

*CONFIDENTIAL*  
A company limited by guarantee

Registered in England No. 03524502

Registered charity No. 1068911

SC No. 045070



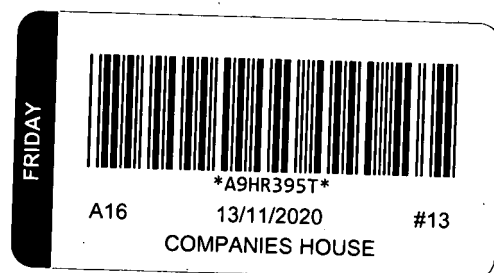
## Annual Report and Group Accounts

*of*

**Redwings Horse Sanctuary**

*for the year ended*

*31<sup>st</sup> December 2019*



# REDWINGS HORSE SANCTUARY

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FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

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# REDWINGS HORSE SANCTUARY

## LEGAL & ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

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<b>Full name of charity</b>	Redwings Horse Sanctuary Norwich Road, Hapton, Norfolk, NR15 1SP
<b>Constitution</b>	A charitable company limited by guarantee.
<b>Governing document</b>	Memorandum and Articles of Association as last amended on 15 <sup>th</sup> June 2014
<b>Objects of the Charity</b>	The Charity is established for the benefit of the public to relieve the suffering of horses, ponies, donkeys and mules which have suffered from maltreatment, neglect or poor circumstances. To advance the education of the public in matters pertaining to the welfare of horses, ponies, donkeys and mules in general and the prevention of cruelty and suffering among such animals.
<b>Company registration number</b>	03524502
<b>Charity registration number</b>	1068911 (England & Wales) SC045070 (Scotland)
<b>Trustees</b>	Stephen Clark, Chairman Andrew Fryer, Treasurer Peter Horrocks (until 4 <sup>th</sup> August 2019) Mark Little FRICS FAAV, Vice Chair Ann Polley David Buckton Paul Fileman Tom Sharpe (from 26 <sup>th</sup> February 2020) Joanne Wilkes (from 26 <sup>th</sup> February 2020)  The Trustees constitute Directors of the charitable company and Trustees of the charity for the purposes of the Charities Act 2011. In accordance with the company's Articles of Association all Trustees retire from office at each AGM where they may seek re-election and new Trustees can be elected
<b>Chief Executive &amp; Secretary</b>	Lynn Cutress MBA
<b>Bankers</b>	NatWest Bank plc, 45 London Street, Norwich, NR2 1HX
<b>Auditors</b>	RSM UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA
<b>Investment managers</b>	Quilter Cheviot, One Kingsway, London, WC2B 6AN Smith & Williamson, 206 St Vincent Street, Glasgow, G2 5SG

# **REDWINGS HORSE SANCTUARY**

## **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

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### **Mission Statement**

We aim 'to provide and promote the welfare, care and protection of horses, ponies, donkeys and mules'.

### **Who we are and what we do**

Redwings Horse Sanctuary ('Redwings') was established in 1984 and today has grown to be the largest horse sanctuary in the UK. We are a national charity working across the UK to save horses, ponies, donkeys and mules whose future would otherwise be bleak.

Welfare is at the heart of everything we do. Our work is based on the principle that once we admit a horse or donkey to our care, we retain ownership for the rest of their days.

We operate from 12 sites with over 1,300 acres of grazing land in Norfolk, Essex, Warwickshire, Monmouthshire and Angus (Scotland). Five of these sites are Visitor Centres - open to the public and free to visit.

The main themes of our work are – rescue and rehabilitation, specialist sanctuary care, and prevention of abuse and neglect through education. We run a rehoming scheme (Guardianship) for those horses with a potential for life outside the Sanctuary environment.

### **Governance and Management**

#### **Governance**

Redwings operates as a charitable company limited by guarantee, under the terms of its Memorandum and Articles of Association. The overall direction and management of the Charity rests with a Management Board of a minimum of five Trustees. The Management Board sets an annual programme of quarterly meetings to approve new initiatives as well as to review and monitor the progress of the Charity in meeting its strategic objectives and its governance controls. The Management Board is supported by a Finance Sub Committee, which is chaired by a Treasurer Trustee; this Committee has specific responsibility for scrutinising and approving an annual capital and revenue budget and reviewing the Annual Accounts and Audit. Trustees make provision and time, if necessary, to hold Extraordinary Meetings for significant projects and timely developments if they fall outside the quarterly cycle.

#### **Management**

Day-to-day operational control of Redwings has been delegated by the Management Board to a Chief Executive & Secretary who in turn is supported by a Senior Management Team of professionals including finance, equine care, communications, fundraising and veterinary.

#### **Governance Policies**

The Management Board has adopted policies addressing the role of the Trustees, the Chairman and the Chief Executive and adopted Codes of Conduct for the Board and the Chief Executive. All aspects of Governance are kept under review in line with best practice and include the Chief Executive being a full member of the Association of Chief Executives of Voluntary Organisations (ACEVO). The Chief Executive keeps the Board apprised of new charitable policies and concepts relevant to the work of the Charity with regular items on the Board's agenda at meetings, through bulletins and subscriptions for Board members of a governance publication. In 2019 a review of the Governance Code included publishing the Code of Conduct for Trustees in the governance section on the Redwings' website.

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## **REPORT OF THE TRUSTEES**

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### **Recruitment, induction and training of Trustees**

Trustees have been chosen for the experience, skills and interests thought necessary and relevant to ensure effective management of the Charity. New Trustees receive an induction across their first three months, including seeing our work, explaining our policies and taking part in Safeguarding training. Trustees are subject to a regular Skills Audit to ensure the knowledge is there to lead the Charity, including having one Trustee who acts also as Treasurer. In 2019, we strengthened the Finance Sub Committee and set a new format to give the Chief Executive and the Treasurer additional reporting. We also added online Safeguarding for Vulnerable Adults training to the ongoing training for Trustees.

In 2017 we recruited additional Trustees to strengthen the Management Board from five to seven members in the light of our expanding work. Following the sad death of one of our established Trustees, Peter Horrocks, in August 2019, a Skills Audit was conducted in accordance with Reach Volunteering's model. Recruitment was then conducted, in particular to find legal experience through advertising on our website, Reach Volunteering and a media campaign; the result was a strong pool of candidates. In January 2020, interviews were held; the two people selected will further strengthen the existing skills of our committed Trustees. We maintain a high level of attendance at Board of Management meetings.

### **Fundraising**

Trustees are fully aware of their responsibility and commitment to the strategic leadership of Redwings as a charity which values its supporters; without our supporters our work would not be able to continue.

Redwings pledges to adhere to best practice when raising and receiving funds from individuals, organisations, trusts and foundations. Redwings is a member of the Institute of Fundraising, is registered with the Fundraising Regulator and The Gambling Commission. We follow the guidelines and codes of practice set out by these organisations and regularly review our fundraising to ensure that we operate in line with their recommendations, and the law. Redwings has a set of organisational values, standard operating procedures and comprehensive policies, and provides training and guidance to its staff and volunteers. Redwings understands that some donors may be vulnerable or not have the capacity to make a decision to donate; in which case Redwings will not accept or encourage a donation, but will follow the guidance of the Institute of Fundraising and Fundraising Regulator.

Redwings has a robust complaints process that reviews and learns from any complaints received. The operational team meet to review complaints and the Board of Management monitors details of any complaints received and how they were addressed. A significant amount of our fundraising is through appeals and newsletters; during 2019 there were seven complaints related to fundraising activity resulting from non-actioned requests to remove from a mailing list or about the frequency of mailings.

We do not share our supporter data and our supporter recruitment methods are largely based around our free-to-visit centres. We do not have third party fundraisers acting on our behalf.

### **Strategic Report**

#### **Rescue and admissions**

Where possible we try to help horses remain in the care of their owners through providing advice. During 2019 our Welfare & Horse Care Helpline gave advice 1,183 times (a 13% decrease from 2018, returning to 2017 call volumes), responded to 17% more (399) comprehensive email and written enquiries, and investigated 238 concerns (a 12% decrease, largely due to more partnership working with other equine welfare charities). We conducted a 25% increase in rehoming checks on loan homes, due to the merger

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## **REPORT OF THE TRUSTEES**

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with SWHP. The welfare team's workload increased with a number of demanding cases falling in the late Winter and found that the complexity of calls and time spent per call remained high.

Our welfare team is led by an experienced senior veterinary surgeon and is supported by dedicated welfare veterinary surgeons who attend rescues and cases in order to ensure proper assessment at the earliest opportunity. We have a team of field officers who, working alone or in partnership with other charities or agencies, act as our eyes and ears across the UK.

