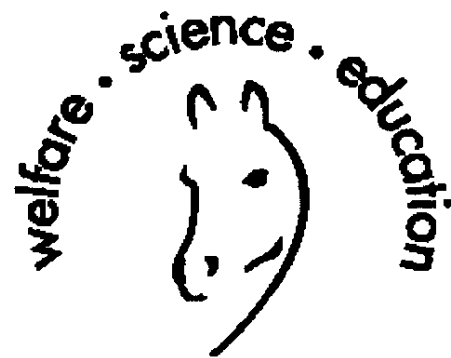


Companies House



**The Horse Trust**

**THE HORSE TRUST**

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

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

THURSDAY



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COMPANIES HOUSE

**The Horse Trust**  
**Annual report and financial statements for the year ended 31 December 2009**

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**MISSION STATEMENT**

*'Good health is good welfare – the Charity promotes health and welfare of horses through support for needy cases, education and research to reduce disease and suffering'.*

**The Horse Trust**  
**Committee of Management and advisors**

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**Founded 1886 \* Incorporated 1938 \* Registered Charity 231748**  
**Company Limited by Guarantee \* Reg No. 347417**  
**The Society is a member of the National Equine Welfare Council (NEWC)**

**Registered office:** The Horse Trust  
Home of Rest for Horses  
Speen  
Princes Risborough  
HP27 0PP

**Patron:** Her Royal Highness The Princess Royal

**President:** The Lady Somerleyton OBE – retired 14<sup>th</sup> May 2009  
Baroness Mallalieu – appointed 14<sup>th</sup> May 2009

**Vice Patron:** Fiona, Countess of Arran

**Vice President:** Baroness Mallalieu QC – until 14<sup>th</sup> May 2009

**Management Committee:**

Mr G Henderson \* ♦ ♦ ◊ ± (Chairman)  
Mrs L Al-Nakeeb ♦ ±  
Professor ARS Barr MRCVS \* ♦  
Miss E Buchanan ♦ ♦ -elected 14<sup>th</sup> May 2009  
Mr R Emerson ♦ ◊ -retired 31<sup>st</sup> December 2009  
Mr A Kendall ♦ ♦ -retired 14<sup>th</sup> May 2009  
Mr J Ker ◊ ◊ -retired 14<sup>th</sup> May 2009 (Hon Treasurer to 14<sup>th</sup> May 2009)  
Mr R Mann ◊ ◊ -elected 14<sup>th</sup> May 2009 (Hon Treasurer from 14<sup>th</sup> May 2009)  
Professor SA May FRCVS ◊ ±  
Mrs L Poett ♦ ±  
Professor JD Slater MRCVS \* ♦  
Mr CW Smyth-Osbourne ◊ \*  
Mr CRR Sweeting MRICS \* ♦

\* members of the Scientific Sub-Committee  
♦ members of the Finance and Operations Sub-Committee  
♦ members of the Marketing and Development Sub-Committee  
◊ members of the Investment Management Sub-Committee  
± members of Welfare and Education Sub-committee

**Chief Executive  
and Secretary:** Brigadier P G H Jepson MRCVS

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

**Auditors** Baker Tilly UK Audit LLP  
Abbotsgate House, Hollow Road, Bury St Edmunds, IP32 7FA

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

**Investment managers** Cazenove Capital Management Limited, 12 Moorgate London, EC2R 6DA  
Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

## **The Horse Trust**

### **Report of the Committee of Management for the year ended 31 December 2009**

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The Committee of Management present their annual report together with the audited financial statements for the year ended 31 December 2009

## **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 Committee of Management, 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 Committee of Management 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**

Committee members can serve for a maximum of 6 years 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 Committee of Management. The Committee will scrutinise these nominations with a view to ensuring that the duly elected Committee contains the necessary skills mix.

Trustee vacancies can be filled at any time through election by the Committee 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 before compulsory retirement.

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 such as the procedures manual and the duties of a trustee.

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.

### **Organisation**

The Committee of Management meet quarterly but there are sub-groups that consider more specialised areas of The Horse Trust. These sub-groups report to the Full Committee of Management.

