

Company no. 06353944
Charity no. 1121920

HorseWorld Trust
Report and Audited Financial
Statements
31 December 2018



HorseWorld



HorseWorld Trust

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HorseWorld Trust

Report of the Trustees for the year ended 31 December 2018

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

Our charitable work commenced in 1952 as "The Friends of Bristol Horses Society" (the Society). It was then a campaign to save the lives of working horses in Bristol that were being replaced in industry, mainly by motorised vehicles. Under the banner "Retirement Not Slaughter" - for many were destined for the abattoir - the Society, which became a registered charity in November 1952, offered a haven in Bristol for the horses, ponies and donkeys that had worked on the railways, in the dockyards, the coal mines, with the armed forces, on the roads and elsewhere in industry.

HorseWorld Trust was registered with the Charity Commission on 11th December 2007 under number 1121920. It is a charitable company limited by guarantee and without share capital and is registered at Companies House under number 06353944. The Charity was set up as part of the incorporation of the Society under the terms of which all the charitable operations of the Society were transferred to the Charity on 31st December 2007.

What we do – our principle charitable objectives and activities

In the UK today working horses are largely a memory of the past but none-the-less a very real demand remains for our prime charitable objectives of rescuing, rehabilitating and re-homing horses and ponies that have suffered maltreatment, neglect or deprived circumstances. In addition, we promote the education of the public in matters concerning the welfare of equines in general and the prevention of cruelty to and suffering by such animals. Once a horse, pony or donkey is accepted into our care our utmost efforts are directed at restoring the animal to full health, then undertaking such rehabilitation as may be appropriate and, wherever practical, re-homing it. The re-homed animals are inspected regularly and in the great majority of cases the Charity retains title to the re-homed animal.

Through its Discovery programme the Charity is recognised as a leader in equine assisted therapies and educational activities for children and young people with special educational needs. These equine and nature-based programmes are focussed on individuals with special educational needs, behavioural problems or are otherwise vulnerable and who are predominately excluded from main-stream schooling.

Through innovative therapies and tools to teach fundamental life skills, the Discovery programme helps the students discover their self-worth; improve their communication skills and create a future for themselves as independent, contributing adults.

Our principal focuses in 2018

Predominately our efforts were directed at promoting the Charity's work to as wide an audience as possible and generally enhancing the profile through all possible means.

- Promoting the Discovery programme to a wider audience with a view to enrolling an increasing number of disadvantaged children and young people, specifically those with learning difficulties and/or behavioural problems and, in the fullness of time, over a broader training, education and mentoring base.
- Increase our supporter base by all means permissible under the new fundraising regulations, and to implement new or alternative means of fundraising with the aim of becoming less reliant on legacy income.
- Developing our fundraising operations to include Trust/Grant fundraising.
- Enhance the profile of the Charity by exhibiting at events and using cost-effective advertising where appropriate.
- Promoting all aspects of equine care and welfare to the widest possible audience.
- Continuing to provide a re-homing service for the rehabilitated horses and ponies in our care.
- The advancement of public education pertaining to animal welfare.
- Working with local authorities, the police and fire services.
- Expanding our apprenticeship scheme focusing on equine care.
- Promoting HorseWorld at National Equine Welfare Meetings.

How we have performed against the charitable objectives:

The Discovery Programme

There is ongoing evidence that highlights the importance of animal-assisted interventions and other "green-care" options in maintaining the health and wellbeing of vulnerable children and young people. We are finding that authorities are now recognising the importance of alternative provision and there are ongoing

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Report of the Trustees for the year ended 31 December 2018

consultations with which we have been asked to assist.

Among the horses and ponies in our care at any one time there are some that are unlikely, for a wide variety of reasons, to be re-homed. The Discovery programme focuses on utilising some of these horses as unique tools to alleviate emotional and mental health challenges in children and young people and to encourage inter-personal communication and increased levels of confidence. This bringing together of previously mistreated horses and ponies with youngsters who have physical and/or emotional challenges has had quite remarkable positive effects. We see individuals with severe anti-social and/or aggressive behavioural problems become calmer and more communicative; withdrawn youngsters beginning to express themselves and employing new, appropriate body language; those demonstrating autistic spectrum behaviours and Attention Deficit Hyperactivity Disorders communicate with their peers, our tutors, the horses and begin to remain focussed on activities for increasing periods.

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

Now well into its eleventh year, the Discovery programme is having an increasing and positive impact working with hundreds of children and young people completing courses in 2018.

- The demand for Discovery's services is increasing,
- 228 student referrals were made in 2017-2018 academic year, 54 more than the previous year.
- 2,117 Discovery sessions have been delivered in the period to December 2018
- 91% of the children/young people attending reported high or very high levels of engagement
- 93% reported an increase in learners' self esteem
- 100% reported an increase in communication skills
- 87% reported a definite improvement in learners' sense of achievement
- 81% reported that Discovery has had a positive impact on the students' life beyond the course.

Rescue, Rehabilitation & Re-homing

Whenever possible and practical we seek, by providing advice and guidance, to ensure that horses remain with their owners but where this is not achievable, all too frequently because the owner cannot be identified, we will take the animal into our care. During 2018 there was an increasing number of instances where advice and guidance was offered, either first-hand or in response to emails and telephone calls. We record these instances as "indirect rescues".

As well as our equine advice and guidance to members of the public we assist local authorities, the police and the fire & rescue services.

Our welfare staff continue to liaise with relevant authorities to scrutinise identified issues and instigate initiatives to reduce these problems. We have been working with several recently rescued feral equines that have significant behavioural training needs and there are indications this may be an area making increased demands on our services.

2018 saw a significant number of welfare assistance cases, some incidents required immediate support from the Charity but not all of which resulted in horses being taken into care. We collaborated with the RSPCA and other equine charities on several rescues.

2018 Statistics	2018	2017
No of equines on site at year end	101	106
No of equines on loan at year end	207	228
No of equines with potential for rehoming	52	68
No of equines unable/unlikely to be rehomed	49	39
No of indirect rescues	96	-
No of equines taken in	15	22

During the year 27 horses in our care were rehomed. It remains a delicate balance to ensure the equines that have successfully completed their training and rehabilitation programme and are awaiting homes are kept fit and able whilst commencing the training of other equines on site. We take great care to ensure our horses and ponies will be in the care of people committed to giving them a home for life. However, there are always circumstances beyond our control and some are returned. Although not an ideal situation it shows

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Report of the Trustees for the year ended 31 December 2018

the need for HorseWorld to commit to providing protection for life for our rescued equines. In 2018 there were 26 horses and ponies returned by loaners for a variety of reasons with changed health and financial circumstances being to the fore.

