



WorldHorseWelfare



REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

31 DECEMBER 2022



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WORLD HORSE WELFARE

**REPORT OF THE TRUSTEES AND
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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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Introduction from the Chief Executive

With 2022 being the mid-way point in our five-year strategic plan, we have an opportunity to reflect on how far we have come as a charity, and there is much to take heart from despite everything that is going on in the world right now. The first two years of the strategic period were very much dominated by the COVID-19 pandemic but during 2022 the world (with some notable exceptions) seems to have largely moved on. We moved with it, making a real difference to the lives of horses in need, sport and leisure horses and horses used in work and production.

This annual report outlines our charity's achievements in its core activities of care, research, education and influence, and our progress against our strategic objectives which was made in the face of significant challenge and uncertainty. We remained steady on our feet as we emerged into the post-pandemic world straight into a war in Ukraine and a cost of living crisis, and adjusted our activity to meet the need. Whilst there are some 'soft signals' that we may be on the precipice of a welfare surge (such as the number of calls from owners who are struggling financially), it is encouraging that our farms still have some capacity, which is due in part to three blockbuster years for rehoming. However we know from past experience how quickly this can change.

Internationally, travel has now become much more of the norm and our latest project in Romania is beginning to make progress. There was a huge response to the campaign on behalf of The British Equestrians for Ukraine Fund which by the end of the year had raised over £350k. With every day that passes it becomes increasingly clear that this fund is going to be desperately needed for months to come, and we will continue to do our best to provide whatever support we can.

On the advocacy front, in the UK we wait with bated breath to see what legislative changes Defra will propose for equine identification, and in the EU it is hugely heartening to see how keen the Commission is to engage on their proposed overhaul of equine welfare legislation.

Within horse sport it has been very interesting to see how some have reacted to the growing focus around social license and the need for public acceptance for all activities with horses. Some believe that by talking about it, we are simply giving ammunition to those who oppose it. There may be an element of truth to this, but that does not make it wrong, more that we need to view the ethical challenge facing horse sport as the opportunity we believe it really is.

This year also saw the creation of a communications and fundraising strategy that will take us up to our centenary in 2027. We know that unless we are better known and can raise our levels of income, then there will always be a limit to the impact we can have. With the current economic environment being dominated by inflation we are spending more just to stand still.

Looking forward across the remainder of the current strategic period, there is still much to be done, with millions of horses in the UK and around the world suffering from neglect, abuse and misuse. We know that after almost a century of experience we are uniquely qualified to tackle the problem, and we will continue to promote and protect welfare across the full spectrum of the equine world, applying varying combinations of our expertise, influence, networks, physical assets and funds to create a world where every horse is treated with respect, compassion and understanding. As ever, I am mindful that our work is only possible through the collective and ongoing efforts of our staff, volunteers and supporters, who are the force that will see our strategic aims through to completion.



Roly Owers
Chief Executive Officer

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Vision, mission and values

World Horse Welfare's vision is a world where every horse is treated with respect, compassion and understanding. Its mission is to work with horses, horse owners, communities, organisations and governments to help improve welfare standards and stamp out suffering in the UK and worldwide. The Charity accomplishes this through upholding its values: to be realistic in its approach, focusing on the practical to achieve what is possible now, while mindful of the future; compassionate in its attitudes, behaviours and decision-making; and forward-thinking in anticipating challenge and change, always seeking new ways of being more effective.

Activities

To assist in the delivery of the charitable objectives, the plans for 2022 were:

Care

- 1) Establish a bespoke communications and stewardship programme for unsuccessful rehoming applicants
- 2) Develop work with vulnerable horse owners through promoting services and those of public agencies

Research

- 3) Influence UK and EU policy on equine transport by providing an evidence base for practical change and promoting a frictionless and fully digital equine ID system

Education

- 4) Complete an education strategy and roll-out 'fast fact' handouts for key welfare issues
- 5) Advance communications with horse sport through the development of practical resources around the social licence concept