- Scientific Sub-Committee which meets to assess grant awarding strategy, applications and procedures
- Marketing & Development Sub-Committee that meets twice a year to focus on advertising, public relations and marketing
- Investment Management Sub-Committee that meets quarterly to review the performance of the stock portfolio
- Finance & Operations committee which meets quarterly to discuss day to day operations and cost control including remuneration
- Welfare & Education committee which meets twice a year to review national horse welfare issues, develop strategies and monitor outputs

A Chief Executive is appointed by the Committee of Management to execute policy and to manage the administrative and day-to-day operations of The Trust.

## **The Horse Trust**

### **Report of the Committee of Management for the year ended 31 December 2009 (Continued)**

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#### **Risk Management**

The Committee of Management 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 a major financial collapse, such as the failure of The Trust's investment or legacy fundraising strategy or a fire or an incident at The Home of Rest For Horses. The Trustees feel that all possible work is being undertaken to lessen these risks.

#### **Objectives and Activities**

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

"The Trust promotes the health and welfare of horses through knowledge and ethical scientific research to reduce disease and suffering"

In achieving these objectives The Trust undertakes five main charitable activities:

- 1 Providing equine welfare grants for post graduate veterinary scholarships and for ethical scientific research in selected institutions
- 2 Educating horse owners and potential horse owners in matters of relevance to horse welfare
- 3 Admitting into our stables and caring for horses from organisations and members of the public as a practical demonstration of the demands of responsible horse ownership
- 4 Being proactive in the development and implementation of national policy and regulation relating to horse welfare
- 5 Providing advice and assistance in the rehoming of horses

The Trust is assisted by a small but dedicated team of volunteers. They mainly help as grooms in the stables, ushering the general public during our busy opening hours and assisting with office administration.

#### **Statement of Public Benefit.**

The Committee of management has referred to the guidance contained in the Charity Commission's general guidance on public benefit 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, advice and indirect financial assistance (*by relieving them of the burden of ownership*).

#### **Welfare Grants Strategy**

Grant making policy takes into account the financial situation of the charity, its commitment to ongoing grants and its obligations to maintain The Trust. The Trust invites applications for funding of projects through advertising in specialist veterinary and scientific media. Subject to available funding, each application is reviewed by the Scientific Sub-Committee and independent external experts. After the internal and external reviews have been completed the Scientific Sub-Committee puts forward recommendations to the full Committee of Management. Successful applications for funding are monitored throughout the duration of the project to ensure the objectives are met and the budgets adhered to.

## **The Horse Trust**

### **Report of the Committee of Management for the year ended 31 December 2009 (*Continued*)**

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#### **Achievements and Performance**

2009 was another challenging year for The Horse Trust when the impact of the global recession was marked by a decline in our legacy income and a turbulent period for our investments. The Committee of Management implemented a review of strategy, operations and management resulting in efficiency measures to reduce a budgeted operational loss and preserve our reserve funds. Ongoing commitments to research and educational welfare grants continued to be our biggest outgoing and in the face of continuing financial uncertainty it was decided not to commit to new scientific research grant projects in 2009.

The Home of Rest for Horses continued to be our flagship operation with enhancements to the visitor experience by providing practical demonstrations, talks and seminars on horse care and responsible ownership at peak visiting times. There has been a planned reduction in the number of residential retired horses but, in keeping with our historic foundation, there has been an increase in the number of horses given refuge and respite following abandonment or pending cruelty prosecutions. A consequence of the recession has been a marked increase in the number of horses that owners are no longer able to afford to keep. There is still an unrealistic expectation that the welfare organisations can accommodate all these horses but The Trust provides a counselling and advisory service and operates a limited rehoming facility as companion animals.

The Equine Health and Welfare Strategy is a government backed 10 year plan for Great Britain broken down into specific objectives with organisations across the whole equine sector tasked with responsibility for each aim. The Horse Trust has a central role chairing the committee responsible for maintaining delivery of the strategy. To enhance the collaboration required by the major initiatives of the strategy, The Horse Trust was instrumental in the production of the National Equine Welfare Protocol to map a way for organisations to work together to promote welfare and respond when things go wrong. The Strategy and the Protocol have both been proactive and at a joint meeting chaired by The Horse Trust it was agreed that the Protocol and its ongoing work would be subsumed into the Equine Health and Welfare Strategy for Great Britain. It was further agreed that, because of special concerns over horse welfare in Northern Ireland, the remit of the Strategy should be widened to include the whole of the UK. The Horse Trust is a leading member of the National Equine Welfare Council that coordinates the collaborative effort within the charity sector.