As a consequence of our use of the Control of Horses Act 2015 over the 2 years to mid-2018 the number of uncontrolled or fly-grazed equines in our immediate area of operation has reduced greatly. This has resulted in a smaller number of equines being brought into our care but has been more than balanced by indirect rescues.

Regrettably, there is no sign of any diminution of demand for our advice, guidance, rescue and re-homing services. Over the course of 2018, staff responded to hundreds of phone calls from members of the public needing advice, reporting concerns about welfare cases or from horse-owners seeking a long-term home for their own equines for which they could no longer provide appropriate care. Around 65% of these were people needing guidance on how to report a welfare concern.

Break the Chain Campaign

On 6 October 2018, we launched our "Break The Chain" campaign at the Horse of the Year Show in Birmingham. The campaign aims to raise the awareness of horse tethering/welfare problems around the UK to a Government level recommending that Animal Welfare Laws and associated Codes of Practices are tightened and better enforced. Our campaign attracted huge international interest and was debated in the House of Commons on 20 February 2019, leading to ongoing Ministerial meetings on the subject.

Open Days and Events

Typically, our open days attract an audience of 1,000+ visitors, many of whom are committed supporters. These events are free of entry charge and permit our supporters and member of the public the opportunity to visit and to go 'behind the scenes' to see for themselves the charitable work that we are doing. For those supporters who contribute directly to the upkeep and welfare of animals through donations &/or volunteer work this is their opportunity to meet the animals and the staff who care so well for them.

In 2018 we had to cancel the April Open Day due to inclement weather and the consequent unavailability of suitable car parking facilities.

Most visitors at our Open Days take the opportunity to talk with our welfare staff about the animals and to reassure themselves that we continue to focus on our rescue, rehabilitation and rehoming objectives and are keenly interested to see and hear of the progress of the latest rescued animals.

Attractive levels of voluntary donations and significant new adoption income are a hallmark of these events and competitions and entry-free prize draws provide sufficient incentive for visitors and supporters to provide us with personal data.

Whilst most visitors and supporters are not in a position to re-home one of the horses or ponies in our care, there is always a number of rehoming enquiries and we have had rehoming successes as a consequence.

Employees of several of our corporate supporters regularly volunteer to help us organise and run these events, which also provide an opportunity for them to gain a deeper understanding of the Charity, its work and to interact with our supporters and visitors.

We exhibited at 14 equestrian and country shows including the Badminton Horse Trials, Gatcombe Festival of British Eventing, The Royal Bath and West Show, North Somerset Show and Your Horse Live. These events have been a very productive way of raising the profile of the charity, identifying new equine loan-homes and winning new supporters for the Charity.

Major Grant Income

Our second-year venture into grant funding applications yielded a 59% increase by value on our first year. We plan to build on this in 2019.

IT Systems/Security

We upgraded all aspects of our IT systems to improve security and resilience. As part of this exercise we introduced a new, state-of-the-art customer relationship management system that also ensured full compliance with the General Data Protection Regulations that became effective in May 2018. We appointed a Data Management Officer.

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Report of the Trustees for the year ended 31 December 2018

Governance and Management

The Charity is a company limited by guarantee and not having a share capital. It operates under the terms of its Memorandum and Articles of Association, as amended by Special Resolution on 15 December 2016. Copies are filed with Companies House and the Charity Commission.

The overall direction and management of the Charity lies with the Board of Trustee Directors (the "Board"). The Board meets at least bi-monthly to set strategy, approve plans and budgets; review and monitor activities; the progress in achieving the strategies and targets set by the Board.

The Board is ever mindful of the need to recruit appropriately experienced individuals to serve as trustees and to ensure continuity of appropriate specialist skills and services.

New trustees are appointed for their relevant commercial, technical or equine knowledge and are briefed by the Chairman and Managing Director on

- their legal obligations under charity and company law,
- the Charity Commission's guidance for trustees
- the Memorandum and Articles of Association,
- the committee and decision-making processes,
- the business plan and recent financial performance of the charity, and
- any other relevant information, and
- undertake tours of the charity where they meet staff and are introduced to all aspects of the charitable work.

Day-to-day operational control of the Charity is delegated by the Board to the Managing Director who is supported by a team of professionals in finance, human resources, health & safety, communications, fundraising, equine care and welfare. The Managing Director ensures that Board members are made aware of all new legislation and policies that will impact on the management of the Charity and the charitable work.

Staff salaries are reviewed annually and benchmarked against similar charities in terms of aims, size and structure.

Risk Management

The charity maintains a risk register as part of its risk management processes. The register is accessible to all managers who can add new incidents and risks of any nature (e.g. governance and management; operational; financial; external & environmental and compliance) as soon as they are identified or occur. Risk management policies set out how each risk or incident is scored relative to the likelihood of occurrence; recurrence and estimated impact. The register is reviewed by the Board and by the operational management team as circumstances dictate.

Public Benefit

The Trustee Directors and staff acknowledge the importance of working for the public benefit and achieve this in many ways. Our core activities focus on and are undertaken in the furtherance of our charitable aims and purposes and for the public benefit. They comprise:

- All aspects of equine care and welfare, including operating a re-homing service for the rehabilitated horses and ponies in our care.
- Advancing the education, training and mentoring of students, disadvantaged children and young persons including those with learning difficulties and/or behavioural problems.
- The advancement of public education pertaining to the animal welfare in general and the prevention of cruelty to animals.
- Providing assessment and training facilities for professional studies and qualifications.
- Working with local authorities, the police and fire and rescue services in dealing with the challenges of abandoned and stray horses and ponies.
- Being a full Equine Welfare Member of the National Equine Welfare Council (NEWC).
- An apprenticeship scheme focusing on equine care.
- Providing employment to 35 people, and
- Managing our land in a conscientious and environmentally appropriate manner.