Influence

- 6) Work in partnership to promote a new regional structure and funding model for enforcement of animal licencing and welfare legislation
- 7) Establish a project in Romania designed to support wider advocacy work in the EU
- 8) Work through ICWE and other partners to promote the adoption of a UN resolution on animal welfare and to advance an animal welfare strategy for Africa
- 9) Enhance the capacity of the Charity's international partner organisations to work in partnership with the human development sector stakeholders

Care

UK

The UK support office handles calls from the public, coordinating the work of the Field Officers and Rescue and Rehoming Centres, and producing educational information in a range of formats. The Charity also works closely with other agencies including the RSPCA, Police and Trading Standards, in identifying and resolving welfare cases. At the year-end, 2188 horses were in homes approved by

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the Charity. In 2022, 291 new horses were taken into care, 160 were returned from previous loan homes and 322 horses were successfully rehomed.

International

Internationally, multiple activities took place to enhance the capacity of international partner organisations to work in partnership with the human development sector stakeholders, with a particular focus on Asia, Africa and Central America.

In Zimbabwe, VAWZ has been working with the IRC led “Progress Programme” to ensure that donkeys are included in the animals that are receiving supplementary feeding. The network of 56 community-based livestock advisors that has been established by VAWZ provides an important resource for smallholder farmers and livestock owners, especially in remote rural areas and helps to promote improved animal welfare practices, thus contributing to sustainable agriculture and rural livelihood security.

In Guatemala, 550 working equines were provided direct veterinary care by the local partner SABESA in the remote regions of Peten and Baja Verapaz as part of a process to involve the communities in longer term, more sustainable food security activities with FAO.

Partner organisation Animal Nepal were assisted to build relationships with government agencies to assist equid reliant communities and with WOA (new name for OIE) to tackle issues associated with Glanders. In Nepal, the project has continued to focus on working on the human livelihood aspect within equine owning communities. Positive indicators include decreased reliance on high interest money lenders, increased school enrolments and birth registrations. Animal Nepal have been working with women’s groups to facilitate problem solving sessions and developing additional income strategies and also food production for both their families and their horses. Case studies are showing signs of success and positive impact on equine welfare.

In Lesotho work has started with Riders for Health, a human development organisation that delivers samples and drugs to remote areas of the country.

The project in Colombia is working with local government development agencies to improve the abilities of communities in handling their equids.

Increased confidence of local service providers ‘village vets’ in Cambodia was achieved through recommencement of village vet workshops that have been using human behaviour change/participatory techniques for over 10 years and showing success. This has led to a decreased reliance on the Charity’s Partner Organisation, Cambodia Pony Welfare Organization’s services and increased use of these local service providers within the community.

In Haiti, 35 Community Equine Advisors completed their equine care and handling training alongside 124 other service providers (farriers, saddlers, vet agents, breeders, and agricultural workers), providing care services to over 2,000 equines.

In Cuba, 15 local vets and 8 farriers completed training workshops to increase their capacity in handling equine health issues.

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In Mexico, 180 equine owners received training in correct equine nutrition guidelines.

In Panama, twelve service providers trained to make leather saddles which will help decrease lesions and increase equine well-being.

Communications

As part of the Charity's Digital Engagement Programme to streamline processes and use technology to better engage supporters, a bespoke communication journey for unsuccessful rehoming applicants was planned as a business objective. However, progress with this is dependent upon the rehoming processes being underpinned by the Gifted CRM system. In response to findings from user experience research, advice and information on the website's rehoming area was reworked and presented in a more accessible way to help rehoming applicants understand the process and find answers to frequently asked questions.

Good progress was made on the Owner Support Project, aimed at supporting vulnerable horse owners through outreach and building relationships with human-support agencies. An online form was developed through which vulnerable owners, their friends or family can contact the Charity for equine welfare support. The aim is to launch this form in early 2023 along with the web pages designed for this audience and relevant agencies.

Research

Grants

The Charity supports an annual series of undergraduate bursaries that are available to veterinary undergraduates in the UK and Ireland, research project grants that it commissions, and it operates a small grants scheme in support of its international work.