Our veterinary teams have developed expertise in the infectious disease Strangles, through cases admitted to us. Before we admit an animal each one undergoes assessment at either our main Quarantine Centre or in set-aside quarantine facilities at our satellite centres outside Norfolk. Due to our farms being full we continue to have to fund keeping horses in external boarding awaiting admissions.

In 2019, despite being full for over a decade, admissions increased (31%) for the second year running (as well as 'admissions' to our newly (2018) purchased farm of 64 horses from the SWHP merger). We had less formal admission requests with 734 requests for admission but supported several smaller charities with admissions and veterinary caseloads. We are conscious of the continued pressure beyond-capacity admissions put on our facilities and funds and that we need to find more sustainable models for horse owners to deliver good welfare.

### **Rehabilitation and equine behaviour**

Redwings has a specialist team who focus on leading on our rehabilitation and equine behaviour. The team trains staff on equine behaviour in order to ensure consistency of handling and a positive experience for our rescued herds. New staff have an equine behaviour induction which we have increased in time commitment, instilling our approach from day one and ensuring staff are safe in their day-to-day care of our rescued herds. We take in behaviour case referrals from other organisations. We have expertise in rounding up feral herds or horses with behavioural challenges; when needed we send a dozen or more staff (vets, drivers and horse handlers). By spending time and applying our knowledge, rescued feral horses are transformed to a point when they no longer need to be sedated for routine care, such as farriery. Our specialist behaviour team is keen to further share their knowledge and have advised other charities and enabled peer welfare workers in other charities and students to spend time observing our work.

### **Sanctuary – a home for life**

Redwings provides everyday sanctuary care to over 1,500 horses, ponies, donkeys and mules who have often suffered neglect or come from difficult circumstances. Many of our permanent residents cannot be rehomed, often because they require lifelong specialist care including significant veterinary costs beyond the reach of the typical owner but can still enjoy a good quality of life at Redwings. The number of 'places' available depends on the needs of our existing residents and the needs of the potential candidate for admission. In 2019, 18% of our resident horses were veterans (aged 15 to 19) and 16% were geriatrics (aged 20 and over). Included in the younger population are special care case horses with severe ongoing veterinary needs, and horses in need of specialist handling. Life is a constant challenge as it is often not until we admit a horse that we are able to establish their true needs. Our veterinary time remains in demand, despite having increased the number of veterinary surgeons, and we are aware that veterinary students need support to encourage them to go into practice, so we support a programme of in-practice experience through the Royal Veterinary College.

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Redwings strives to maintain the highest possible care standards. We have an Internal Welfare Group dedicated to monitoring our internal care standards and looking at trends in equine care. We encourage suggestions from staff on how we can best deliver our day-to-day care. We run seminars sharing our horse welfare and care knowledge, with close to 100 staff attending each full day seminar. Topics for 2019 included management strategies to tackle equine obesity, ensuring our staff are kept up to date with legislation and the equine welfare landscape and the impact of our campaigning work.

### **Rehoming of ridden or companion horses (Guardianship scheme)**

Those horses that have been retired or require life-long specialist care (veterinary or behavioural or both) will always remain in the direct care of Redwings. Depending on their needs, some may be rehomed as companion horses. By rehoming some horses, we create space for other horses requiring our help.

Healthy horses that have the potential to enjoy a working life can learn to be ridden or assessed as companion animals, and then be found a suitable foster home. In 2019 we completed an ambitious programme to create rehoming facilities and increase our reach – at our existing visitor centres at Caldecott (Norfolk) and Oxhill (Warwickshire). At the close of 2019, we had rehomed our first horses from Caldecott and a couple from Oxhill. We had 630 horses in Guardian homes, 63% more than 2018, largely due to the horses from the merger with SWHP.

If during their time at one of our Rehoming Centres a horse shows that they are not suited to a working life, they will not be pushed, but will return to the permanent care of the Sanctuary. Redwings retains ownership of every horse for the rest of its life so that should a Guardian no longer be able to provide for the horse, or if our regular home checks show that a high standard of care is not being maintained, Redwings will step in and return the horse to the Sanctuary. Our welfare officers performed a staggering 661 checks on rehomed horses in 2019, including checks on those horses rehomed by other charities where we were geographically closer, as well as our newcomers from SWHP. We appreciate this reciprocal arrangement as it provides good value for charity partners as well as keeping contact with our horses on loan.

### **Education and campaigning**

Rather than having to rescue horses and donkeys from abuse, abandonment or neglect, Redwings would prefer people to have the knowledge and commitment to prevent their animals from suffering in the first place or from taking on an unsuitable horse for their situation.

We work with a wide range of people to help disseminate information and promote equine welfare:

- In addition to education groups visiting us, we work directly with them, including schools, universities and colleges, and local community groups by giving talks and visitor experiences to educate on equine welfare issues and provide examples of good horse care.
- We hold free seminars for horse owners on veterinary care; attendees meet our experienced veterinary and care teams.
- The education section of our website ([www.redwings.org.uk](http://www.redwings.org.uk)) provides free educational resources to teachers and children to encourage an understanding of the importance of equine welfare. In addition, the welfare section provides a range of publications for owners on issues such as equine Cushing's disease, Strangles, hoof care and farriery, and donkey care. We also run educational campaigns, including laminitis awareness, use of grazing muzzles, and good biosecurity.
- We host training days for farriers and equine dentists, enabling them to further develop their welfare and equine behaviour knowledge in their professional work.

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- We run training days on horse behaviour for the RSPCA and for the fire brigade, as well as welfare training for local authorities.
- We work alongside the gypsy and traveller community including running a campaign at the Appleby travellers' fair, called 'Best in Show', encouraging good horse care and spreading the word to this extensive number of horse-owners.

### The people behind Redwings

#### Our supporters

We are indebted to many thousands of generous supporters without whom we would not be able to deliver our horse and donkey welfare work across the UK. From letters, telephone calls and emails of support through to donations, adopting a Redwings resident, purchasing products from our catalogues, donating items for sale, or visiting us and buying tea and cake, we appreciate all forms of support.

#### Our Guardians

We value our relationships with Guardians; families and yards that take a Redwings horse out on loan. By enabling a horse to have a life outside our Sanctuary, we can find space for another in need.

#### Our volunteers

Our volunteers give their time to the Charity without charge. We are supported by a team of volunteers, many of whom have been with us for over two decades. In particular, there are volunteers with horse knowledge and the experience to carry out valuable support for our rehoming team.

We have a volunteer programme, including help with administration and assisting at our visitor centres. In 2019 we took part in the national volunteering day, highlighting the roles of our committed volunteers and what roles need to be filled and why.

#### Our staff

Over 200 of our paid staff care for our horses and donkeys: either by providing direct care or by working in one of our support teams (day and night horse care teams, veterinary, maintenance and land management, horse transport, behaviour, rehoming, and dedicated quarantine).

At Hapton in Norfolk, our administration includes essential functions such as finance, supporter services, IT, human resources, health & safety, fundraising and communications.

We invest in training our staff and developing them to take part in our work; in 2019 we increased the number and diversity of mentors across the Charity. Another significant training investment in 2019 was in wellbeing, including the creation of Wellbeing Champions, supporting our mental health programme.

We have front line staff leading our field and welfare work supported by dedicated welfare veterinary surgeons. Our visitor centre teams meet supporters and the public and inform them about our work.

Redwings is committed to equality of opportunity for all, whether that be our employees, applicants for employment, volunteers, supporters or users of our services. We work to ensure that no person is discriminated against, for example by having fair systems in place for recruitment and selection and pay and recognition. We believe that everyone has the right to be treated fairly. We understand our responsibilities under the Equality Act 2010, with a no tolerance approach to discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender, and sexual orientation.



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With staff delivering such a variety of work for the Charity, Redwings has a bespoke job evaluation scheme in order to assess each role. Pay is set annually using benchmarking for all staff including senior management with national and local comparisons. Remuneration of senior management adopts the same policies as for all staff, but with the Board's prior authorisation, led by the Treasurer. We are mindful of our funding model and when using published pay ranges for comparison, we review pay based on the lower quartiles. However, we seek to provide above statutory pension contributions, looking after our many staff doing tough physical work.

On 5<sup>th</sup> April 2019 Redwings employed 339 people, 81% of which are female.

Redwings' 2019 mean and median pay gap in favour of women is strongly influenced by the number of females in, supervisory, managerial and senior management roles (87% of females compared to 13% of males in similar roles).

Redwings acknowledges that whilst there is a gender pay gap this can partly be attributed to a female led equine sector and the nature of the roles that account for the majority of its workforce. Whilst Redwings will continue to be committed to equality of pay based on job and not gender, we face a wider challenge to attract a more diverse workforce and will aim to appeal to both men and women equally through our recruitment advertising processes.