In determining the charitable objectives and planning the activities set out in this report the Board has considered fully the Charity Commission's guidance on public benefit. The Charity relies predominately on

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Report of the Trustees for the year ended 31 December 2018

legacies and donations and, to a much lesser extent, on fees and charges to cover its operating costs. In setting the level of any fees and charges the Board considers the accessibility of the Charity's facilities. Where public access is restricted it is for sound management and/or welfare and safety reasons.

Staff, Volunteers and Supporters

Following a further period of staff consolidation with the emphasis fully on our core charitable work staff morale and team spirit is excellent.

In-house training courses for our Welfare Staff are conducted in collaboration with our veterinary practice. These encompass areas such as parasites, nutrition, lameness, basic first aid, injections, zoonotic diseases and assessing for ill-health. Following the successful completion of this in-house course staff will be assessed and further formal NVQ training will be considered for those wishing to take their learning in these important areas to higher levels. We have also invested heavily in staff-training, providing specialist in-house training on equine behavioural issues to help our staff work with the more challenging equines we rescue; along with specialist Farm Vehicle Training.

We are supported by a number of committed volunteers, some of whom assist on a regular basis by volunteering for a range of administrative activities, our Discovery programme, the rescued horses, ponies and donkeys and also helping to run our second-hand tack shop. We also have volunteers that help with our Open Day events, including greeting visitors, serving refreshments, car parking and helping staff with manning the stalls at the event.

Over the course of the year there were 66 volunteers who generously contributed 2,824 hours, by helping with Discovery courses, Equine Welfare, Open Days and external events and help with running the Tack Shop.

As ever, we are very appreciative of all the staff members, supporters and volunteers for their continued dedication and support to the Charity without whom we would achieve so much less in all areas.

In the closing weeks of 2018 we instigated a new, website based, initiative, aimed at attracting volunteers to assist us in a wide range of activities. This is conducted under the title of "HorseWorld Heroes" and full details appear at <https://horseworld.volunteermakers.org/get-involved>.

Community Projects

Our work with the Youth Offending Team ceased in 2018 due to the lack of the authority's supervisors. However, rather than working with the larger groups, we have managed to support a number of individual youth offenders who have completed placements on the welfare yard.

Education

As in previous years, through the Discovery programme fuller details of which appear under the separate heading, we continued to expand and enhance our equine care and welfare education programmes working with children from local schools and those privately introduced.

We continue to provide training and educational activities to a host of professional and trade bodies, ranging from equine dental technicians, the fire and rescue service, through to saddle micro-chippers and post-doctoral veterinary surgeons.

Financial Review

Separate accounts for Horserescue Limited (our dormant, wholly-owned subsidiary) have been prepared and submitted to Companies House.

The Charity's statement of financial activities records net incoming resources in 2018 was £1,304,926 (2017 - £800,384). The Charity's principle source of funding remains legacy income which, by its nature, cannot be reliably forecast and is subject to substantial year-on-year variations. In 2018 it was £891,353 (2017 - £515,254). However, notifications have been received of substantial legacies in the Charity's favour but, based on the information currently available, these cannot to be recorded formally as income. Please refer to Note 25 to the Report & Accounts.

Expenditure on our charitable activities increased to £1,047,196 (2017 - £959,841).

The net, unrealised losses on investments of £457,264 merely reflects the market value of the Charity's

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Report of the Trustees for the year ended 31 December 2018

investments (£5,796,610) at the year-end and the depressed state of stock markets worldwide as at 31 December 2018. As of the close of business on 30 April 2019 the market value of the investment portfolios had recovered to £6,261,731.

Investment Objectives and Risk

In 2017 the Board established an Investment Committee the members of which are drawn from the Board and senior management. This committee has a mandate to appoint and manage the investment managers and set investment targets.

Smith & Williamson Investment Management Limited ("SWIML"), were initially appointed as investment managers in 2008 and re-affirmed in 2017.

In 2017 the committee additionally appointed Rathbone Investment Management Limited ("Rathbones") as an investment manager.

Both firms operate under the same investment policy which was reaffirmed as remaining current in March 2019. The policy defines the Charity's investment objectives; risk profile; liquidity requirements; time horizon; ethical policy and reporting and monitoring requirements. The overall investment portfolio was apportioned equally between the investment managers in 2017.

Reserves Policy

Designated Reserve -Premises Relocation Fund:

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

The JSP was submitted on 13th April 2018 to the Secretary of State with formal Examination Hearings expected to commence in mid-2019. Adoption of the JSP is projected for mid-2020. It identifies the locations for potential development at a very high level (i.e. bubbles on a map). The B&NES Local Plan element within the JSP is more detailed and considers the potential development locations in greater detail. The Local Plan includes a strategy to guide development, site allocations (including strategic development locations and smaller sites) to meet development requirements and district-wide development management policies for determining planning applications.

When both plans are formally adopted, they will, together form a legal document to be known as the Development Plan.

The currently reported expectations of the politicians and professionals are positive and there is the recognition that if the Development Plan is adopted in the present form, or a similar or expanded version the Charity will need to relocate and acquire alternative and, almost certainly, separate, new sites for the equine welfare activities and the Discovery programme.

The latter will require a location and appropriate facilities close to or within the Bristol City area. The equine welfare activities do not have such a location specific requirement.

To provide for the cost of acquiring the new sites; the associated professional fees and other costs, (e.g. new buildings, infrastructure, accommodations; field shelters; fencing, tracks and other facilities) a designated Premises Relocation Fund of £6,500,000 is maintained. The monies represented by this Fund are unavailable to meet the Charity's routine expenditure.

Fixed Assets:

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

The land and buildings fell to be revalued on the fifth anniversary of the most recent valuation. This resulted in an increase in the value attributed to these fixed assets of £1,319,882 and is recorded as a gain on

HorseWorld Trust

Report of the Trustees for the year ended 31 December 2018

revaluation in the statement of financial activities, with the fixed asset revaluation reserve being credited within the designated funds.

Other:

Additionally, £100,000 is designated for the upgrading of essential vehicles and equipment; £150,000 for the repair and maintenance for key assets including the improvement and renovation of our land and buildings.

