC	81,773		
AHT	56,226		
Moredun Research	54,008		
University of Bristol	<u>36,365</u>		
	<u>506,227</u>		

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2017 (continued)

12.	Support cost	Cost of generating funds £	The Home £	Research costs £	Education in equine welfare £	Governance costs £	Total £	Basis of apportionment
	Salaries	147,600	554,633	90,089	113,189	27,244	932,755	As per staff time
	Salary on costs	437	3,892	351	502	58	5,240	As per staff
	Recruitment	2,060	1,101	28	1,044	9	4,242	As per individual costs
	Sub-Contractor	3,753	3,752	3,753	3,753	3,753	18,764	As per individual costs
	Pension	7,488	39,265	9,866	11,263	2,607	70,489	As per staff time
	Heat and Light	526	4,686	423	605	69	6,309	As per staff
	Cleaning	762	6,785	613	876	100	9,136	As per staff
	Telephone and Internet	2,150	19,144	1,729	2,472	281	25,776	As per staff
	Website Design	285	285	285	285	-	1,140	Equal split
	Sundries	-	1,514	1,514	1,514	-	4,542	Equal split
	Purchases	17,045	-	-	-	-	17,045	Cost of generating funds
	Depreciation of office equipment	6,228	6,228	6,228	6,228	-	24,912	Equal split
	Audit and Accountancy	-	540	540	540	8,760	10,380	Audit – governance / Accountancy – equal split
	IT Support	-	7,179	7,179	7,179	-	21,537	Equal split

**The Horse Trust**

**Notes to the financial statements**

**For the year ended 31 December 2017 (continued)**

**Support costs (continued)**

Legal and Professional Fees	-	17,655	17,655	17,655	-	52,965	Equal split
Health and Safety	1,525	13,574	1,226	1,752	200	18,277	As per staff
Travel Expenses	1,048	3,847	2,525	2,949	509	10,878	As per individual costs
Committee Expenses	-	-	-	-	13,976	13,976	Governance Costs
Postage, Printing and Stationery	5,777	5,777	5,777	5,777	-	23,108	Equal split
Employee Development and Training	6,573	11,305	2,275	2,671	2,258	25,082	As per individual costs
Bank Charges and Interest	-	3,811	3,811	3,811	-	11,433	Equal split
	<u>203,257</u>	<u>704,973</u>	<u>155,867</u>	<u>184,065</u>	<u>59,824</u>	<u>1,307,986</u>	

The charity adopts a policy of allocating costs to the respective cost heading through the year. This allocation includes support costs where they are directly attributable. Where such costs are not directly attributable they are allocated on either staff time or number. Where this is not considered appropriate support costs are allocated evenly.

# The Horse Trust

## Notes to the financial statements

For the year ended 31 December 2017 (continued)

### 13. Net incoming resources for the year

	2017 £	2016 £
This is arrived at after charging or (crediting):		
Rent receivable under operating leases – land and buildings	(8,640)	(4,597)
Depreciation – owned fixed assets	139,672	101,636
Loss on capital – owned fixed assets	-	-
Auditors' remuneration – audit services	8,760	8,508
– non audit services	-	-
	<u>139,672</u>	<u>101,636</u>

### 14. Employees

#### a. Number of employees

During the year the average monthly number of full time equivalent staff employed by the Trust was as follows:-

	2017 £	2016 £
Farm and stables	20	18
Home support staff	14	13
	<u>34</u>	<u>31</u>

#### b. Employment costs

	2017 £	2016 £
Wages and salaries	859,854	822,188
Social security costs	72,901	74,408
Pension costs	70,489	66,067
	<u>1,003,244</u>	<u>962,663</u>

All staff are employed by the charity.

#### c. Staff earning in excess of £60,000

There was one employee who earned between £90,000 – £100,000.

(2017 – one employee earned between £100,000 – £120,000), included in this employees amount was an amount due in relation to back dated pay. Taking this into account, the employees normal earnings are between £90,000 – £100,000.)

Notes to the financial statements

For the year ended 31 December 2017 (continued)

15. Taxation

The company is a registered charity and is not considered liable to taxation on its charitable activities. Income tax deducted at source from income is recoverable, where possible, from HM Revenue & Customs.

16. Tangible fixed assets

a. Summary

	Freehold land, property and improvements £	Loose boxes and other plant and equipment £	Furniture fixtures and fittings £	Motor vehicles and horse ambulance £	Total £
<b>Cost</b>					
1 January 2017	4,829,271	299,494	267,695	73,265	5,469,725
Additions	455,207	19,349	16,964	-	491,520
Disposals	-	-	-	-	-
31 December 2017	5,284,478	318,843	284,659	73,265	5,961,245
<b>Depreciation</b>					
1 January 2017	344,218	106,272	139,416	38,400	628,306
Charge for the year	80,907	25,393	24,911	8,461	139,672
Disposal	-	-	-	-	-
31 December 2017	425,125	131,665	164,327	46,861	767,978
<b>Net book values</b>					
31 December 2017	4,589,353	187,178	120,332	26,404	5,193,267
31 December 2016	4,485,053	193,222	128,279	34,865	4,841,419

b. Analysis of freehold property

Included within freehold property and improvements is land of £1,963,610 (2016: £1,928,610) which is not depreciated. Freehold property comprises property at Speen Farm and Little Moseley Farm, Buckinghamshire.

c. All of the fixed assets are used for charitable purposes other than an immaterial element of furniture, fixtures and fittings which is used for administration purposes.