### Public Benefit

The 2011 Charities Act requires that we demonstrate the public benefit of our work. In considering our objectives and activities, our Trustees complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. Our nationwide work benefits the public through the following ongoing activities:

- **Offering advice** through our dedicated Horse Care & Welfare Helpline to horse or donkey carers including experienced owners facing a new challenge; and giving initial advice on the level of care, financial cost and commitment needed before considering taking on a horse. Our Helpline also advises people who report a welfare concern before we then act on the information to investigate the reported case. Our field officers offer advice directly to owners struggling to care for their horse. We regularly attend equestrian events and county shows to offer advice on a range of issues including rehoming and topics on particular aspects of horse care, such as laminitis and Strangles. Our in-house veterinary surgeons speak at external private practice client evenings where they can offer advice on horse health and ailments and we run free seminars for horse owners.
- **Partnership working** with local authorities and agencies to help resolve the socio-economic, health & safety and other challenges of stray horses, be it from one escapee on a major road, through to over-populated herds being illegally grazed. We provide training and support to the police and fire service on horse handling, particularly in emergency situations, as well as training for RSPCA Welfare Officers, and hosting training days for fellow professionals - farriers, veterinary nurses and equine dentists.
- Participating in the **British Horse Council** in partnership with local government and the equine industry and being a full member and on the Board of the **National Equine Welfare Council**.
- Providing an **informed free education programme**, through attendance at schools, colleges and clubs and giving welfare advice or more specific care talks. Our centres regularly receive and look after school groups and colleges allowing students to see the care Redwings provides to some of its 1,500 residents. We also provide free educational material through a variety of media including our two websites ([redwings.org.uk](http://redwings.org.uk) and [youngredwings.co.uk](http://youngredwings.co.uk)), leaflets and displays at our centres and events.

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- **Providing employment** and running a popular and extensive work experience programme. Employees can benefit from a range of bespoke in-house equine care training programmes or professional external training to develop staff in their relevant professional fields. Our in-house veterinary surgeons are members of the British Equine Veterinary Association and comply with continuing professional development to enable them to carry out their veterinary medicine.
- **Working with the gypsy and traveller community** to offer equine passporting and microchipping initiatives. Whilst engaging we demonstrate what good equine welfare standards mean in practice.
- **Providing free-to-visit visitor centres** and open days showing the work of our Horse Hospital at no charge, giving access to all. Our visitor centres have cafés and shops allowing us to support tourism and the local economies.
- **Running a rehoming scheme** for our suitable rescued horses to have a life outside Redwings with Guardians who are able to meet our horses' needs (ridden and companion).
- **Running a volunteer programme**, including a variety of rewarding roles for people.
- Managing our land holdings as a **responsible landowner respecting the environment**.

### Our Strategy

Our 2018-2020 Strategic Plan has four sections:

Horses: To help more horses in need of care and sanctuary

People: To enable the people behind Redwings to deliver our work and apply our Values

Resources: To value the resources needed to deliver our work

Communications: To share our knowledge and make a positive impact on horse welfare.

We started a new three-year plan at capacity, including continuing to fund horses in external boarding centres. As the UK's largest horse sanctuary and a leader in specialist care, horse behaviour and geriatric horse care, our plan continued with many of the initiatives started before this current strategic plan aiming to address the welfare challenges resulting from the UK Equine Welfare Crisis.

The strategy included significant investment in more rehoming facilities including rehoming from more of our visitor centres. The more horses we rehome, the more we can free up space to help other horses. We ended 2019 having completed creating rehoming facilities at two additional centres (Norfolk and Warwickshire).

For over 15 years we worked with the Society for the Welfare of Horses & Ponies (SWHP) in Monmouthshire. We agreed to merge with SWHP, subject to Redwings purchasing a suitable 'home' to replace the SWHP rented facility. In January 2018 Redwings completed the purchase of a farm and neighbouring land near Chepstow and started a Planning Application. Despite Pre-Planning-advice before the purchase, the Planning process is still ongoing (at preparation of Conditions stage at the time of publishing) with the compliance levels needing to be high. On 1<sup>st</sup> February 2019, we formally merged with SWHP and the new Redwings site is now home to SWHP's horses and staff, with interim facilities.

We completed the investment expanding our Caldecott visitor facilities, including an events venue and new visitor building with a separate café and gift shop at Caldecott Hall. This popular venue is home to many of our long-standing adoption herds and is accessible for new supporters of our work.

Our *Stamp Out Strangles* campaign remained a dominant aspect of our work, including a Speak out on Strangles Day aimed at the horse owner and a conference with vets and industry leaders.

# REDWINGS HORSE SANCTUARY

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### Our Plans for the Future

We continue to operate our farms at capacity, with spaces only coming from rehoming or the sad passing of horses in our care. Our resident horses graze 24:7, only being stabled for veterinary treatment, therefore we are mindful of the constraints on our land and horse-per-acre. We are continuing a programme of major works, some of which seek to reduce the pressures on our grazing, including seeking Planning Permission to increase our grazing acreage on our largest farm.

Our welfare work remains in demand, yet we have little space for admissions. We work in partnership to find alternatives to having to bring a horse into our direct care. Delivery of more partnerships and programmes to support this work will continue to be a priority rather than expand our horse numbers.

Our veterinary expertise is in demand, both internally in caring for our sanctuary horses and externally with other professionals, services, horse owners and charities. We will continue to collaborate and share our knowledge in the interests of expanding good welfare and horse care.

### Financial Review

As a charity in receipt of donations from supporters, income is unpredictable. As a substantial provider of long-term care, we rely on and appreciate income from legacies to fund a large percentage of our work. Legacy income in 2019 saw a substantial (30%) increase from 2018 and accounted for 67% of our income for the year. Despite an increase in expenditure, we ended the year with a surplus of £2.46m. We are prudent in our financial forecasting as legacy income has helped us enormously, but we cannot assume it will continue at this level. The programme of investment in our Caldecott site in 2019 was to support growth in income-generation as well as improve facilities for equine care.

We care for over 1,500 horses and donkeys and with the demands on the welfare and veterinary teams, our biggest spend is on staffing despite welcomed support from volunteers. In 2019 staff costs accounted for over £6.9m (2018: £5.9m) of our annual spend; this included statutory increases in the National Living Wage and pension as well as increases in hard-to-recruit areas such as veterinary.

The two largest increases on direct charitable spend were in equipment/farm running (10%) and internal horse welfare (11%) which includes bedding and drugs. Following the equine influenza UK outbreaks at the start of 2019, we made the decision to vaccinate our resident herds six-monthly and this doubled the spend on that alone as well as adding to staff time. Forage costs are significant, including planning for extended foraging during continued challenging weather patterns. Our farm running costs also included the additional farm running costs incurred following the purchase of our new farm, land and equipment late in 2018 in preparation for the merger with SWHP in 2019.

We are always aware of how much we spend on generating funds; despite increasing our mailing list when merging with SWHP, we managed to keep fundraising costs to our 2018 spend.

### Reserves Policy

The balance sheet shows the Charity's reserves at 31<sup>st</sup> December 2019. To quantify the funds which are freely available for general purposes, it is necessary to consider how the reserves are applied.

Total charity unrestricted reserves at the balance sheet date	£36,366,229
Less: tangible & intangible fixed assets	(£19,846,581)
Excluding restricted tangible fixed assets	<u>£625,120</u>
	<u>£17,144,768</u>

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When considering our reserves, it is essential to put those in the context of our work as follows:

- As a major provider of sanctuary for horses and donkeys, Redwings must ensure that we can look after those horses in our care until the end of their days. We have helped other sanctuaries when they faced closure, but due to our size, we would be unable to be helped.
- Even if we ceased to take in horses, we would still be wholly responsible for those horses already in our everyday care and for those horses that might have to return from Guardian homes.
- We are responsible for not only Redwings horses and donkeys that can live out in herds, but also those that need veterinary treatment or intensive veterinary care. We would need to maintain our Horse Hospital facility and core veterinary team.
- Our cost of keeping horses includes ensuring that a maintenance programme for facilities and land is in place and sufficiently resourced with enough grazing to meet the needs of our horses.
- All horse care and maintenance costs would need to be met from 'free reserves' (i.e. not those tied up in assets such as land and buildings as those would need to remain for the life of the horses).

The Trustees believe that in view of this level of expenditure it is prudent to hold an appropriate reserve for sanctuary costs on a large scale of over 1,500 horses and donkeys.

We held an annual review of our reserve levels in the light of a number of key factors including the increase in high dependency and case animals as well as recessionary trends in income and expenditure demands. For example, some of our biggest costs are feed, forage, and veterinary; all of which have increased above inflation over successive years. We have stepped in to assist other charities with funding problems or even where they face closure, but as we are the UK's largest charitable provider of permanent residence to horses in need, we need to be realistic about who would be able to rescue us. Our reserves annual review concluded that in order for Redwings to be managed efficiently, we should work towards establishing a 'buffer' in the form of a general reserve equivalent to 18 months of unrestricted fund expenditure. Based on relevant expenditure during the year under review this reserve would amount to approximately £17.6m. Free reserves shown are therefore close to target.