The African Horse Sickness Working Party, with wide representation from the equine industry, worked with government to produce draft regulations and a control strategy that are in circulation for public consultation prior to adoption by parliament in 2010. The working party also commissioned an impact statement which was paid for by the horse industry and produced by Reading University. The impact statement identifies a UK industry worth £7 billion annually which would be potentially devastated by an outbreak of African Horse Sickness. The work of the group is ongoing with a focus on the development and production of a safe, effective vaccine. The impetus of this Horse Trust initiative has extended to the formation of a Defra led export group developing strategy for the whole spectrum of exotic disease threat to the UK linked to climate change.

# **The Horse Trust**

## **Report of the Committee of Management for the year ended 31 December 2009 (Continued)**

Although the Horse Trust did not commit to funding any new scientific research grant projects in 2009, through existing projects it funded research to the value of £784,526 leading to improvements to the health and welfare of horses, ponies and donkeys. Existing commitments are forecast to be £513k in 2010, £184k in 2011 and are represented by separate designated funds. Welfare grant payments for 2009 are tabled below.

<b>Projects Supported</b>	<b>2009 No</b>	<b>2009 £</b>	<b>2008 No</b>	<b>2008 £</b>
University of Liverpool Veterinary School	9	226,956	11	250,364
Animal Health Trust	4	66,159	6	216,396
University of Glasgow Veterinary School	4	69,634	5	147,517
Royal Veterinary College	3	110,947	6	114,110
Moredun Research Institute	1	80,608	1	80,608
Edinburgh University	3	74,904	4	78,247
University of Bristol Veterinary School	2	40,602	2	61,143
Reading University	1	3,200	-	-
UCL	1	36,935	1	59,957
CLAS	2	25,710	2	25,710
National Equine Welfare Council	1	23,125	2	5,125
London Harness Horse Parade	1	2,500	1	2,500
Woodcote Communications	-	-	1	582
British Equine Veterinary Association	2	5,500	-	-
National Equine Forum	1	800	-	-
Bucks Fire and Rescue	1	11,446	-	-
The British Mule Society	1	500	-	-
Thoroughbred Rehabilitation Centre	1	5,000	-	-
<b>Total</b>	<b>38</b>	<b>784,526</b>	<b>42</b>	<b>1,042,259</b>

## **The Horse Trust**

### **Report of the Committee of Management for the year ended 31 December 2009 (*Continued*)**

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## **Financial Review**

### **Review of the year**

In response to a pro-active marketing drive which has resulted in an increased supporters database, cultivated by direct mail and advertising, and the recruitment of committed givers (standing orders) donation income has increased by 52.04% in 2009.

Our investments value has recovered significantly and has risen from £14.2m at the beginning of 2009 to £15.3m. Significant savings have been made, especially from claw back by rigorous policing of grant expenditure, our year end reports a deficit before unrealised gains of £263k against a predicted £539k. Legacy income for the year of £717k did not meet its expected target of £840k. This was mainly due to a delay in the completion of a significant bequest which is now expected in March 2010.

### **Investment Policy**

The Committee of Management 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 advise the Investment Management Group, a sub-committee of the Committee of Management which reviews investment performance. Ultimately changes in investment policy are the responsibility of the Committee of Management.

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.

### **Reserves**

The Committee of Management 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, approved future grant commitments and a capital fund. The remaining £2.017m represents free reserves for the general charitable and running costs of The Trust and the Committee of Management believes this amount to be a prudent retention of available funds.

The Capital Fund has fallen below the minimum set out in the reserves policy which is why new research grants and scholarships are not being offered in 2010.

### **Public Relations and Fundraising**

January 2009 saw the recruitment of a new advertising/marketing agency and PR consultant to ensure The Horse Trust is receiving the necessary expertise to optimise potential revenue and the profile of the charity. The fundraising target was to achieve donations of £102k, increase numbers of active supporters and to turn one-off donors into regular givers. Donations for 2009 totalled £361k which exceeded target by 254%, 1254 individuals were recruited on the database increasing it by 23% and regular donors were boosted by 83%. Anticipated cost of generating funds was £443,638 however, the actual cost was £311,454 showing a significant saving of £132,184.

The marketing strategy is to consolidate our achievements in 2009 and to continue to recruit new donors and to increase the proportion of regular donors/income and to maintain an ongoing PR campaign to optimise awareness of The Trust's profile and its work.