Veterinary undergraduate bursaries: Grants of up to £3,000 are made to veterinary undergraduates usually in their later years of study. Opportunities to work within a World Horse Welfare project in UK or overseas are promoted and all applications are considered by members of the Veterinary Advisory Committee. Due to the pandemic no awards were made in 2021 or 2022 (2020: 4).

Veterinary Project grants. Each project grant directly relates to one or more of the Charity's core activities. Each application is considered by the Veterinary Advisory Committee with peer review sought as necessary. There were 11 Project awards running or commencing in 2022 (2021: 8):

1. (In-house) An investigation of possible mycotoxins in pasture at Glenda Spooner Farm
2. Professor Caroline Argo (SRUC, Aberdeen). Pasture associated laminitis
3. Dr Troy Gibson (RVC). Welfare of equines at Slaughter
4. Dr Sue Dyson (Independent expert): The Ridden Horse Pain Ethogram (RHpE) and recognition of signs of pain in the horse
5. Dr Katie Lightfoot. (University of Nottingham SVSM) Equine obesity; human behaviour change training (working with the International team)
6. Dr Maddy Campbell (RVC). Social licence and the development of an ethical framework for horse sport
7. Professor Michela Minero (University of Milan). Validation of Qualitative Behaviour Assessment (QBA) for the evaluation of horse behaviour during loading for transport

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8. Dr Barbara Padalino (University of Bologna). Quantifying the factors associated with the welfare of equids destined for slaughter during long-distance transportation
 9. Jessica BurrIDGE (University of Nottingham). Pulling people from poverty: improving the socioeconomic status of working equid owners in Latin America
 10. Dr Liane Preshaw (The Horse Trust) and others. A multicentre investigation into leisure owners' perception of approaches used to assess horse welfare
 11. Dr Russell MacKechnie-Guire (Hartpury University). How do fit, type and tightness affect pressure beneath the noseband

The International Small Grants Scheme has continued to encourage in-country organisations to become involved in working-equid issues. It also enables the Charity to investigate potential new projects and approaches. A total of £31k (2021: £19k) was awarded for five new grants and the continuation of grants to two organisations, Meru Animal Welfare Organisation and amaTrac uluntu. Asociația pentru Bunăstarea Cailor (ABC) in Romania, a small grant scheme grantee in 2021 is now considered to be a full partner organisation. Grants were given to Foundation of the Faculty of Exact and Natural Sciences of the National University of Asunción (FUCEN), in Paraguay; The National Welfare Institute (INBA) in Uruguay and Fundação de Pesquisas Científicas de Ribeirão Preto (FUNPEC-RP), in Brazil to carry out studies on the welfare of working equids in those countries with a view to starting longer term projects. International Organisation for Animals Protection (OIPA) of Cameroon and Tanzania Animals Protection Organization (TAPO) from Tanzania have been given grants to implement education programmes on improved management and protection of donkeys, with particular reference to issues caused by the donkey skin issue.

International

The Charity co-developed colic educational resources on equine colic in Colombia, through the University of Nottingham/CES Universidad/Fundación Arrieros Colombia and a Morris Animal Foundation Grant. The first few visits have taken place – collecting an understanding on owners' current approaches in four communities and what they require in the form of resources. In February 2023 there will be workshops on colic, and in May, follow up visits to measure if there has been success in behaviour change.

A research paper was published, highlighting the global contributions of working equids to sustainable agriculture and livelihoods¹, and the second round of a COVID-19 paper, which looked at the socio-economic effects of COVID-19 on equid owning communities and on the welfare of their equids across the whole of the programme was completed – publication of a paper derived from the results is expected early in 2023. In Guatemala, two research projects were implemented identifying the usefulness of guava and wormwood as dewormer and eucalyptus as a tick repellent for working equines, the results of which are expected early in 2023. Similarly in Mexico, a research project was implemented identifying the reduction of colic prevalence by using feeding nets as the main food provision equipment for equines. Again the results are expected early in 2023 and will be used in the design of intervention in other parts of the region.