In addition to these running costs, £810k is proposed for spending on improved or replacement facilities and capital works, in particular the next phases in Warwickshire. When we complete the Planning process for our centre in Chepstow (late 2020), it would need funding in addition to the above sum.

The Trustees review actual and projected spend on a quarterly basis, reporting on cash flow, particularly in the light of fluctuating income from legacies which can have a significant impact on annual income.

### **Investment - Policy and Performance**

The Trustees have the power to administer and manage the assets of the Charity in accordance with its Memorandum & Articles of Association. The Trustees have appointed professional fund managers to manage our investment portfolio. The fund managers are issued with investment guidelines which are determined by the Trustees with due care for the social, ethical and environmental considerations of the Charity. We held an investment review in 2019. The fund managers have been instructed to manage the funds on a medium-to-higher risk basis due to the need for our reserves to grow above inflation. Despite nervousness in the markets in 2019, the investment portfolio achieved above benchmark returns.

A fund of £132k which returned 3.15% was held by investment managers for SWHP at the date of merger and is included in the Statement of Financial Activity. The Charity also continues to hold some funds in interest-earning bank accounts ensuring monies are readily available, but we recognise that those accounts are unable to achieve interest above inflation. With our forecast needs, this policy is expected to be maintained, but with a reduced sum and more movement to increase return by switching accounts.

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### Financial Strategy

The Board takes its responsibility as custodians of Redwings supporter donations very seriously. There is an accountant on the Board of Trustees and all Trustees have financial experience as managers and officers in their paid employment. The Board makes use of our Auditors and our in-house finance team, led by a qualified accountant. We have policies for Financial Procedures, Reserves and Investments. There are separate meetings of a Finance Sub Committee.

The Trustees review financial trends on income and expenditure quarterly, this includes those trends associated with the trading arm of Redwings, Redwings Enterprises Limited (REL). REL markets and sells Redwings branded products and associated merchandise. REL plays an important role in our trading at our visitor centres, at external events and with our mail order operation; despite making an exceptional loss in 2018 affected by delays in completing retail and catering facilities at our Caldecott centre and staffing changes during 2018, a plan of action was put in place to return to a profit in order to support the good financial health of the Charity. REL returned to a profit in 2019 of £4.9k.

### Principal Risks and Uncertainties

The Trustees have a formal risk management process to assess the risks faced by the Charity and to implement strategies to manage those risks. Strategic and Operational Risk Management Registers are maintained which identify the types of risks the organisation faces (prioritising them in terms of likelihood of occurrence and potential impact), set out the control procedures in place and the established framework of reporting and monitoring adopted to manage those risks.

Registers are reviewed annually (Strategic – quarterly at Board meetings) dealing with particular risks, responsibilities, controls and monitoring processes and the need for new risks to be added. With controls and monitoring in place, the biggest 'primary' operational retained risks changed in 2019 to become 'Infectious disease throughout the centres' despite our significant investment in vaccinations, training, time, testing and prompt response systems with regard to equine influenza.

The next biggest risk score was shared by four risks across three categories – equine (resistance to dewormers or other treatments), financial (loss of income from a number of socio/economic factors) and operational (inadequate/failure of IT systems and loss of data/funds from cyber breach). A number of projects are in place with regard to these risks, in particular our worming programme.

Some risks we can only manage but not eliminate as our 2015 Strangles outbreak reminded us; our first outbreak for over 20 years. We have very strict equine disease controls as any disease spread would have a dramatic effect on our herds and our work. Our veterinary team train other veterinary practices and organisations in disease control; we continue to share our knowledge with the wider public through the Strangles campaign aimed at livery yards and private horse owners. Disease control, be it influenza or Strangles, will remain at the forefront of our work as a responsible keeper of horses.

### Covid-19

The Trustees are aware of the serious impact and need for robust disease control through our in-house veterinary and campaigning work on Strangles and support regarding vaccination for equine influenza. They were prompt to review and respond when considering the impact of Covid-19 on our operational delivery and funding. Trustee meetings have subsequently been re-ordered and additional meetings held to consider the material impact of this human pandemic in order to maintain a robust financial and operational plan for our work and the horses in our direct care.

# REDWINGS HORSE SANCTUARY

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

---

### Trustees' Responsibilities

The Trustees (who are also directors of Redwings Horse Sanctuary for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for the year. 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

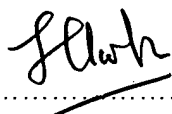
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

(a) So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

(b) The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**This report, including the strategic report, was approved by the Trustees on 14<sup>th</sup> October 2020.**



S Clark

**Chair**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

---

**Opinion**

We have audited the financial statements of Redwings Horse Sanctuary (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 state of the group's and the parent charitable company's affairs as at 31 December 2019; and of the group's and the parent charitable company's incoming resources and application of resources, including their 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 group and parent 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 group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report<sup>1</sup> other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

---

**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 directors' report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report and the strategic report, included within the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 statement of trustees' responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees 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 group's and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## REDWINGS HORSE SANCTUARY

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

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#### Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees 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, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

LARAGH JEANROY (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
IP32 7FA  
Date 3/11/2020

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# REDWINGS HORSE SANCTUARY

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

		Unrestricted Funds	Endowment	Restricted Funds	Total Year Ended 31 December 2019	Total Year Ended 31 December 2018
	Notes	£	£	£	£	£
<b>Income and endowment from:</b>						
Donations and legacies	2	11,705,956	-	1,069,952	12,775,908	10,088,202
Acquisition of SWHP	7	189,744	-	-	189,744	-
<b>Other trading activities:</b>						
Merchandising income	3	526,682	-	-	526,682	433,816
Lottery income		331,904	-	-	331,904	334,643
Estate grants & other income		183,497	-	-	183,497	92,224
Investments	4	235,522	-	-	235,522	270,813
<b>Total income</b>		<b>13,173,305</b>	<b>-</b>	<b>1,069,952</b>	<b>14,243,257</b>	<b>11,219,698</b>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Fundraising and publicity		2,206,667	-	-	2,206,667	2,084,000
Merchandising		481,972	-	-	481,972	425,681
<b>Charitable activities:</b>						
Sanctuary operations		9,157,443	-	508,985	9,666,428	8,685,982
Education		226,994	-	-	226,994	201,350
<b>Total expenditure</b>	5	<b>12,073,076</b>	<b>-</b>	<b>508,985</b>	<b>12,582,061</b>	<b>11,397,013</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>1,100,229</b>	<b>-</b>	<b>560,967</b>	<b>1,661,196</b>	<b>(177,315)</b>
Net gains/(losses) on investments		767,690	-	-	767,690	(319,930)
Net transfers between funds		11,868	-	(11,868)	-	-
<b>Net movement in funds</b>		<b>1,879,787</b>	<b>-</b>	<b>549,099</b>	<b>2,428,886</b>	<b>(497,245)</b>
<b>Reconciliation of funds:</b>						
Funds brought forward		34,486,441	20,372	712,514	35,219,327	35,716,572
<b>Total funds carried forward</b>		<b>36,366,228</b>	<b>20,372</b>	<b>1,261,613</b>	<b>37,648,213</b>	<b>35,219,327</b>

The statement of Financial Activities incorporates the income and expenditure account.

All of the 2018 income was unrestricted with the exception of £564,600 of donations and gifts classed as restricted funds. All of 2018 expenditure was unrestricted with the exception of £822,605 Sanctuary Operations Expenditure classed as restricted funds.