Notes to the financial statements

For the year ended 31 December 2017 (continued)

17. Investments

a. Summary

	2017 £	2016 £
Cost		
1 January 2017	15,755,382	17,284,371
Additions at cost	1,055,253	2,579,989
Disposals	(879,580)	(4,108,977)
<b>31 December 2017</b>	<b>15,931,055</b>	<b>15,755,383</b>
Unrealised gain		
1 January 2017	2,905,792	1,775,939
Movement in year	1,075,255	1,129,852
<b>31 December 2017</b>	<b>3,981,047</b>	<b>2,905,791</b>
Market value of quoted investments		
<b>31 December 2017</b>	<b>19,912,102</b>	<b>18,661,174</b>
Other investment monies		
Stockbroker open accounts		
Capital account	74,880	506,408
Income account	429,812	384,066
<b>31 December 2017</b>	<b>504,692</b>	<b>890,474</b>
<b>Total investments</b>	<b>20,416,794</b>	<b>19,551,648</b>

b. Analysis of investments

Quoted investments at market value are comprised of:

	2017 £	2016 £
UK equities	6,875,554	6,985,291
Non UK equities	6,766,426	6,040,446
UK fixed interest securities	898,171	1,496,864
Non UK fixed interest securities	1,419,234	932,363
Other UK investments held	3,183,579	1,988,241
Other non UK investments held	769,138	1,217,969
	<b>19,912,102</b>	<b>18,661,174</b>

**The Horse Trust**

**Notes to the financial statements**

**For the year ended 31 December 2017 (continued)**

**17. Investments (continued)**

c. Significant investments

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

	<b>2017</b>		<b>2016</b>	
	<b>Market value</b>	<b>Proportion</b>	<b>Market value</b>	<b>Proportion</b>
	<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
Alpha CIF for Endowments	10,382,143	52.1%	9,673,330	51.8%
Equity income trust for charities	1,271,276	6.4%	1,333,754	7.1%

**18. Stocks**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Forage	8,775	7,142
Drugs	7,418	7,599
Merchandise	6,086	13,606
	<b>22,279</b>	<b>28,347</b>

**19. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Income tax recoverable	26,113	34,740
Other debtors and prepayments	647,099	624,493
	<b>673,212</b>	<b>659,233</b>

All amounts shown under debtors fall due for payment within one year.

**20. Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	113,011	183,680
Other taxes and social security costs	19,642	21,908
Accruals	260,158	53,919
	<b>392,811</b>	<b>259,507</b>



The Horse Trust

Notes to the financial statements  
For the year ended 31 December 2017 (continued)

21. Funds movement summary

	Balance at 1 Jan 2017 £	Incoming resources £	Resources expended £	Investment gains £	Transfers in £	Transfers out £	Balance at 31 Dec 2017 £
<b>Unrestricted funds</b>							
General funds	2,250,000	2,477,932	(2,053,479)	-	-	(74,453)	2,600,000
Designated funds							
Charitable fixed assets	4,841,419	-	(139,672)	-	491,520	-	5,193,267
Future grants	1,500,000	-	-	-	221,723	(221,723)	1,500,000
Awarded future grants	1250,099	-	(467,643)	-	721,723	-	1,504,179
Capital fund	15,269,995	-	-	1,295,225	-	(1,138,790)	15,426,430
	25,111,513	2,477,932	(2,660,794)	1,295,225	1,434,966	(1,434,966)	26,223,876
<b>Restricted fund (note23)</b>	1,889	44,820	(46,021)	-	-	-	688
<b>Total accumulated funds</b>	<b>25,113,402</b>	<b>2,522,752</b>	<b>(2,706,815)</b>	<b>1,295,225</b>	<b>1,434,966</b>	<b>(1,434,966)</b>	<b>26,224,564</b>

The general fund represents the operating reserves of the charity and is approximately twelve months operating expenditure.

The designated funds are those funds designated at the discretion of the committee for particular purposes as detailed in the Trustee's Report.

The charitable fixed assets fund represents fixed assets held for the Home's use.

The future grants fund is for the purpose of making grants to equine/scientific projects in the future, the charity awards approximately £500,000 per year in new research grants.

The awarded future grants fund represents the equine / scientific projects that have been awarded and will be paid out over the next three years.

**The Horse Trust**

**Notes to the financial statements**

**For the year ended 31 December 2017 (continued)**

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The capital fund represents funds set aside to ensure a flow of income which is sufficient to support the future activities of the charity including long term plans to issue grants for further scientific research. The fund was established during the year ended 31 December 1998 by a transfer from the general fund of £12,750,000.