Free Reserves:

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

Consequently, the Free Reserves Policy is to maintain unrestricted funds, (i.e. those not designated, committed or invested in tangible fixed assets), which are the free reserves of the Charity, at a level that approximates to the 2019 budgeted expenditure. This should ensure the Charity is able to fund its ongoing direct operational costs and will be in a position whereby:

- It is secure in the knowledge that it will be able to care for the equines in its control.
- It can meet the rising costs associated with the care and welfare of equines and can continue to offer a haven for those that have suffered neglect, abuse &/or injury.
- It is in a position to fund the investment to be made in the planned extension and development of the core charitable aims and in essential new fundraising activities.
- It can meet the investment required in the training and development of staff.
- It can invest in any works necessary to ensure that all land in its ownership remains fit for purpose.
- It can maintain in a proper state of repair all the vehicles, equipment, stables, barns, field shelters, fencing and other buildings in its ownership.
- It can ensure that there are appropriately trained staff available to provide advice and assistance to local authorities, the police, fire and rescue service and members of the public.

The free reserves at 31 December 2018 were £821,201. The budgeted operational expenditure for 2019 is £1.432 million. The deficit between the free reserves as at 31 December and the 2019 budgeted operational expenditure is reduced by the post year-end uplift in the market value of the investment portfolio as recorded in the section headed Financial Review above.

Of the free reserves £666,961 relates to outstanding legacies of which the Charity has been advised and accounted for, in this and previous accounting periods, but where monies have not yet been received.

Plans for the Future

The principal aims for 2019 will remain focussed on our core charitable activities, i.e.:

- Advancing the education, training and mentoring of students, disadvantaged children and young persons including those with learning difficulties and/or behavioural problems including promoting the Discovery programme to a wider network with a view to rolling it out over a broader geographical area.
- To save the lives of neglected and maltreated equines in our area by operating a specialist and dedicated equine rescue service
- Increase the supporter base by all means permissible under the new fundraising regulations, principally through digital marketing techniques as a very cost effective and efficient method of reaching new potential supporters
- Expand our Trust/Grant fundraising activities and identify and implement new ways of fundraising in order to become less reliant on legacy income,
- Enhance the profile of the Charity by attending external events and using cost-effective advertising where appropriate
- Develop the anti-tethering campaign to address better enforcement of the Animal Welfare Act.
- Promoting all aspects of equine care and welfare to the widest possible audience,
- Continue to provide a re-homing service for the rehabilitated horses and ponies in our care,
- The advancement of public education pertaining the equine welfare,
- Working with local authorities, the police and fire & rescue services on equine related issues,
- Representing HorseWorld at National Equine Welfare meetings.

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Report of the Trustees for the year ended 31 December 2018

Legal & Administrative Information

Charity number 1121920

Company number 06353944

Registered office and
Operational address
Delmar Hall
Keynes Farm,
Staunton Lane
Whitchurch
Bristol
BS14 0QL

Trustee Directors
John Newman Chairman
Duncan Ballard BVM&S Cert EP MRCVS
Nigel Daniel
Lesley Dillingham MBE (Appointed 18 October 2018)
Andrew Dowden
Kerry Gwyther LLB (Hons)
Ernie Hemmings
Michael Neale FCA
Annette Newman
Patti Shand

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

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

Bankers
Barclays Bank plc
46 High Street
Keynsham
Bristol
BS31 1DX

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Investment Managers Rathbone Investment Management Limited

8 Finsbury Circus
London
EC2M 9AZ

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

Auditors

Burnside (formerly Hollingdale Pooley)
Chartered Accountants and Registered Auditors
61 Queen Square
Bristol
BS1 4JZ

HorseWorld Trust

Report of the Trustees for the year ended 31 December 2018

The Trustee Directors are pleased to present their annual report together with the financial statements of HorseWorld Trust for the year ending 31 December 2018. The report has been prepared to meet the requirements of a Directors' Report and Accounts for Companies Act purposes.

Additionally, the financial statements comply with the Charities Act 2013, the Companies Act 2006 and Accounting and Reporting by Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective as of 1st January 2015).

Statement of Responsibilities of the Trustee Directors

The law applicable to charities in England and Wales requires the Trustee Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources including the net income or expenditure of the group for the year.

In preparing those financial statements the Trustee Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

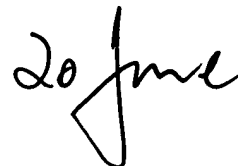
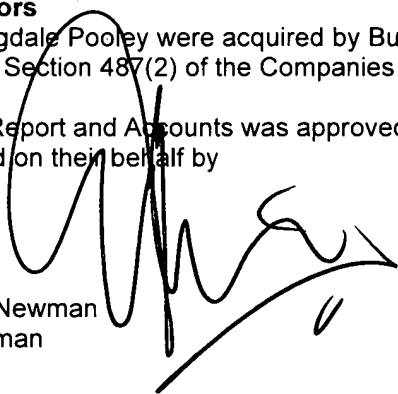
The Trustee Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustee Directors are also responsible for safeguarding the assets of the group and Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Hollingdale Pooley were acquired by Burnside on 3 December 2018. Burnside were appointed as auditors under Section 487(2) of the Companies Act 2006.

This Report and Accounts was approved by the Trustee Directors on 20 June 2019 and signed on their behalf by

John Newman
Chairman



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

OPINION

We have audited the financial statements of HorseWorld Trust for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of the its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the 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 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 the 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, 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.

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

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

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

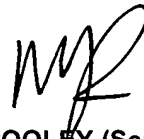
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