# REDWINGS HORSE SANCTUARY

## PARENT COMPANY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

		Unrestricted Funds	Endowment	Restricted Funds	Total Year Ended 31 December 2019	Total Year Ended 31 December 2018
	Notes	£	£	£	£	£
<b>Income and endowment from:</b>						
Donations and legacies	2	11,705,956	-	1,069,952	12,775,908	10,088,202
Acquisition of SWHP	7	189,744	-	-	189,744	-
<b>Other trading activities:</b>						
Merchandising income	3	35,660	-	-	35,660	38,963
Lottery income		331,905	-	-	331,905	334,643
Estate Grants & other income		183,497	-	-	183,497	92,224
Investments	4	239,649	-	-	239,649	274,563
<b>Total income</b>		<b>12,686,411</b>	<b>-</b>	<b>1,069,952</b>	<b>13,756,364</b>	<b>10,828,595</b>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Fundraising and publicity		2,206,667	-	-	2,206,667	2,084,000
<b>Charitable activities:</b>						
Sanctuary operations		9,157,443	-	508,985	9,666,428	8,685,982
Education		226,994	-	-	226,994	201,350
<b>Total expenditure</b>	5	<b>11,591,104</b>	<b>-</b>	<b>508,985</b>	<b>12,100,089</b>	<b>10,971,332</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>1,095,307</b>	<b>-</b>	<b>560,967</b>	<b>1,656,274</b>	<b>(142,737)</b>
Net gains/(losses) on investments		767,690	-	-	767,690	(319,930)
Net transfers between funds		11,868	-	(11,868)	-	-
<b>Net movement in funds</b>		<b>1,874,865</b>	<b>-</b>	<b>549,099</b>	<b>2,423,964</b>	<b>(462,667)</b>
<b>Reconciliation of funds:</b>						
Funds brought forward		34,506,429	20,372	712,514	35,239,315	35,701,982
<b>Total funds carried forward</b>		<b>36,381,294</b>	<b>20,372</b>	<b>1,261,613</b>	<b>37,663,279</b>	<b>35,239,315</b>

The statement of Financial Activities incorporates the income and expenditure account.

All of the 2018 income was unrestricted with the exception of £565,600 of donations and gifts classed as restricted funds. All of 2018 expenditure was unrestricted with the exception of £822,605 Sanctuary Operations Expenditure classed as restricted funds.

**REDWINGS HORSE SANCTUARY**  
**BALANCE SHEET**  
**AS AT 31<sup>ST</sup> DECEMBER 2019**

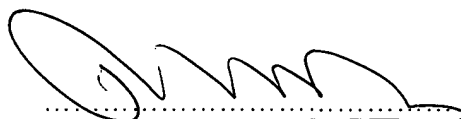
		<b>CONSOLIDATED BALANCE SHEET</b>		<b>PARENT COMPANY BALANCE SHEET</b>	
		<b>31 Dec 2019</b>	<b>31 Dec 2018</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	11	19,836,756	19,541,468	19,836,756	19,541,468
Intangible assets	12	9,825	54,858	9,825	54,858
Investments	13	6,413,499	4,545,374	6,413,501	4,545,376
<b>Total Fixed Assets</b>		<b>26,260,080</b>	<b>24,141,700</b>	<b>26,260,082</b>	<b>24,141,702</b>
<b>Current assets</b>					
Investments	14	-	-	150,000	150,000
Stocks	15	269,489	268,144	197,755	194,852
Debtors	16	6,042,630	4,705,316	6,035,785	4,704,750
Cash at bank and in hand		5,641,255	7,067,073	5,598,134	7,041,422
<b>Total Current Assets</b>		<b>11,953,374</b>	<b>12,040,533</b>	<b>11,981,674</b>	<b>12,091,024</b>
<b>Liabilities</b>					
Creditors falling due within one year	17	565,241	962,906	578,477	993,411
<b>Net Current Assets</b>		<b>11,388,133</b>	<b>11,077,627</b>	<b>11,403,197</b>	<b>11,097,613</b>
<b>Net Assets</b>		<b>37,648,213</b>	<b>35,219,327</b>	<b>37,663,279</b>	<b>35,239,315</b>
<b>Funds</b>	19				
Endowment fund		20,372	20,372	20,372	20,372
Restricted funds		1,261,612	712,514	1,261,612	712,514
Designated funds		810,059	4,280,635	810,059	4,280,635
Revaluation reserve		968,553	226,950	968,553	226,950
General reserve		34,587,618	29,978,856	34,602,683	29,998,844
<b>Total Unrestricted Funds</b>		<b>36,366,229</b>	<b>34,486,441</b>	<b>36,381,294</b>	<b>34,506,429</b>
<b>Total Funds</b>		<b>37,648,213</b>	<b>32,519,327</b>	<b>37,663,279</b>	<b>35,239,315</b>

The financial statements of pages 18-33 were approved by the Trustees on 14<sup>th</sup> October 2020.



S Clark

Chair



A Fryer

Treasurer

Company Registration Number 03524502

# REDWINGS HORSE SANCTUARY

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

		2019 £	2018 £
Cash flows from operating activities	Notes a	564,087	1,577,503
Net cash provided by operating activities			
Cash flows from investing activities:			
Dividends, interest and rents from investments		241,340	273,439
Proceeds from the sale of property, plant and equipment		19,987	31,298
Purchase of property, plant and equipment		(1,283,658)	(3,133,044)
Proceeds from sale of investments		501,344	-
Purchase of investments		(1,468,918)	(1,974,122)
Net cash used in investing activities		(1,989,905)	(4,802,429)
Change in cash and cash equivalents in the reporting period		(1,425,818)	(3,244,926)
Cash and cash equivalents at the beginning of the reporting period	b	7,067,073	10,291,999
Cash and cash equivalents at the end of the reporting period	b	5,641,255	7,067,073
a) Reconciliation of net (expenditure)/income to net cash flow from operating activities			
Net Income/(expenditure) for the reporting period before gains and losses on investments		1,661,196	(177,315)
Adjustments for:			
Depreciation/amortisation charges		1,022,088	805,635
Transfer of investment portfolio from SWHP		(132,860)	-
Dividends, interest and rents from investments		(235,522)	(270,813)
Loss/(Profit) on the sale of fixed assets		6,526	(30,765)
Increase in stocks		(1,345)	(44,019)
Decrease in debtors		(1,343,132)	1,466,718
Decrease in creditors		(412,864)	(171,938)
Net cash provided by operating activities		564,087	1,577,503
b) Analysis of cash and cash equivalents			
		2019 £	2018 £
Cash in hand		4,641,255	5,567,073
Notice deposits (less than 3 months)		1,000,000	1,500,000
Total cash and cash equivalents		5,641,255	7,067,073

A reconciliation of net debt is required per the Charities SORP (FRS102)

There was not debt within the group during 2019 and 2018, and there were no non-cash flows to reflect.

# REDWINGS HORSE SANCTUARY

## PARENT STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

		2019 £	2018 £
<b>Cash flows from operating activities</b>	Notes a	<b>542,490</b>	<b>1,562,713</b>
<b>Net cash provided by operating activities</b>			
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		245,467	277,189
Proceeds from the sale of property, plant and equipment		19,987	31,298
Purchase of property, plant and equipment		(1,283,658)	(3,133,044)
Proceeds from sale of investments		501,344	-
Purchase of investments		(1,468,918)	(1,974,122)
<b>Net cash used in investing activities</b>		<b>(1,985,778)</b>	<b>(4,798,679)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,443,287)</b>	<b>(3,235,966)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	b	<b>7,041,422</b>	<b>10,277,388</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	b	<b>5,598,134</b>	<b>7,041,422</b>
<b>c) Reconciliation of net (expenditure)/income to net cash flow from operating activities</b>			
<b>Net Income/ (expenditure) for the reporting period before gains and losses on investments</b>		<b>1,656,274</b>	<b>(142,737)</b>
Adjustments for:			
Depreciation/amortisation charges		1,022,088	805,635
Transfer of investment portfolio from SWHP		(132,860)	-
Dividends, interest and rents from investments		(239,649)	(274,563)
Loss/(Profit) on the sale of fixed assets		6,526	(30,765)
Increase in stocks		(2,904)	(53,792)
Decrease in debtors		(1,336,853)	1,467,387
Decrease in creditors		(430,132)	(208,452)
<b>Net cash provided by operating activities</b>		<b>542,490</b>	<b>1,562,713</b>
<b>d) Analysis of cash and cash equivalents</b>			
		<b>2019 £</b>	<b>2018 £</b>
Cash in hand		4,598,134	5,541,422
Notice deposits (less than 3 months)		1,000,000	1,500,000
<b>Total cash and cash equivalents</b>		<b>5,598,134</b>	<b>7,042,422</b>

A reconciliation of net debt is required per the Charities SORP (FRS102)

There was not debt within the group during 2019 and 2018, and there were no non-cash flows to reflect

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

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### **1 - Accounting policies**

Redwings Horse Sanctuary ("the Charity") is an incorporated Charity limited by guarantee, domiciled and registered in England which constitutes a Public Benefit entity as defined by FRS102. The address of the Charity is stated on page 3. The principal activity of the Charity is to provide and promote the welfare, care and protection of horses, ponies, donkeys and mules.

#### **a. Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recognised Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared under historical cost convention modified to include investment property and fixed asset investments at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity constitutes a public benefit entity as defined by FRS 102.