**The Horse Trust**  
**Report of the Committee of Management for the year ended 31 December 2009 (*Continued*)**

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**Land and Buildings**

The market value of freehold properties, included in the balance sheet at a book value of £377,753, is considered by the Committee of Management to be in excess of that value

**Future Plans**

The Horse Trust will continue to be a leading, proactive equine welfare charity. The Trust plans to continue to pursue the objectives of the charity by implementing the following strategies

- 1 Conduct a review of activities to optimise the effectiveness of our resources and grow reliable income streams
- 2 Engage with other organisations to promote synergistic collaboration in addressing welfare issues
- 3 Continue to be a leader in facilitating quality controlled ethical scientific research and post graduate veterinary training
- 4 Continue to be a focus for the production and dissemination of educational material for owners and potential horse owners
- 5 Offer limited sanctuary and rehoming to a number of retired and rescued horses as a practical demonstration of the demands of responsible horse ownership

The Trust is an active member in the National Equine Welfare Council and has assisted in working groups to produce codes of practice and supported strategies for the horse industry

**Register of Members**

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

**The Horse Trust**

**Report of the Committee of Management for the year ended 31 December 2009 (Continued)**

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**Statement of responsibilities of the Committee of Management**

The members of the Committee of Management (who are also the directors for the purposes of Company Law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Committee of Management to prepare financial statements for each financial year. Under that law the Committee of Management have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Committee of Management must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing those financial statements, the Committee of Management are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Committee of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

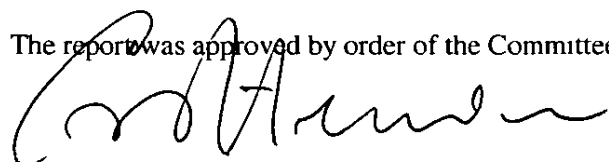
**Auditor**

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

**Statement as to disclosure of information to auditors**

The Committee of Management who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the members of the Committee of Management have confirmed that they have taken all the steps that they ought to have taken as committee members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The report was approved by order of the Committee of Management on 25 February 2010



**Mr G Henderson**  
Chairman

## **Independent auditors' report to the members of The Horse Trust**

We have audited the financial statements of The Horse Trust for the year ended 31 December 2009 on pages 10 to 24

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

Claire Sutherland (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Abbotsgate House, Hollow Road  
Bury St Edmunds, Suffolk  
IP32 7FA

22 April 2010

**The Horse Trust**  
**Statement of Financial Activities incorporating Income and Expenditure Account**  
**for the year ended 31 December 2009**

	Note	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<b>Voluntary income</b>					
Donations and legacies	2	1,048,804	29,000	1,077,804	1,123,127
<b>Activities for generating funds:</b>					
Investment income	3	649,498	-	649,498	776,647
		<u>1,698,302</u>	<u>29,000</u>	<u>1,727,302</u>	<u>1,899,774</u>
<b>Incoming resources from charitable activities:</b>					
<b>Sundry income:</b>					
Rent receivable and sundry income	4	31,480	-	31,480	19,600
<b>Total incoming resources</b>		<u>1,729,782</u>	<u>29,000</u>	<u>1,758,782</u>	<u>1,919,374</u>
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
Cost of generating voluntary income	5	311,454	-	311,454	318,289
Investment management costs		97,632	-	97,632	101,405
		<u>409,086</u>	<u>-</u>	<u>409,086</u>	<u>419,694</u>
<b>Charitable activities</b>					
The Home of Rest for Horses	6	516,337	-	516,337	506,309
Research costs	7	896,753	-	896,753	1,149,557
Education in equine welfare	8	126,893	18,000	144,893	145,996
<b>Total charitable activities</b>		<u>1,539,983</u>	<u>18,000</u>	<u>1,557,983</u>	<u>1,801,862</u>
<b>Governance costs</b>	9	37,138	-	37,138	31,866
<b>Total resources expended</b>		<u>1,986,207</u>	<u>18,000</u>	<u>2,004,207</u>	<u>2,253,422</u>
<b>Net (outgoing)/ incoming resources</b>		<u>(256,425)</u>	<u>11,000</u>	<u>(245,425)</u>	<u>(334,048)</u>
Net realised investment losses		<u>(17,277)</u>	<u>-</u>	<u>(17,277)</u>	<u>(59)</u>
<b>Historical cost movement in resources</b>		<u>(273,702)</u>	<u>11,000</u>	<u>(262,702)</u>	<u>(334,107)</u>
Net unrealised investment gains / (losses)	15	1,598,002	-	1,598,002	(3,631,829)
<b>Net movement in funds</b>		<u>1,324,300</u>	<u>11,000</u>	<u>1,335,300</u>	<u>(3,965,936)</u>
Accumulated funds brought forward		14,756,225	46,205	14,802,430	18,768,366
<b>Accumulated funds carried forward</b>	19	<u>16,080,525</u>	<u>57,205</u>	<u>16,137,730</u>	<u>14,802,430</u>