¹ Grace DC, Diall O, Saville K, Warboys D, Ward P, Wild I, Perry BD. The Global Contributions of Working Equids to Sustainable Agriculture and Livelihoods in Agenda 2030. *Ecohealth*. 2022 Sep;19(3):342-353. doi: 10.1007/s10393-022-01613-8. Epub 2022 Sep 1. PMID: 36048298; PMCID: PMC9434516.

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Communications

In conjunction with Professor Madeleine Campbell from the University of Nottingham, the Charity published a paper on social licence to operate (SLO) in the scientific journal, *Animals*. In addition to summarising the concept of SLO, the paper provided equestrianism with an evidence-based summary of strategies that have (and have not) been successful in other industries that have faced challenges to their social licence. Its publication sparked significant interest from equestrian leaders and the media, and was an important milestone in the charity's strategy to support the ethical involvement of horses in sport.

The Charity worked with the International Coalition for Working Equids to analyse the results of a baseline survey the Charity developed as part of ICWE to assess the prevalence and knowledge around working equids in the World Organisation for Animal Health region of West Eurasia and planned next steps to undertake further research or secure further information to inform educational approaches.

To help inform the current European Commission review of its animal welfare legislation, the Charity published and distributed a 50-page evidence-based report on the challenges to equine welfare posed by the EU's Transport Regulation EC 1/2005 and recommendations for change. Preparing this report highlighted a lack of evidence on the suitable temperature range in which equines can be safely transported, so the Charity conducted its own research at its centres, with commercial transporters and another NGO to demonstrate the relationship between external/outside temperature and internal vehicle temperature during transport. This will help inform the Charity's position in the EC review, as well as that of Defra which is also consulting on changes.

To inform the Charity's response to Defra's consultation on equine identification (and to influence similar legislation in Wales and Scotland), it worked with other members of the British Horse Council to develop and launch a survey for horse owners to solicit public opinion on drawbacks and recommendations for new equine ID legislation, and to provide evidence for why certain changes are needed. The Charity played a leading role in drafting and designing a report highlighting the results and recommendations for change.

To monitor the impact of the increased cost of living on equine welfare, the Charity worked with the National Equine Welfare Council to conduct surveys of horse owners and equine welfare establishments late in the year. The results will be used to inform educational initiatives, future planning and recommendations to Defra.

The Charity's Scottish Field Officers and Investigators took part in action days at ports in Scotland and England to gather information on types of equine transport movements between Great Britain and Northern Ireland and the challenges facing legitimate movements to help inform the Charity's recommendations for practical suggestions to improve enforcement.

Education

UK

Throughout 2022, the Charity coordinated and participated in the work of the Equine Weight Management Roundtable (previously called the Equine Obesity Roundtable) and its working groups,

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including running a survey of vets at the British Equine Veterinary Association (BEVA) Congress in September and of farriers at the British Farriers and Blacksmiths Association (BFBA) Focus event in October. The working groups have been reviewing the existing evidence base on a variety of related topics in order to ensure that all member organisations give accurate and consistent weight management advice to horse owners. One of the working groups also completed a social media trial to better understand what tone of post resonates best with the target audience, and what encourages them to engage with content most effectively. The findings will help shape future communications in this area.

International

An educational pilot project 'Mi Caballo Feliz' was launched in Colombia for school age children, within a wider educational plan. Additionally 45 school children (ages 7-16) in Nicaragua whose families own horses completed a six-month program where they learned the basics on how to care for, feed, bath and manage horses. Approximately 500 students in grades 4-6 across three schools in Guatemala participated in classes on general equine well-being and care.

Training of slaughterhouse staff has taken place, following on from a baseline study in Medellin Colombia, with 40 slaughterhouse staff over five sessions. The holistic course covered: personal wellbeing, animal welfare, good manufacturing basics, meat quality and the relationship between welfare, good manufacturing practices and meat quality. There will be a follow up welfare assessment and measurement of behavioural change in 2023.