#### **b. Assessment of Going Concern**

The Trustees consider that there are no material uncertainties about the Charity's ability to continue, as a going concern, and therefore these accounts have been prepared on a going concern basis. The budgeted income and expenditure are sufficient with the levels of reserves for the charity to be able to continue as a going concern. Covid 19 was considered by the Trustees when making this assessment. Budgets and cashflows have been prepared (twelve months from the date of signing these financial statements) considering the reduction in legacy income during 2020 and a general reduction in donations, whilst our cash flow will be affected for some time, we anticipate being able to continue our day to day operations without the need to sell our investments. With our current level of liquid reserves, we will be able to provide adequate resources to cover our commitments.

#### **c. Basis of consolidation**

The financial statements comprise the assets, liabilities and funds, and the statement of financial activities of Redwings Horse Sanctuary and its 100% owned subsidiary, Redwings Enterprises Limited (company number 02841087).

#### **d. Income**

All income is accounted for in the SOFA when the Charity is legally entitled to the income, it is capable of measurement, and it is probable that the income will be received.

Income includes donations and legacies. For legacies, entitlement is recognised from the earlier of the date of receipt or when sufficient notification is received by the Charity to enable it to quantify its entitlement with probability. Income is not recognised for legacies, which remain subject to a life interest. Donations are recognised when the Charity has received the income. If the donation is subject to a restriction the Charity will recognise when the restriction is met or wholly within the control of the Charity.

Other income comprises merchandising income, lottery income, investment income, property rentals, and estate grants & other income. The merchandising income is generated by Redwings Enterprises Limited and is recognised as unrestricted income on a receivable basis. The lottery income is recognised as at the closing date of the draw, when the charity is entitled to the income. Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. All other income is accounted for on a receivable basis.

#### **e. Expenditure**

All expenditure is included in the SOFA on an accruals basis and is recognised when there is a legal or constructive obligation to pay, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

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### **f. Support costs**

Support costs include human resources, finance IT, health and safety and premises costs. Support costs have been apportioned between fundraising costs and charitable activities on the basis of activity and income.

### **g. Pension costs**

The Charity operated a defined contribution scheme, which is a Group Personal Plan. The cost of providing pension benefits is charged in the year for which they are payable.

### **h. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, less depreciation. No depreciation is provided on freehold land, or assets under construction. Depreciation is provided on all other tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	over 50 years
Wasting structures	over 3 or 10 years
Plant and equipment	over 5 years

Assets under construction are not depreciated until the work is complete.

### **i. Intangible assets and amortisation**

Intangible assets are stated at cost, less amortisation, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Software	over 5 years
----------	--------------

### **j. Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price. The SOFA includes the net gains and losses arising on revaluation and disposals through the year.

Investment property is initially measured at cost and subsequently measured at fair value determined annually by the trustees. No depreciation is charged. Changes in fair value are recognised in the SOFA.

Investments in subsidiaries are measured at cost less accumulated impairment.

### **k. Operating leases**

Rentals are charges to the SOFA on a straight-line basis over the lease term.

### **l. Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is determined using the first in first out method.

### **m. 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. Accrued income and tax recoverable are included at the best estimate of the amount receivable at the balance sheet date.

### **n. Creditors**

Creditors 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 are normally recognised at their settlement amount after allowing for any discounts due.



# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

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### *o. Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income.

Investment income and gains are allocated to the appropriate fund.

### *p. Critical accounting estimates and areas of judgement*

The Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The judgements, estimates and assumptions which have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### Legacy debtor

The Charity has entitlement to legacy income at 31st December, but which will be received after the year end. An estimate of the amount of be received has to be made at the year end. See note 16 for the legacy receivable debtor at the year end. "Pecuniary legacies are recognised once the charity has been formally notified that a gift is payable. Residuary legacies are recognised once confirmation has been received that the charity will benefit and sufficient information has been made available by the Personal Representatives to estimate the charity's entitlement with reasonable certainty. Estimates are calculated based on experience with previous Estates and knowledge of the likely deductions to be incurred."

## 2. Income from donations and legacies

	2019 £	2018 £
Donations	3,288,210	2,765,811
Legacies	9,487,698	7,322,391
	<u>12,775,908</u>	<u>10,088,202</u>

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

### 3. Merchandising income

	Sale of Donated Goods	Redwings Enterprises Ltd Sales	Total Year Ended 31 December 2019	Total Year Ended 31 December 2018
	£	£	£	£
Parent charity	35,660	-	35,660	38,963
Subsidiary company	-	491,022	491,022	394,853
<b>Total income</b>	<b>35,660</b>	<b>491,022</b>	<b>526,682</b>	<b>433,816</b>
<b>Merchandising costs</b>				
Subsidiary company costs of sales	-	247,350	247,350	207,837
Administration expenses	-	234,622	234,622	217,843
<b>Total costs</b>	<b>-</b>	<b>481,972</b>	<b>481,972</b>	<b>425,680</b>
<b>Merchandising surplus</b>	<b>35,660</b>	<b>9,050</b>	<b>44,710</b>	<b>8,136</b>

### 4. Income from investments

	2019 £	2018 £
Interest	113,630	85,121
Dividends	122,149	123,228
Rent	3,870	62,464
	<b>239,649</b>	<b>270,813</b>

Charity only interest reported in the above figures is £109,503 (2018: £81,371)

### 5. Analysis of expenditure

	Staff Costs	Direct Charitable Costs	Other Costs	Total Year Ended 31 Dec 2019	Total Year Ended 31 Dec 2018
	£	£	£	£	£
Fundraising and publicity	708,320	-	1,498,347	2,206,667	2,084,000
Sanctuary operations	6,777,274	2,889,154	-	9,666,428	8,685,982
Education	57,758	169,236	-	226,994	201,350
<b>Expenses - charity</b>	<b>7,543,352</b>	<b>3,058,390</b>	<b>1,498,347</b>	<b>12,100,089</b>	<b>10,971,332</b>
Merchandising costs	151,879	-	330,093	481,972	425,681
<b>Expenditure - group</b>	<b>7,695,231</b>	<b>3,058,390</b>	<b>1,828,440</b>	<b>12,582,061</b>	<b>11,397,013</b>

Both staff costs and other costs contain costs that are directly allocated to activities as well as support costs that have been apportioned in accordance with the methods outlined in note 1f.

### 6. Support costs

	Fundraising And publicity £	Sanctuary Operations £	Education £	Merchandising Costs £	Total 2019 £	Total 2018 £
Human resources	26,388	75,281	581	7,099	109,349	88,734
Health & Safety	15,242	58,708	-	520	74,470	64,220
Finance/IT	192,317	224,397	-	8,109	424,823	405,805
Premises/Office costs	137,038	20,976	10,420	4,240	172,674	162,585
Central Services	100,151	643,892	3,360	153,291	900,694	821,088
Depreciation/amortisation	181,428	838,374	-	2,287	1,022,089	805,627
<b>Support costs - group</b>	<b>652,564</b>	<b>1,861,628</b>	<b>14,361</b>	<b>175,546</b>	<b>2,704,099</b>	<b>2,348,059</b>

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

	Fundraising And publicity £	Sanctuary Operations £	Education £	Merchandising Costs £	Total 2019 £	Total 2018 £
Human resources	27,667	81,048	634	-	109,349	88,079
Health & Safety	15,242	58,708	-	-	73,950	63,767
Finance/IT	192,317	224,397	-	-	416,714	399,757
Premises/Office costs	137,038	20,975	10,420	-	168,433	157,775
Central Services	75,413	619,402	3,360	-	698,175	631,931
Depreciation/amortisation	181,428	838,374	-	-	1,019,802	803,586
<b>Support costs - charity</b>	<b>629,105</b>	<b>1,842,904</b>	<b>14,414</b>	<b>-</b>	<b>2,486,423</b>	<b>2,144,895</b>

### 7. Acquisition of SWHP

Redwings acquired SWHP including its staff on 1<sup>st</sup> February 2019. The assets were transferred over to Redwings and Recorded as income in the accounts less any legal fees incurred by Redwings.

	£
Assets	234,831
Liabilities	(20,239)
Less legal fees paid by Redwings	(24,848)
Total Transfer included in the accounts	<u>189,744</u>

### 8. Staff costs

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Wages and salaries	6,171,135	5,386,908
Social security costs	418,587	368,137
Pension costs	309,608	197,339
	<u>6,899,330</u>	<u>5,952,384</u>

### Number of employees by function

Sanctuary and welfare	276	248
Fundraising and administration	90	83
	<u>366</u>	<u>331</u>

The number of employees whose emoluments exceeded £60,000 in the year was as follows

£60,000 - £70,000	1	1
£90,000 - £100,000	1	1

Remuneration for the nine (2018: six) Senior Management Team members totalled £496,259 (2018: £346,640). The Senior Management Team are considered to be the key management personnel of the Charity and Group.

### 9. Pension costs

The Charity operates defined contribution pension schemes on behalf of certain employees. The contributions to the schemes are paid into external independently administered funds. The pension cost charge represents contributions payable by the Charity to the schemes, which amounted to £309,608 (2018: £197,339). No contributions (2018: £27,160) were payable to the fund at the year end and are included in other creditors.