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

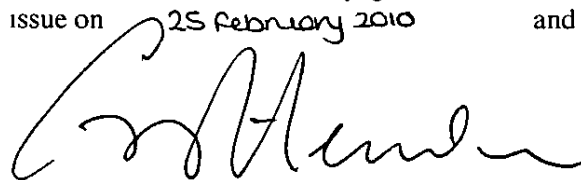
The notes on pages 12 to 24 form part of these financial statements

**The Horse Trust**  
**Balance sheet at 31 December 2009**

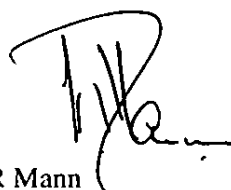
*Company number 347417*

	Note	2009		2008	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		<b>458,410</b>		487,273
Investments	15		<b>15,350,834</b>		14,220,637
			<u><b>15,809,244</b></u>		<u>14,707,910</u>
<b>Current assets</b>					
Stocks	16	<b>3,755</b>		2,485	
Debtors	17	<b>33,810</b>		31,279	
Cash at bank and in hand		<b>371,070</b>		155,292	
		<u><b>408,635</b></u>		<u>189,056</u>	
<b>Creditors: amounts falling due within one year</b>	18	<b>80,149</b>		94,536	
<b>Net current assets</b>			<u><b>328,486</b></u>		<u>94,520</u>
<b>Net assets</b>			<u><b>16,137,730</b></u>		<u>14,802,430</u>
<b>Represented by</b>					
<i>Unrestricted funds</i>	19				
General fund			<b>2,016,860</b>		1,435,682
Designated funds					
Charitable fixed assets			<b>458,410</b>		487,273
Future grants			<b>723,567</b>		1,532,307
Capital fund			<b>12,881,688</b>		11,300,963
			<u><b>16,080,525</b></u>		<u>14,756,225</u>
<i>Restricted funds</i>	20		<b>57,205</b>		46,205
<b>Total accumulated funds</b>	19		<u><b>16,137,730</b></u>		<u>14,802,430</u>

The financial statements on pages 10 to 24 were approved by the Committee of Management and authorised for issue on 25 February 2010 and are signed on its behalf by



Mr G Henderson  
Chairman



Mr R Mann  
Honorary Treasurer

The notes on pages 12 to 24 form part of these financial statements

## **The Horse Trust**

### **Notes forming part of the financial statements for the year ended 31 December 2009**

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#### **1 Accounting policies**

##### *Basis of preparation*

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. They also comply with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) and the Companies Act 2006

##### *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 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, or over 3 years by equal instalments
Motor vehicles	- over 5 years by equal instalments
Horse ambulance	- at 10% of the reducing balance

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

##### *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.

##### *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.

##### *Pension costs*

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

**The Horse Trust**

**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)**

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**1 Accounting policies (Continued)**

*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 quantified with reasonable accuracy

Voluntary income is received by way of legacies and donations. Donations are included in full in the statement of financial activities when received. Legacies are accounted for when received or if, before receipt, it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability

Investment income is included when receivable

*Resources expended*

Costs of generating funds comprise the costs associated with attracting voluntary and investment income

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

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. Grants offered subject to conditions which have not been met at the year end are detailed in note 19

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

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, others are apportioned on an appropriate basis as set out in note 10

*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

*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 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 19

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

**The Horse Trust**

**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)**

**2 Donations and legacies**

	2009 £	2008 £
Donations for old favourites and cases	24,265	38,232
Subscriptions	20	130
Donations	290,404	114,609
Rescued Horses donations	46,330	84,476
Legacies	716,785	885,680
	<u>1,077,804</u>	<u>1,123,127</u>

**3 Investment income**

	2009 £	2008 £
Income from investments	645,853	710,640
Bank interest	3,645	66,007
	<u>649,498</u>	<u>776,647</u>