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

61 Queen Square
BRISTOL
BS1 4JZ

Date: 20/6/2019

HorseWorld Trust

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

For the year ended 31 December 2018

	Note	Endowment £	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Income from:						
Donations and legacies	3	-	10,664	978,819	989,483	633,463
Charitable activities		-	65,312	42,470	107,782	62,275
Other trading activities	4	-	-	52,600	52,600	56,124
Investments		1,158	-	153,903	155,061	43,176
Other	5	-	-	-	-	5,346
Total income		<u>1,158</u>	<u>75,976</u>	<u>1,227,792</u>	<u>1,304,926</u>	<u>800,384</u>
Expenditure on:						
Raising funds		210	-	408,081	408,291	251,848
Charitable activities		-	39,327	1,007,869	1,047,196	959,841
Total expenditure	7	<u>210</u>	<u>39,327</u>	<u>1,415,950</u>	<u>1,455,487</u>	<u>1,211,689</u>
Net income / (expenditure) before gains / (losses)		948	36,649	(188,158)	(150,561)	(411,305)
Net gains / (losses) on investments		<u>(1,880)</u>	<u>-</u>	<u>(455,384)</u>	<u>(457,264)</u>	<u>4,116,411</u>
Net income / (expenditure)		(932)	36,649	(643,542)	(607,825)	3,705,106
Transfers between funds		-	-	-	-	-
Gain on revaluation of fixed assets		<u>-</u>	<u>-</u>	<u>1,319,882</u>	<u>1,319,882</u>	<u>-</u>
Net movement in funds	9	(932)	36,649	676,340	712,057	3,705,106
Reconciliation of funds:						
Total funds brought forward		<u>35,760</u>	<u>27,463</u>	<u>10,598,073</u>	<u>10,661,296</u>	<u>6,956,190</u>
Total funds carried forward		<u><u>34,828</u></u>	<u><u>64,112</u></u>	<u><u>11,274,413</u></u>	<u><u>11,373,353</u></u>	<u><u>10,661,296</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the accounts.

HorseWorld Trust

Balance sheet

As at 31 December 2018

	Note	£	2018 £	2017 £
Fixed assets				
Tangible assets	12		3,665,952	2,355,410
Intangible assets	13		46,800	-
Investments	14		<u>5,796,610</u>	<u>6,121,878</u>
			9,509,362	8,477,288
Current assets				
Stocks	15	3,090		116
Debtors	16	675,766		768,480
Cash at bank and in hand		<u>1,254,920</u>		<u>1,475,963</u>
		1,933,776		2,244,559
Liabilities				
Creditors: amounts falling due within 1 year	17	<u>(69,785)</u>		<u>(60,551)</u>
Net current assets			1,863,991	2,184,008
Net assets	18		<u>11,373,353</u>	<u>10,661,296</u>
Funds	19			
Endowment funds			<u>34,828</u>	<u>35,760</u>
Restricted funds			<u>64,112</u>	<u>27,463</u>
Unrestricted funds				
<i>Designated funds:</i>				
Property relocation			6,500,000	6,500,000
Fixed assets			1,028,740	974,627
Fixed asset revaluation reserve			2,674,472	1,373,082
Vehicles and equipment			100,000	70,000
Repairs and maintenance			<u>150,000</u>	<u>140,000</u>
			10,453,212	9,057,709
<i>General funds:</i>				
Revaluation reserve			-	244,033
General funds			<u>821,201</u>	<u>1,296,331</u>
Total charity funds			<u>11,373,353</u>	<u>10,661,296</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on  and signed on their behalf by

John Newman
Chairman

HorseWorld Trust**Statement of cash flows****For the year ended 31 December 2018**

	Note	2018 £	2017 £
Cash used in operating activities:			
Net cash provided by / (used in) operating activities	21	<u>(121,765)</u>	<u>(89,863)</u>
Cash flows from investing activities:			
Dividends and interest from investments		155,061	43,176
Proceeds from the sale of property, plant and equipment		-	3,600
Purchase of tangible fixed assets		(75,543)	(70,624)
Purchase of intangible fixed assets		(46,800)	-
Proceeds from the sale of investments		637,005	6,525,938
Purchase of investments		<u>(1,371,935)</u>	<u>(4,515,012)</u>
Net cash provided by / (used in) investing activities		<u>(702,212)</u>	<u>1,987,078</u>
Increase / (decrease) in cash and cash equivalents in the year		(823,977)	1,897,215
Cash and cash equivalents at the beginning of the year		<u>2,160,419</u>	<u>263,204</u>
Cash and cash equivalents at the end of the year	22	<u><u>1,336,442</u></u>	<u><u>2,160,419</u></u>

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

HorseWorld Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

1. Accounting policies (continued)

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or expendable according to the nature of the restriction. Endowments and the subsequent increases and decreases in value are shown in the Statement of Financial Activities as part of those funds.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis:

	2018	2017
Cost of raising funds	23.51%	20.13%
Charitable activities	76.49%	79.87%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Freehold land	0%	
Freehold buildings	2%	straight line
Temporary structures (e.g. field shelters)	20%	straight line
Leasehold land	0%	
Plant and equipment	20%	straight line
Furniture and office equipment	20%	straight line
Motor vehicles	25%	reducing balance

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

1. Accounting policies (continued)

i) Tangible fixed assets (continued)

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Freehold and leasehold land and buildings are included at valuation. The charity revalues land and buildings every 5 years. The most recent revaluation was carried out at 31 December 2018. The statement of financial activities includes the net gain arising on revaluation during the year. Other fixed assets are included at cost including any incidental expenses of acquisition. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

j) Intangible fixed asset

Software and website development are capitalised where the purchase price exceeds £1,000. Amortisation is provided at a rate of 33% to write down the cost of each asset to its estimated residual value over its expected useful life.

k) Listed investments

Investments in quoted shares, traded bonds and similar investments are measured initially at cost and subsequently at fair value (their market value). The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

l) Investment in subsidiary undertakings

The charitable company has one wholly owned subsidiary, Horserescue Limited (registered company number 3519561). The subsidiary was previously used for non-primary purpose trading activities but does not currently trade. HorseWorld Trust has opted not to prepare consolidated accounts on the basis of immateriality, in application of statutory instrument 2008/629 regulation 19. The accounts of Horserescue Limited are publicly available from Companies House.