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

### 10. Net income for the year

	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
Net income for the year is stated after charging/(crediting)		
Remuneration of the Charity auditors		
- Audit of these accounts	13,950	13,500
- Audit of subsidiary undertakings	2,575	2,500
- Taxation compliance services	1,775	542
Depreciation of tangible owned assets	977,056	760,601
Amortisation	45,032	45,034
Operating leases		
- Land and buildings	26,500	26,500
Loss/(Profit) on sales of assets	6,214	(30,765)

### 11. Tangible fixed assets

	Group and Charity				
	Freehold Property £	Assets under Construction £	Wasting Structure £	Plant & Equipment £	Total £
Costs					
01 January 2019	16,935,740	1,238,092	4,524,841	3,864,718	26,563,391
Transfers	-	(1,176,949)	1,176,949	-	-
Additions	-	29,691	1,005,739	263,427	1,298,857
Disposals	(20,000)	(5,855)	-	(37,733)	(63,588)
31 December 2019	16,915,740	84,979	6,707,529	4,090,412	27,798,660
Depreciation					
01 January 2019	1,640,279	-	2,305,894	3,075,750	7,021,923
Charge in year	138,731	-	428,912	409,412	977,055
Eliminated on disposal	-	-	-	(37,074)	(37,074)
31 December 2019	1,779,010	-	2,734,806	3,448,088	7,961,904
Net book value					
31 December 2019	15,136,730	84,979	3,972,723	642,324	19,836,756
31 December 2018	15,295,461	1,238,092	2,218,947	788,968	19,541,468

All assets are owned by the Charity and are free from charge. The cost of freehold land not being depreciated included in land and buildings is £9,813,307 (2018: £9,832,307).

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

### 12. Intangible assets

	2019 £
<b>Cost</b>	
At 1 January	225,169
Transfer	-
<b>At 31 December</b>	<u>225,169</u>
<b>Amortisation</b>	
At 1 January	170,312
Charge for the year	45,032
Transfer	-
<b>At 31 December</b>	<u>215,344</u>
<b>Net book value at 31 December 2019</b>	<u>9,825</u>
<b>Net book value at 31 December 2018</b>	<u>54,858</u>

### 13. Fixed asset investments

	<b>Group</b>		<b>Charity</b>	
	31 Dec 2019 £	31 Dec 2018 £	31 Dec 2019 £	31 Dec 2018 £
<b>Quoted Investments</b>				
Market value at start of period	3,995,374	2,336,182	3,995,374	2,336,182
Transfer in from SWHP	132,861	-	132,861	-
Additions at cost	1,468,918	1,974,122	1,468,918	1,974,122
Disposal proceeds	(501,344)	-	(501,344)	-
Net investment gains/(losses)	767,690	(314,930)	767,690	(314,930)
Market value at end of period	<u>5,863,499</u>	<u>3,995,374</u>	<u>5,863,499</u>	<u>3,995,374</u>
<b>Investment property</b>				
Investment property at start of period	550,000	550,000	550,000	550,000
Revaluation	-	-	-	-
Market value at end of period	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>
<b>Un-quoted investments</b>				
Shares in Redwings Enterprises Limited	-	-	2	2
<b>Total fixed asset investments</b>	<u>6,413,499</u>	<u>4,545,374</u>	<u>6,413,501</u>	<u>4,545,376</u>
<b>Historical Cost at 31 December</b>	<u>5,444,946</u>	<u>4,318,425</u>	<u>5,444,946</u>	<u>4,318,425</u>
<b>Analysis of Quoted Investments at 31 December 2018 between funds:</b>				
Fixed Interest UK	734,756	515,837	734,756	515,837
Fixed Interest Overseas	112,320	92,377	112,320	92,377
Equities UK	2,030,557	1,233,780	2,030,557	1,233,780
Equities Europe	274,960	226,612	274,960	226,612
Equities Other	1,963,732	1,527,725	1,963,732	1,527,725
Property Funds	205,567	209,219	205,567	209,219
Hedge/Absolute Return Funds	541,607	189,824	541,607	189,824
	<u>5,863,499</u>	<u>3,995,374</u>	<u>5,863,499</u>	<u>3,995,374</u>

All investments are carried at fair value. Quoted investments fair values are normally mid-market closing or mid-prices. If the valuation date falls on a non-business day, the prices will be those on the last business day.

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

Savills plc completed the initial valuation of Spa Farm investment property. The fair value at the balance sheet date is determined annually by the trustees. The main risk from the charity's investment portfolio is uncertainty in the investment markets.

This is managed by appointing professional fund managers who manage the funds on a low risk basis. Liquidity risk is considered low because investments are in traded securities.

### 14. Current asset investments

	Group		Charity	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	£	£	£	£
Loan to Redwings enterprises Limited (see note below)	-	-	150,000	150,000
	-	-	150,000	150,000

The only financial instrument measured at amortised cost comprises the loan made to Redwings Enterprises Limited. This is unsecured and is due for repayment on demand. Interest is charged on the loan at 2% above the NatWest Bank plc's base rate.

### 15. Stock

	Group		Charity	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	£	£	£	£
Stock of fees and consumables	136,446	144,030	136,446	144,030
Stock of veterinary supplies	61,309	50,822	61,309	50,822
Merchandising goods for resale	71,734	73,292	-	-
	269,489	268,144	197,755	194,852

### 16. Debtors

	Group		Charity	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	£	£	£	£
Gift Aid & recoverable tax	49,126	30,865	49,126	30,865
Legacies receivable	5,756,302	4,420,639	5,756,302	4,420,639
Accrued income	36,800	6,225	36,800	6,225
Prepayments and other debtors	182,111	225,478	176,004	225,578
Trade debtors	18,291	22,109	17,553	21,443
	6,042,630	4,705,316	6,035,785	4,704,750

### 17. Creditors amounts falling due within one year

	Group		Charity	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	£	£	£	£
Trade creditors	444,158	551,704	432,217	543,248
Amount owed to subsidiary	-	-	30,350	44,074
Amount re merged Charity	-	-	100	100
Other creditors	15,529	39,958	15,531	39,960
VAT and social security	3,137	27,048	3,137	27,048
Accruals	102,417	344,196	97,142	338,981
	565,241	962,906	578,477	993,411

### 18. Subsidiary company

The Charity owns 100% of the share capital of its trading subsidiary Redwings Enterprises Limited, a company registered in England. The Company operates all of the commercial trading activities of the Charity. The Company gift aids its taxable profits to the Charity. A summary of its trading results and capital and reserves is shown below. Audited accounts are filed with the Registrar of Companies. The Company's results are consolidated into the group accounts. The registered office is Norwich Road, Hapton, Norfolk NR15 1SP.

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

	2019 £	2018 £
Income	491,022	394,851
Expenditure	(481,972)	(425,680)
Interest payable	(4,127)	(3,750)
<b>Profit for the period retained by the subsidiary</b>	<b>4,923</b>	<b>(34,579)</b>
The aggregate of assets, liabilities and funds was:		
Current assets	152,150	143,681
Creditors: amounts falling due within one year	(167,216)	(163,671)
<b>Total net assets</b>	<b>(15,066)</b>	<b>(19,990)</b>