**4 Rent receivable and sundry income**

	2009 £	2008 £
Rent	12,347	12,159
Other	19,133	7,441
	<u>31,480</u>	<u>19,600</u>

**5 Cost of generating voluntary income**

	2009 £	2008 £
Advertising	185,610	202,107
Public relations	16,281	13,886
Promotional material	20,513	27,983
Website design	28,789	20,100
Annual general meeting	176	118
Annual reports	562	9,697
Appeal launch	10,752	-
Support costs (see note 10)	48,771	44,398
	<u>311,454</u>	<u>318,289</u>



**The Horse Trust**

Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)

**6 Home of Rest for Horses**

	2009 £	2008 £
Forage	32,118	25,418
Fertiliser and sprays	2,646	6,905
Repairs and maintenance - machinery	6,053	8,415
- building	370	3,719
- estate	29,372	26,072
- accommodation	226	3,147
- farmhouse	4,640	4,729
Heat and light	15,584	16,429
Insurances	8,264	7,599
Council tax and water	7,233	7,430
Veterinary, farrier and stable requisites	42,237	36,709
Vehicle expenses	6,624	7,851
Depreciation	26,259	29,609
Loss on disposal of fixed assets	-	2,525
Support costs (see note 10)	334,711	319,752
	<u>516,337</u>	<u>506,309</u>

**7 Research costs**

	2009 £	2008 £
Scientific research	387,366	657,210
Clinical scholarship	343,081	342,132
Other	54,079	42,917
Support costs (see note 10)	112,227	107,298
	<u>896,753</u>	<u>1,149,557</u>

**8 Education in Equine Welfare**

	2009 £	2008 £
Education	18,524	20,458
Educational events	667	3,465
Educational working groups	1,684	2,726
Visitors Centre	179	1,113
Support costs (see note 10)	123,839	118,234
	<u>144,893</u>	<u>145,996</u>

**The Horse Trust**

**Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)**

**9 Governance costs**

	2009 £	2008 £
Salaries and fees	16,050	15,237
Pension	1,700	1,254
Heat and light	11	62
Cleaning	21	141
Telephone	11	94
Audit and accountancy	14,595	9,000
Committee members' expenses	4,547	5,597
Staff subsistence expenses	138	241
Staff training	65	240
	<u>37,138</u>	<u>31,866</u>

# The Horse Trust

## Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

### 10 Support costs

	Cost of generating funds £	The Home £	Research costs £	Education in equine welfare £	Governan ce costs £	Total £	Basis of apportionment
Salaries and fees	35,069	273,811	76,058	87,350	16,050	488,338	As per staff time
Pension	3,510	16,904	6,609	4,894	1,700	33,617	As per staff time
Heat and light	139	3,670	384	491	11	4,695	As per staff numbers
Cleaning	277	7,323	766	979	21	9,366	As per staff numbers
Telephone	143	3,790	397	507	11	4,848	As per staff numbers
Ice cream purchases	1,311	-	-	-	-	1,311	As per individual costs
Sundries	-	3,078	3,078	3,078	-	9,234	Equal split
Depreciation of office equipment	-	1,698	1,698	1,698	-	5,094	Equal split
Audit and accountancy	-	2,577	2,577	2,577	14,595	22,326	Audit – governance
Legal and professional fees	-	9,458	9,458	9,458	-	28,374	Accountancy – equal
Travel and committee members' expenses	632	2,849	2,188	3,947	4,547	14,163	Equal split
Staff subsistence expenses	164	411	351	271	138	1,335	As per individual costs
Health and safety	-	820	820	820	-	2,460	Equal split
Printing, postage and stationery	7,477	7,477	7,477	7,477	-	29,908	Equal split
Staff training	49	820	341	267	65	1,542	As per individual costs
Bank charges and interest	-	25	25	25	-	75	Equal split
	<b>48,771</b>	<b>334,711</b>	<b>112,227</b>	<b>123,839</b>	<b>37,138</b>	<b>656,686</b>	

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 numbers. Where this is not considered appropriate support costs are allocated evenly.