The subsidiary undertaking is valued at cost less any cumulative impairments losses.

m) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

1. Accounting policies (continued)

p) Creditors

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

q) Financial instruments

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

r) Pension costs

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions. The contributions made for the accounting period are treated as an expense and were £50,714 (2017: £43,325).

s) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

t) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

Valuation of land and buildings

As described in note 12 to the financial statements, land and buildings are stated at valuation carried out in the year ended 31 December 2018 performed by an independent professional valuer David James & Partners Ltd, rural chartered surveyors with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any differences in the future, location or condition of the specific asset.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives - statement of financial activities

	Endowment £	Restricted £	Unrestricted £	2017 Total £
Income from:				
Donations and legacies	-	8,718	624,745	633,463
Charitable activities	-	30,000	32,275	62,275
Other trading activities	-	-	56,124	56,124
Investments	997	-	42,179	43,176
Other	-	-	5,346	5,346
Total income	997	38,718	760,669	800,384
Expenditure on:				
Raising funds	207	-	251,641	251,848
Charitable activities	-	17,187	942,654	959,841
Total expenditure	207	17,187	1,194,295	1,211,689
Net income / (expenditure) before gains / (losses)	790	21,531	(433,626)	(411,305)
Net gains / (losses) on investments	586	-	4,115,825	4,116,411
Net income / (expenditure)	1,376	21,531	3,682,199	3,705,106
Transfers between funds	-	(6,720)	6,720	-
Net movement in funds	1,376	14,811	3,688,919	3,705,106

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

3. Donations and legacies

	Restricted £	Unrestricted £	2018 Total £
Legacies	-	891,353	891,353
Donations	10,664	53,061	63,725
Appeals	-	17,292	17,292
Grants	-	17,113	17,113
Total income from donations and legacies	<u>10,664</u>	<u>978,819</u>	<u>989,483</u>

Prior period comparative:

	Restricted £	Unrestricted £	2017 Total £
Legacies	-	515,254	515,254
Donations	8,718	63,496	72,214
Appeals	-	20,328	20,328
Grants	-	25,667	25,667
Total income from donations and legacies	<u>8,718</u>	<u>624,745</u>	<u>633,463</u>

4. Other trading activities

	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Rental income	-	17,280	17,280	23,212
Merchandise and tack shop sales	-	11,764	11,764	14,289
Adoptions	-	9,643	9,643	9,606
Events	-	13,913	13,913	9,017
Total income from other trading activities	<u>-</u>	<u>52,600</u>	<u>52,600</u>	<u>56,124</u>

All income from other trading activities in the previous year was fully unrestricted.

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

5. Other income

	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Miscellaneous income	-	-	-	3,141
Profit on disposal of fixed assets	-	-	-	2,205
Total other income	-	-	-	5,346

All other income in the previous year was fully unrestricted.

6. Government grants

The charitable company receives government grants, defined as funding from Rural Payment Agency, to assist with the upkeep of their land. The total value of such assistance in the period ending 31 December 2018 was £13,313 (2017: £13,136). There are no unfulfilled conditions or contingencies attaching to this funding in either period.

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

7. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2018 Total £
Staff costs (note 10)	165,568	538,670	149,766	854,004
Equine costs	-	118,519	-	118,519
Establishment costs	11,928	117,385	51,000	180,313
Cost of sales and events	1,214	-	-	1,214
Fundraising costs	23,579	-	-	23,579
Marketing and publications	130,208	-	-	130,208
Legal and professional	-	-	37,599	37,599
Investment managers' fees	17,584	-	-	17,584
Audit and accountancy fees	-	-	7,080	7,080
Bad debt provision	504	-	-	504
Depreciation	-	68,638	-	68,638
Loss on disposal	-	16,245	-	16,245
Sub-total	350,585	859,457	245,445	1,455,487
Allocation of support and governance costs	57,706	187,739	(245,445)	-
Total expenditure	408,291	1,047,196	-	1,455,487

Prior period comparative:

	Raising funds £	Charitable activities £	Support and governance costs £	2017 Total £
Staff costs (note 10)	119,762	475,227	146,054	741,043
Equine costs	-	96,435	-	96,435
Establishment costs	16,295	130,570	49,755	196,620
Cost of sales and events	668	-	-	668
Fundraising costs	9,665	-	-	9,665
Marketing and publications	43,988	-	-	43,988
Legal and professional	-	-	46,895	46,895
Investment managers' fees	10,332	-	-	10,332
Audit and accountancy fees	-	-	7,908	7,908
Bad debt provision	694	250	-	944
Depreciation	-	57,191	-	57,191
Sub-total	201,404	759,673	250,612	1,211,689
Allocation of support and governance costs	50,444	200,168	(250,612)	-
Total expenditure	251,848	959,841	-	1,211,689

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

8. Support and governance costs

Support and governance costs are allocated to activities as follows:

	Raising funds £	Charitable activities £	2018 Total £
Staff costs	35,211	114,555	149,766
Establishment costs	11,990	39,009	50,999
Legal and professional fees	8,840	28,760	37,600
Audit and accountancy fees	1,664	5,416	7,080
	<u>57,705</u>	<u>187,740</u>	<u>245,445</u>

Prior period comparative:

	Raising funds £	Charitable activities £	2017 Total £
Staff costs	29,398	116,656	146,054
Establishment costs	10,015	39,740	49,755
Legal and professional fees	9,439	37,456	46,895
Audit and accountancy fees	1,592	6,316	7,908
	<u>50,444</u>	<u>200,168</u>	<u>250,612</u>

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

9. Net movement in funds

This is stated after charging:

	2018 £	2017 £
Depreciation	68,638	57,191
Loss / (profit) on disposal of fixed assets	16,245	(2,205)
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	475	651
Auditors' remuneration:		
▪ Audit (inc VAT)	7,080	6,888
▪ Other services	Nil	1,020
Operating lease rentals	<u>12,832</u>	<u>7,491</u>

Trustees reimbursed expenses of £475 relate to travel and subsistence expenses for 2 trustees (2017: £651, 3 trustees).

10. Staff costs and numbers

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	733,582	636,514
Social security costs	57,258	46,984
Pension costs	50,714	43,325
Employee benefits	<u>12,450</u>	<u>14,220</u>
	<u>854,004</u>	<u>741,043</u>

One employee received emoluments between £80,000 and £90,000 during the year (2017: 1, £70,000 - £80,000).

The key management personnel of the charity comprise the Managing Director, Director of Finance, Director of Human Resources and the FR, PR and Communications Manager. The total employee remuneration and benefits of the key management personnel of the charity were £274,904 (2017: £263,583).