### 19. Funds

	Opening Balance £	Income £	Funds Movements Expenditure £	Transfers Gains & Losses £	Closing Balance £	Represented by Fixed assets £	Net current assets £
<b>Endowment</b>							
WJ Turner Settlement	20,372	-	-	-	20,372	-	20,372
<b>Restricted</b>							
Recovery shelter	304,798	-	-	-	304,798	304,798	-
New farm & grazing	205,822	-	-	-	205,822	205,822	-
Reception & Assessment Centre	94,500	-	-	-	94,500	94,500	-
Ada Cole Memorial Stables	-	4,060	(4,060)	-	-	-	-
Mountains field shelters/repairs	6,000	-	-	-	6,000	-	6,000
Mountains fencing	7,300	-	(7,300)	-	-	-	-
Mountains general	-	20,800	(20,800)	-	-	-	-
Caldecott Rehoming	-	680	(680)	-	-	-	-
Horse Hospital	-	20,000	-	-	20,000	20,000	-
Caldecott	-	683	(683)	-	-	-	-
Caldecott Memorial Garden	-	5,000	(5,000)	-	-	-	-
Oxhill rehoming facility	-	1,000	(1,000)	-	-	-	-
Digital X Ray Machine	32,000	-	(32,000)	-	-	-	-
Hapton	-	10,000	(10,000)	-	-	-	-
Nurses Training	-	2,000	(2,000)	-	-	-	-
Donkeys	-	2,922	(2,922)	-	-	-	-
Oxhill	-	500	(500)	-	-	-	-
SHWP	-	2,025	(2,025)	-	-	-	-
H K D Animal Welfare Trust	62,094	1,000,282	(420,016)	(11,868)	630,492	-	630,492
<b>Total restricted</b>	<b>712,514</b>	<b>1,069,952</b>	<b>(508,986)</b>	<b>(11,868)</b>	<b>1,261,613</b>	<b>625,120</b>	<b>636,493</b>
<b>Total endowment &amp; restricted</b>	<b>732,886</b>	<b>1,069,952</b>	<b>(508,986)</b>	<b>(11,868)</b>	<b>1,281,984</b>	<b>625,120</b>	<b>656,864</b>
<b>Designated</b>							
Planned capital expenditure	4,280,635	-	-	3,470,576	810,059	-	2,644,086
Revaluation reserve	226,950	-	-	741,603	968,553	968,553	-
General reserve	29,978,856	13,173,305	(12,073,076)	3,508,531	34,587,617	24,666,407	8,087,182
<b>Total unrestricted</b>	<b>34,486,441</b>	<b>13,173,305</b>	<b>(12,073,076)</b>	<b>779,558</b>	<b>36,366,228</b>	<b>25,634,960</b>	<b>10,731,268</b>
<b>Group Total</b>	<b>35,219,327</b>	<b>14,243,257</b>	<b>(12,582,062)</b>	<b>767,690</b>	<b>37,684,212</b>	<b>26,260,080</b>	<b>11,388,132</b>

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

### Purpose of funds

Name	-	Primary use of funds and designated
Recover Shelter	-	Originally for the building of specially designed shelters in which equines can recover from illness, now associated with land at Hapton.
New farm & grazing	-	Purchase of additional land suitable for equine grazing and care.
Reception & assessment Centre	-	Site local to main operations for incoming animals to be checked before going to Sanctuary farms.
Mountains General	-	For general running of Redwings Mountains Sanctuary.
Horse Hospital	-	Treatment room renovations and flooring.
Digital X Ray Machine	-	For a digital X Ray machine.
Hapton	-	Care at Hapton.
HKD Animal Welfare Trust	-	For use in Scotland only.

The movement under designated funds, planned capital expenditure closing balance represent the Capital project for 2020. The expenditure in 2019 represents the amount less items that were fixed assets the total Capital spend for 2019 was £.

The transfer from restricted funds is with respect of expenditure against projects restricted in previous years for which have not been fully met.

### 20. Funds – comparative 2018

	Opening Balance	Income	Funds Movements Expenditure	Transfers Gains & Losses	Closing Balance	Represented by Fixed assets	Net current assets
	£	£	£	£	£	£	£
<b>Endowment</b>							
WJ Turner Settlement	20,372	-	-	-	20,372	-	20,372
<b>Restricted</b>							
Recovery shelter	304,798	-	-	-	304,798	304,798	-
New farm & grazing	205,822	-	-	-	205,822	205,822	-
Reception & Assessment Centre	94,500	-	-	-	94,500	94,500	-
Ada Cole Memorial Stables	1,930	2,000	(3,930)	-	-	-	-
Mountains field shelters/repairs	6,000	-	-	-	6,000	-	6,000
Mountains fencing	14,004	-	(6,704)	-	7,300	-	7,300
Mountains general	-	294,389	(294,389)	-	-	-	-
Caldecott	-	700	(700)	-	-	-	-
Vets, vet care, vet treatment	-	740	(740)	-	-	-	-
Stable for horse wintering	-	-	-	-	-	-	-
Oxhill riding arena	82,115	-	(82,115)	-	-	-	-
Horse Food	-	-	-	-	-	-	-
Oxhill rehoming facility	-	178,559	(178,559)	-	-	-	-
Fencing at Ada Cole	68,091	-	(14,995)	(53,096)	-	-	-
Caldecott Field Shelter	5,000	-	(5,000)	-	-	-	-
Digital X Ray machine	40,000	-	(8,000)	-	32,000	32,000	-
Ada Cole	-	1,030	(1,030)	-	-	-	-
Aylsham	-	3,700	(3,700)	-	-	-	-
Oxhill	-	20,161	(20,161)	-	-	-	-
Donkeys	-	51,961	(51,961)	-	-	-	-
Red Shed	-	250	(250)	-	-	-	-
Oliver Twist Memorial	-	1,000	(1,000)	-	-	-	-
Tinkerbell	-	100	(100)	-	-	-	-
Care of Horses Hapton	-	10,010	(10,010)	-	-	-	-
H K D Animal Welfare Trust	201,355	-	(139,261)	-	62,094	-	62,094
<b>Total restricted</b>	<b>1,023,615</b>	<b>564,600</b>	<b>(822,605)</b>	<b>(53,096)</b>	<b>712,514</b>	<b>637,120</b>	<b>75,394</b>
<b>Total endowment &amp; restricted</b>	<b>1,043,987</b>	<b>564,600</b>	<b>(822,605)</b>	<b>(53,096)</b>	<b>732,886</b>	<b>637,120</b>	<b>95,766</b>
<b>Designated</b>							
Planned capital expenditure	5,670,147	-	(635,324)	(754,188)	4,280,635	-	4,280,635
Revaluation reserve	183,283	-	-	43,667	226,950	226,950	-
General reserve	28,819,155	10,655,098	(9,939,084)	443,687	29,978,856	23,277,630	6,701,226
<b>Total unrestricted</b>	<b>34,672,585</b>	<b>10,655,098</b>	<b>(10,574,408)</b>	<b>(266,834)</b>	<b>34,486,441</b>	<b>23,504,580</b>	<b>10,981,861</b>
<b>Group Total</b>	<b>35,716,572</b>	<b>11,219,698</b>	<b>(11,397,013)</b>	<b>(319,930)</b>	<b>35,219,327</b>	<b>24,141,700</b>	<b>11,077,627</b>



# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

### 21. Operating leases receivable

The Charity as lessee, holds the following commitments.

	31 Dec 2019	31 Dec 2018
	£	£
Within one year	56,880	19,000
Within two to five years	-	14,836

### 22. Related party transactions

- No remuneration was paid to any member of the board during the period.
- A Trustee was reimbursed £402 (2018: one trustee £621) in respect of travel expenses to attend Board of Trustee meetings.
- Fees totalling £9,795 (2018: £12,791) have been paid to Savills PLC in Norwich in which Mr M Little is a director. The fees were in respect of estate management and farm purchase.
- An amount of £20,483 (2018: £76,609) has been paid to Town and Country Floors of whom Mrs T Whistlecraft (Executive Director Resources at Redwings) is related. These costs relate to flooring

The above transactions are specifically permitted by the Charity's Memorandum of Association and were at arms-length and in the ordinary course of business.

In 2019 the following transaction took place between the Charity and its wholly owned subsidiary Redwings Enterprises Limited:

- Management charge of £217,675 (2018: £203,163)
- Rental charge of £3,000 (2018: £3,000)
- Interest charge of £4,127 (2018: £3,750)

At the 31 December 2019 £30,350 was due from the Charity to Redwings Enterprises Limited (2018: £65,685 was due from the Charity to Redwings Enterprises Limited). In addition to this, the Charity had provided a loan of £150,000 to Redwings Enterprises Limited. The loan is due for repayment in one year from the balance sheet date. Interest is charged on the loan at 2% above NatWest Bank plc's base rate.

### 23. Members Guarantee

The Charity has no share capital but is limited by guarantee. Every member of the Charity is a guarantor and undertakes to contribute to the assets of the Charity, in the event of it being wound up, such amounts as may be required. Each guarantor's liability is limited to £1.

### 24. Ada Cole Memorial Stables

By an agreement made between the Trustee Boards of Redwings Horse Sanctuary and Ada Cole Memorial Stables the two charities merged operations on 1 October 2005.

### 25. Financial instruments

	31 Dec 2019	31 Dec 2018
	£	£
Financial assets measured at fair value	5,863,499	3,995,374

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

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**26. Post balance sheet event**

The financial statements were authorised for issue on 28th September 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31st December 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There were no adjusted post balance sheet events for the 2019 financial statements.

Where events taking place before this date did not relate to conditions at the balance sheet date but provided information to an understanding of the Groups' financial position, these events are disclosed as part of this note. The Covid-19 global pandemic will have an impact upon the Charity's operations and financial position, including investments as the immediate Covid-19 reductions in investment values have started to recover and should continue to do so over time. The Charity has an investment strategy that seeks to keep the holdings in long term and not take out funds. This investment strategy will remain and work alongside robust cash flow management and careful cost controls.

Whilst our cash flow will be affected for some time, we anticipate being able to continue our day to day operations without the need to sell investments.