### 11 Net incoming resources

	2009 £	2008 £
This is arrived at after charging or (crediting)		
Rent receivable under operating leases – land and buildings	(12,347)	(12,159)
Depreciation – owned fixed assets	31,353	36,375
Loss on disposal – owned fixed assets	-	2,525
Auditors' remuneration – audit services	7,800	7,560
- non audit services	14,526	9,829

**The Horse Trust**

**Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)**

**12 Employees**

*(a) Number of employees*

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

	2009 Number	2008 Number
Farm and stables	15	13
Home support staff	6	7
	<u>21</u>	<u>20</u>

*(b) Employment costs*

	2009 £	2008 £
Wages and salaries	455,681	423,359
Social security costs	39,400	40,256
Pension costs	26,874	24,798
	<u>521,955</u>	<u>488,413</u>

All staff are employed by the charity

*(c) Staff earning in excess of £60,000*

There was one employee (2008 – one) who earned between £60,000 - £70,000

No remuneration was paid to the trustees during the year

**13 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

**The Horse Trust**

**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)**

**14 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
	£	£	£	£	£
<i>Cost</i>					
1 January 2009	516,390	93,606	61,906	37,664	709,566
Additions	-	-	2,490	-	2,490
<b>31 December 2009</b>	<b>516,390</b>	<b>93,606</b>	<b>64,396</b>	<b>37,664</b>	<b>712,056</b>
<i>Depreciation</i>					
1 January 2009	124,888	43,834	38,990	14,581	222,293
Charge for the year	13,749	4,978	5,093	7,533	31,353
<b>31 December 2009</b>	<b>138,637</b>	<b>48,812</b>	<b>44,083</b>	<b>22,114</b>	<b>253,646</b>
<i>Net book value – owned assets</i>					
<b>31 December 2009</b>	<b>377,753</b>	<b>44,794</b>	<b>20,313</b>	<b>15,550</b>	<b>458,410</b>
31 December 2008	391,502	49,772	22,916	23,083	487,273

*(b) Analysis of freehold property*

Included within freehold property and improvements is land of £127 430, (2008 £127,430) 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*

**The Horse Trust**

**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)**

**15 Investments**

<i>(a) Summary</i>	<b>2009</b> £	<b>2008</b> £
<i>Cost</i>		
1 January 2009	<b>17,043,308</b>	17,291,903
Additions at cost	-	650,000
Disposals	<b>(169,570)</b>	(898,595)
<b>31 December 2009</b>	<b>16,873,738</b>	17,043,308
<i>Unrealised gain</i>		
1 January 2009	<b>(3,478,604)</b>	153,225
Movement in year	<b>1,598,002</b>	(3,631,829)
<b>31 December 2009</b>	<b>(1,880,602)</b>	(3,478,604)
<i>Market value of quoted investments</i>		
<b>31 December 2009</b>	<b>14,993,136</b>	13,564,704
<i>Other investment monies</i>		
Stockbroker open accounts		
Capital account	<b>230,771</b>	584,808
Income account	<b>126,927</b>	71,125
<b>31 December 2009</b>	<b>357,698</b>	655,933
<b>Total investments</b>	<b>15,350,834</b>	14,220,637

*(b) Analysis of investments*

Quoted investments at market value are comprised of -

	<b>2009</b> £	<b>2008</b> £
UK equities	<b>5,930,474</b>	5,280,110
Non UK equities	<b>2,374,284</b>	1,954,268
UK fixed interest securities	<b>2,012,850</b>	2,438,479
Non UK fixed interest securities	<b>543,016</b>	291,176
Other UK investments held	<b>3,915,524</b>	3,090,915
Other Non UK investments held	<b>216,988</b>	509,756
	<b>14,993,136</b>	13,564,704

**The Horse Trust**

**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)**

**15 Investments (Continued)**

*(c) Significant investments*

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

Holding	2009		2008	
	Market value £	Proportion %	Market value £	Proportion %
Equity income trust for charities	2,495,429	16.2	2,164,557	15.2
INV FD MT ABS RET TST for charities	2,215,914	14.4	2,001,714	14.1
Multi strategy property trust	857,797	5.6	882,327	6.2
Growth trust for charities	1,036,961	6.7	870,814	6.1
Income trust for charities	704,760	4.6	745,560	5.2

**16 Stocks**

	2009 £	2008 £
Forage	3,755	2,485

**17 Debtors**

	2009 £	2008 £
Income tax recoverable	27,877	15,913
Other debtors and prepayments	5,933	15,366
	<u>33,810</u>	<u>31,279</u>