	2018 No.	2017 No.
Average head count	<u>37</u>	<u>33</u>

11. Taxation

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

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

12. Tangible fixed assets

	Assets in the course of construction £	Freehold land and buildings £	Temporary structures £	Leasehold land £	Plant and equipment £	Furniture and office equipment £	Motor vehicles £	Total £
Cost or valuation								
At 1 January 2018	28,978	2,283,755	92,248	16,245	489,572	280,447	140,957	3,332,202
Additions in year	-	6,493	29,969	-	7,251	17,406	14,424	75,543
Disposals	-	-	-	(16,245)	-	-	-	(16,245)
Transfers	(28,978)	-	-	-	-	28,978	-	-
Revaluation	-	1,209,752	-	-	-	-	-	1,209,752
At 31 December 2018	-	<u>3,500,000</u>	<u>122,217</u>	-	<u>496,823</u>	<u>326,831</u>	<u>155,381</u>	<u>4,601,252</u>
Depreciation								
At 1 January 2018	-	88,000	73,694	-	440,520	280,447	94,131	976,792
Charge for the year	-	22,130	8,452	-	17,853	4,066	16,137	68,638
Revaluation	-	(110,130)	-	-	-	-	-	(110,130)
At 31 December 2018	-	-	<u>82,146</u>	-	<u>458,373</u>	<u>284,513</u>	<u>110,268</u>	<u>935,300</u>
Net book value								
At 31 December 2018	<u>-</u>	<u>3,500,000</u>	<u>40,071</u>	<u>-</u>	<u>38,450</u>	<u>42,318</u>	<u>45,113</u>	<u>3,665,952</u>
At 31 December 2017	<u>28,978</u>	<u>2,195,755</u>	<u>18,554</u>	<u>16,245</u>	<u>49,052</u>	<u>-</u>	<u>46,826</u>	<u>2,355,410</u>

Freehold and leasehold land and buildings included in tangible fixed assets were revalued as at 31 December 2018. The total value in use of all land and buildings was £3,500,000; broken down into land of £2,300,000 and buildings of £1,200,000. The valuation was carried out by David James & Partners Ltd of Well House, Wotton-under-Edge, Gloucestershire, GL12 7AD.

At 31 December 2018, the comparable amounts of land and buildings included in tangible fixed assets at valuation, determined according to historical cost accounting rules, are cost £1,283,619, depreciation charge £8,889 and net book value £825,527 (2017: £838,917).

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

13 Intangible fixed assets

	Software and website £	Total £
Cost or valuation		
At 1 January 2018		
Additions in year	46,800	46,800
Disposals	-	-
Transfers	-	-
Revaluation	-	-
At 31 December 2018	<u>46,800</u>	<u>46,800</u>
Amortisation		
At 1 January 2018	-	-
Charge for the year	-	-
Revaluation	-	-
At 31 December 2018	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2018	<u><u>46,800</u></u>	<u><u>46,800</u></u>
At 31 December 2017	<u>-</u>	<u>-</u>

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

14. Investments

	Investment in subsidiary £	Smith & Williamson Main Fund £	Smith & Williamson Cash Fund £	Smith & Williamson GSR Fund £	Rathbones Fund £	2018 £	2017 £
Market value at 1 January 2018	8	2,960,896	49,821	36,819	3,074,334	6,121,878	3,351,951
Additions	-	1,000,913	-	4,410	366,612	1,371,935	4,515,012
Equalisation	-	(2,632)	-	-	(4,108)	(6,740)	(1,120)
Net disposals proceeds	-	(630,265)	-	-	-	(630,265)	(6,524,818)
Realised gains / (losses)	-	(10,715)	-	-	-	(10,715)	3,986,379
Unrealised gains / (losses)	-	(226,528)	(1,371)	(1,880)	(216,770)	(446,549)	130,032
Movement in cash balance	-	<u>(306,536)</u>	<u>(285)</u>	<u>(3,462)</u>	<u>(292,651)</u>	<u>(602,934)</u>	<u>664,442</u>
Market value at 31 December 2018	8	<u>2,785,133</u>	<u>48,165</u>	<u>35,887</u>	<u>2,927,417</u>	<u>5,796,610</u>	<u>6,121,878</u>
Represented by:							
Listed equities	-	2,708,483	45,490	33,997	2,927,110	5,715,080	5,437,414
Cash and cash equivalents	-	76,650	2,675	1,890	307	81,522	684,456
Investment in subsidiary	8	-	-	-	-	8	8
Total	8	<u>2,785,133</u>	<u>48,165</u>	<u>35,887</u>	<u>2,927,417</u>	<u>5,796,610</u>	<u>6,121,878</u>

In the prior year, the charitable company disposed of an investment property comprising land valued at £750,000 and buildings valued at £1,250,000. A gain of £3,987,215 was realised on disposal.

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

15. Stock

	2018	2017
	£	£
Goods for resale	<u>3,090</u>	<u>116</u>

16. Debtors

	2018	2017
	£	£
Trade debtors	1,845	3,035
Prepayments	4,169	2,948
Other debtors	669,594	761,040
VAT recoverable	<u>158</u>	<u>1,457</u>
	<u>675,766</u>	<u>768,480</u>

17. Creditors : amounts due within 1 year

	2018	2017
	£	£
Trade creditors	33,438	16,262
Other taxation and social security	14,713	14,135
Accruals	16,451	25,663
Other creditors	<u>5,183</u>	<u>4,491</u>
	<u>69,785</u>	<u>60,551</u>

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Notes to the financial statements

For the year ended 31 December 2018

18. Analysis of net assets between funds

	Endowment funds £	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	9,540	3,656,412	3,665,952
Investments	34,828	-	5,761,782	5,796,610
Current assets	-	54,572	1,879,204	1,933,776
Current liabilities	-	-	(69,785)	(69,785)
Net assets at 31 December 2018	34,828	64,112	11,227,613	11,326,553

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

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

19. Movements in funds

	At 1 January 2018 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2018 £
Endowment funds:						
GS Roberts Will Trust	30,406	1,158	(210)	-	-	31,354
GS Roberts Will Trust revaluation reserve	5,354	-	-	(1,880)	-	3,474
Total endowment funds	35,760	1,158	(210)	(1,880)	-	34,828
Restricted funds:						
Wooden Spoon Classroom and Bootroom	1,008	-	(1,008)	-	-	-
Welfare Turnout Arena	6,692	-	(2,362)	-	-	4,330
Discovery Facilities	-	6,060	(802)	-	(48)	5,210
Discovery Equipment	3,747	2,989	(2,868)	-	48	3,916
Discovery Courses	15,626	56,263	(21,623)	-	-	50,266
Rescue Boards	390	-	-	-	-	390
Vet Fees	-	10,275	(10,275)	-	-	-
Other Named Horses	-	389	(389)	-	-	-
Total restricted funds	27,463	75,976	(39,327)	-	-	64,112