The Restricted fund represents the balance of donations due to be applied for specific purposes determined by the donors, see Note 22.

**22. Restricted funds**

**Scholarship funding**

Balance brought forward	-
2017 donations	6,000
2017 expenditure	(5,700)

<b>Balance carried forward</b>	<b>300</b>
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**Scholarship funding**

Balance brought forward	(782)
2017 donations	38,820
2017 expenditure	(36,615)

<b>Balance carried forward</b>	<b>(1,577)</b>
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**EHWS**

Balance brought forward	706
2017 donations	-
2017 expenditure	(706)

<b>Balance carried forward</b>	<b>-</b>
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**Healthy Horses Partnership**

Balance brought forward	1,965
2017 donations	-
2017 expenditure	-

<b>Balance carried forward</b>	<b>1,965</b>
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<b>Restricted fund total</b>	<b>688</b>
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**23. Analysis of net assets between funds**

	<b>Tangible fixed assets</b>	<b>Investments</b>	<b>Net current assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>				
General fund	-	-	613,815	613,815
Designated funds:				
Charitable fixed assets	5,193,267	-	-	5,193,267
Future grants	-	1,500,000	-	1,500,000
Future awarded grants	-	1,504,179	-	1,504,179
Capital fund	-	17,412,615	-	17,412,615
	<u>5,193,267</u>	<u>20,416,794</u>	<u>613,815</u>	<u>26,223,876</u>
<b>Restricted funds</b>	-	-	688	688
	<u>5,193,267</u>	<u>20,416,794</u>	<u>614,503</u>	<u>26,224,564</u>

**24. Committee of management interests in transactions**

During the year eleven (2016: eleven) members of the Committee of Management received £3,831 (2016: £3,073), in respect of meeting and travel expenses.

**25. Pensions**

The charitable company operates a defined contribution plan and a group personal pension plan. The assets of both schemes are held separately from the charity in independently administered funds. The pension cost charge of £70,489 (2016: £66,067) represents contributions payable to the funds and £5,587 (2016: £6,821) were in arrears at the year end.

**26. Material legacies**

Legacy income is only included in incoming resources where receipt is reasonably certain and the amount is known with certainty, or the legacy has been received.

As at 31 December 2017 the Charity has also been notified of a number of legacies that are subject to life tenancies. These legacies have not been accrued for in the financial statements as the conditions of recognition had not been met. These legacies cannot be measured reliably however the best estimate of the value of these legacies is approximately £151,533 (2016: £92,522).

Notes to the financial statements

For the year ended 31 December 2017 (continued)

27. Reconciliation of net income/(expenditure) to net cashflow from operating activities

	2017 £	2016 £
Net income for the reporting period (as per SOFA)	1,111,162	1,911,046
Adjustments for:		
Depreciation charge	139,672	101,636
Interest and dividend income shown in investing activities	(664,327)	(709,792)
Net gains on investments	(1,295,225)	(1,461,096)
Decrease/(increase) in stock	6,068	2,244
Decrease/(increase) in debtors	(13,979)	(111)
Increase/(decrease) in creditors	133,304	109,532
Net cash (used in)/provided by operating activities	(583,325)	(46,541)

28. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	311,823	292,262
Notice deposits (less than 3 months)	504,692	890,474
Total cash and cash equivalents	816,515	1,182,736

29. Capital commitments

At 31 December 2017 the charitable company had no capital commitments.

30. Related party transactions

The only related party transactions during 2017 are the transactions with The Horse Trust Trading Company Limited; a 100% wholly owned subsidiary.

**Notes to the financial statements**  
**For the year ended 31 December 2017 (continued)**

**31. Trading subsidiary results**

**Profit and Loss account**

**For the period ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Turnover	82,491	72,915
Cost of sales	(19,467)	(22,235)
<b>Gross profit</b>	<b>63,024</b>	<b>50,680</b>
Administrative expenses	(63,024)	(50,680)
Other operating income	-	-
<b>Operating profit or (loss)</b>	<b>-</b>	<b>-</b>
Interest receivable and similar income	-	-
Interest payable and similar charges	-	-
<b>Profit or (loss) on ordinary activities before taxation</b>	<b>-</b>	<b>-</b>
Tax on profit or (loss) on ordinary activities	-	-
<b>Profit or (loss) for the financial year</b>	<b>-</b>	<b>-</b>

**Balance sheet**

**As at 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Fixed assets</b>		
Tangible assets	17,259	20,056
<b>Current assets</b>		
Debtors	6,460	1,990
Cash at bank and in hand	48,756	33,889
<b>Total current assets</b>	<b>55,216</b>	<b>35,879</b>
Creditors: Amounts falling due within one year	(72,474)	(55,934)
<b>Net current assets/(liabilities)</b>	<b>(17,258)</b>	<b>(20,055)</b>
<b>Total net assets</b>	<b>1</b>	<b>1</b>

The surplus generated in any given year is gifted up to the parent company, The Horse Trust.