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

**18 Creditors: amounts falling due within one year**

	2009 £	2008 £
Trade creditors	46,094	59,584
Deferred income	-	167
Other taxes and social security costs	9,850	11,385
Accruals	24,205	23,400
	<u>80,149</u>	<u>94,536</u>

**The Horse Trust**

**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)**

**19 Accumulated funds**

	Balance at 1 Jan 2009 £	Incoming resources £	Resources expended £	Investment gains £	Transfers £	Balance at 31 Dec 2009 £
<i>Unrestricted funds</i>						
General fund	1,435,682	1,729,782	(1,170,328)	-	21,724	<b>2,016,860</b>
<i>Designated funds</i>						
Charitable fixed assets	487,273	-	(31,353)	-	2,490	<b>458,410</b>
Future grants	1,532,307	-	(784,526)	-	(24,214)	<b>723,567</b>
Capital fund	11,300,963	-	-	1,580,725	-	<b>12,881,688</b>
	<b>14,756,225</b>	<b>1,729,782</b>	<b>(1,986,207)</b>	<b>1,580,725</b>	<b>-</b>	<b>16,080,525</b>
<i>Restricted fund</i>	46,205	29,000	(18,000)	-	-	<b>57,205</b>
<b>Total accumulated funds</b>	<b>14,802,430</b>	<b>1,758,782</b>	<b>(2,004,207)</b>	<b>1,580,725</b>	<b>-</b>	<b>16,137,730</b>

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

The Charitable fixed asset fund represents fixed assets held for the Home's use

The capital fund represents funds set aside to ensure a flow of income which is sufficient to support the future activities of the Charity. The fund was established during the year ended 31 December 1998 by a transfer from the general fund of £12,750,000

Movements in the fund since that date have reflected the investment gains and losses in the period. The Committee of Management believe that to ensure a sufficient flow of future income the Capital fund balance should be at least £14m. The current balance is below that level due to the significant fall in investment values in 2008

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

Year	£
2010	512,704
2011	184,195
2012	26,668
	<hr/>
	723,567
	<hr/>

The Restricted fund represents the balance of donations due to be applied for specific purposes determined by the donors, see note 20



# The Horse Trust

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

## 20 Restricted funds

<b>Echo Memorial Fund</b>	<b>£</b>
Balance brought forward	7,425
2009 donations	-
<b>Balance carried forward</b>	<b>7,425</b>
<b>Equine Welfare Guidelines compendium</b>	
Balance brought forward	38,780
2009 donations	2,000
2009 expenditure	(18,000)
<b>Balance carried forward</b>	<b>22,780</b>
<b>Scholarship funding</b>	
Balance brought forward	-
2009 donations	27,000
<b>Balance carried forward</b>	<b>27,000</b>
<b>Restricted fund total</b>	<b>57,205</b>

The Echo Memorial Fund relates to funds held to support scientific projects relating to colic

The Equine Welfare Guidelines Compendium relates to funds held to be used for future grants to the National Equine Welfare Council as a grant towards the costs of the compendium

A grant of £27,000 was received to fund a scholarship, this will be expended in 2010

## 21 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>
<i>Unrestricted funds</i>				
General fund	-	1,688,376	328,486	2,016,862
Designated funds				
Charitable fixed assets	458,410	-	-	458,410
Future grants	-	723,567	-	723,567
Capital fund	-	12,881,686	-	12,881,686
	<u>458,410</u>	<u>15,293,629</u>	<u>328,486</u>	<u>16,080,525</u>
<i>Restricted funds</i>	-	57,205	-	57,205
	<u>458,410</u>	<u>15,350,834</u>	<u>328,486</u>	<u>16,137,730</u>

## 22 Members guarantee

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

## **The Horse Trust**

### **Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)**

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#### **23 Committee of Management interests in transactions**

During the year twelve (2008 twelve) members of the Committee of Management received £2,705 (2008 £3,609), in respect of meeting and travel expenses

#### **24 Pension**

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 £26,874 (2008 £24,798) represents contributions payable to the funds and £Nil (2008 £Nil) were in arrears at the year end.

#### **25 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 2009 the charity had been notified of four legacies with a total estimated value of £300,000 which have not been accrued as the conditions for recognition had not been met.

As at 31 December 2009 the Charity had also been notified of a number of legacies that are the subject of life tenancies. These legacies have not been accrued for in the financial statements as the conditions for recognition had not been met. These legacies cannot be measured reliably however the best estimate of the value of these legacies is approximately £400,000.