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

19. Movements in funds (continued)

	At 1 January 2018 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2018 £
Unrestricted funds						
<i>Designated funds:</i>						
Property relocation	6,500,000	-	-	-	-	6,500,000
Fixed assets	974,627	-	-	-	54,113	1,028,740
Fixed asset revaluation reserve	1,373,082	-	-	1,319,882	(18,492)	2,674,472
Vehicles and equipment	70,000	-	-	-	30,000	100,000
Repairs and maintenance	140,000	-	-	-	10,000	150,000
<i>General funds</i>						
Revaluation reserve	244,033	-	-	(202,659)	(41,374)	-
General funds	<u>1,296,331</u>	<u>1,227,792</u>	<u>(1,415,950)</u>	<u>(252,725)</u>	<u>(34,247)</u>	<u>821,201</u>
Total unrestricted funds	<u>10,598,073</u>	<u>1,227,792</u>	<u>(1,415,950)</u>	<u>864,498</u>	<u>-</u>	<u>11,274,413</u>
Total funds	<u><u>10,661,296</u></u>	<u><u>1,304,926</u></u>	<u><u>(1,455,487)</u></u>	<u><u>862,618</u></u>	<u><u>-</u></u>	<u><u>11,373,353</u></u>

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

19. Movements in funds (continued)

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

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

19. Movements in funds (continued)

Prior year comparative	At 1 January 2017 £	Income £	Expenditure £	Gains / (losses) £	Transfers between funds £	At 31 December 2017 £
Unrestricted funds						
<i>Designated funds:</i>						
Property relocation					6,500,000	6,500,000
Fixed assets	944,787	-	-	-	29,840	974,627
Fixed asset revaluation reserve	1,386,323	-	-	-	(13,241)	1,373,082
Vehicles and equipment	70,000	-	-	-	-	70,000
Repairs and maintenance	140,000	-	-	-	-	140,000
<i>General funds</i>						
Revaluation reserve	1,015,524	-	-	128,610	(900,101)	244,033
<i>General funds</i>	<u>3,352,520</u>	<u>760,669</u>	<u>(1,194,295)</u>	<u>3,987,215</u>	<u>(5,609,778)</u>	<u>1,296,331</u>
Total unrestricted funds	<u>6,909,154</u>	<u>760,669</u>	<u>(1,194,295)</u>	<u>4,115,825</u>	<u>6,720</u>	<u>10,598,073</u>
Total funds	<u><u>6,956,190</u></u>	<u><u>800,384</u></u>	<u><u>(1,211,689)</u></u>	<u><u>4,116,411</u></u>	<u><u>-</u></u>	<u><u>10,661,296</u></u>

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

19. Movements in funds (continued)

Purposes of restricted funds

The Wooden Spoon Classroom fund is for the renovation of two stables into classroom and bootroom space for the Discovery Courses which in turn will help disadvantaged children and children with learning difficulties gain confidence and self esteem and work towards gaining a recognised qualification. Our horses also benefit from the interaction with the children.

The Welfare Turnout Arena fund is for the construction of an All Weather Turnout Track to help with the welfare and ongoing daily care of our equines with specialist needs such as laminitis.

The Rescue Boards fund is for the purchase of rescue boards.

The Discovery Facilities Fund is for funding awarded to provide facilities in the delivery of our Discovery Courses.

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

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

The Vet Fees Fund was received for funding veterinary care for the horses in the Trust's care.

Purpose of designated funds

The property relocation fund is to provide funds for the charity to acquire a new site for its operations.

The fixed asset designated fund reflects the net book value of the charity's assets, excluding the portions held in restricted capital funds.

The vehicles and equipment fund is to replace essential assets that the charity uses.

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

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Notes to the financial statements

For the year ended 31 December 2018

20. Financial instruments

	2018 £	2017 £
Financial assets that are debt instruments measured at fair value:		
Investments in listed shares	<u>5,715,080</u>	<u>5,437,414</u>
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	1,845	3,035
Other debtors	669,594	761,040
Cash at bank and in hand	<u>1,254,920</u>	<u>1,475,963</u>
	<u>1,926,359</u>	<u>2,240,038</u>
Financial liabilities measured at amortised cost:		
Trade creditors	33,438	16,262
Accruals	16,451	25,663
Other creditors	<u>5,183</u>	<u>4,491</u>
	<u>55,072</u>	<u>46,416</u>

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

	2018 £	2017 £
Net movement in funds	712,057	3,705,106
Adjustments for:		
Depreciation charges	68,638	57,191
Loss / (profit) on the sale of fixed assets	16,245	(2,205)
(Gain) on revaluation of fixed assets	(1,319,882)	-
(Gains) / losses on investments	457,264	(4,116,411)
Dividends and interest from investments	(155,061)	(43,176)
Provision for doubtful debts	504	694
Decrease / (increase) in stock	(2,974)	484
Decrease / (increase) in debtors	92,210	295,272
Increase / (decrease) in creditors	<u>9,234</u>	<u>13,182</u>
Net cash provided by / (used in) operating activities	<u>(121,765)</u>	<u>(89,863)</u>

22. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,254,920	1,475,963
Cash held as part of fixed asset investments (note 14)	<u>81,522</u>	<u>684,456</u>
Total cash and cash equivalents	<u>1,336,442</u>	<u>2,160,419</u>

HorseWorld Trust

Notes to the financial statements

For the year ended 31 December 2018

23. Operating lease commitments

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

	2018 £	2017 £
Amount falling due:		
Within 1 year	14,451	12,267
Within 1 - 5 years	<u>19,568</u>	<u>15,099</u>
	<u>34,019</u>	<u>27,366</u>

24. Related party transactions

There were no related party transactions during the period (2017: none).

25. Contingent assets

Legacies

The charity has been bequeathed a 1/33rd share of the estate of a deceased person who died on 23 July 2016. Grant of probate was obtained by the executors on 29 November 2016.

No estimate of the size of the legacy has been received from the Executors by the Trust, nor has there been an indication from the Executors as to when the legacy will be received by the Trust.

Based on the probate valuations, the legacy would be in the range of £88,000.

Under the Trust's accounting policy the amount of the legacy cannot be measured reliably and has therefore been disclosed above as a contingent asset.