The development by partner organisations- VAWZ in Zimbabwe and CHPA in South Africa- of experiential learning materials specifically for the rural Zimbabwe context and the training of a network of community-based livestock advisors, is viewed as a major step-forward in the delivery of training of rural communities and will be made available to the whole project and to others in the development sector. A team of 56 community-based livestock advisors in donkey health and welfare in Zimbabwe has been established and trained, to help the VAWZ team to extend the provision of donkey health care services to communities in a more accessible and affordable manner.

The Working in Equine Welfare training course by CHPA is being finalised and the successful launch of the online training programme, which is currently being attended by staff from 10 animal welfare organisations. This training programme is a valuable resource for the animal welfare sector in general and helps to raise the profile of equine welfare.

32 third-year students in the veterinary program at the University of Commercial Sciences in Nicaragua trained in horse behaviour and general well-being as well as how to identify and treat the most common equine diseases/ailments and the basics in equine orthodontics.

29 educational talks on equine well-being and illness identification/treatment were given by veterinarians of the Ministry of Agricultural Development in Panama to 437 horse owners in rural communities around the country. Additionally 38 families (146 people) were visited in their homes and given a short presentation on equine well-being, care, identifying and how to cure with home remedies the most common ailments in Panama.

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In Mexico, the coordinator has led the implementation of an animal/equine welfare basic concepts course as part of the curriculum of the Veterinary Faculty at the UABJO University, benefitting 40 vet students that enrolled on the course. Also in Mexico, an equine colic identification and handling manual was provided to 15 local vets of the Oaxaca state benefitting a population of 450 working equines.

Communications

The draft of an education strategy was produced for the Charity, informed by a global survey of horse owners conducted with the University of Edinburgh. Implementation plans are in progress. The planned publication and dissemination of Fast Facts educational flyers was delayed to 2023 due to the prioritisation of research into social licence.

The Charity increasingly promoted its educational advice on social media during the year, using graphics to illustrate tips on good practice which were very popular. It continued its series of Welfare Wednesday webinars, running ten of these educational events covering a range of educational topics which attracted over 1,500 live attendees and more than 5,400 views on YouTube to date. Views of the Charity's educational advice pages on the website reached more than 110,000. Content was updated to include the practical guidance the Charity developed on how to choose and fit a bridle based on research undertaken by Dr Rachel Murray, and veterinary and non-veterinary versions of the guide *'Myth Busters: Is your horse in pain? Or being a pain?'* produced with Dr Sue Dyson.

Influence

The Charity worked to inform policy in order to improve welfare standards across a number of areas in the UK, EU and internationally. Key among the Charity's achievements was to successfully help inform UK and EU policymakers on equine transport by providing an evidence base for practical change and promoting a frictionless and fully digital equine ID system.

As the UK is consulting on change to its welfare in transport laws, the Charity attended Defra workshops on this issue highlighting the Charity's 2021 evidence-based report on the need for change in UK transport, including the loopholes that currently exist, and recommendations for change.

A key focus in the UK this year was equine identification legislation, and the Charity actively promoted its recommendations. The Charity submitted a response to Defra's consultation on the issue, working closely with British Horse Council, and held meetings with Scottish and Welsh policymakers to inform their approach. To accompany the Defra consultation, the Charity also worked with the British Horse Council to develop a survey for horse owners to elicit their views on the current system and views on potential changes. The Charity co-drafted and designed the resulting British Horse Council report: *Equine Identification: A Broken System* summarising the findings and highlighting areas of potential focus for future legislation.

With the All Party Parliamentary Group for Animal Welfare, the RSPCA, the Local Government Animal Welfare Panel and other organisations, the Charity attended a roundtable and published a report outlining proposals for a new regional structure and funding model for enforcement of animal welfare and licencing legislation, about which a further roundtable event in Parliament is planned.

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Other UK activities included drafting the BHC's response to Defra surveys on the post-implementation review of legislation governing the hiring of horses and animals kept and trained for exhibition. Separately, the Charity participated in a government workshop on the use of fixed penalty notices. The Charity also joined BHS Scotland in visiting livery yards with member of the Scottish Government to help influence their proposed consultation on their licencing and submitted evidence to help shape the Scottish Government's expected consultation on the proposal. During a Defra visit to the Charity's Hall Farm centre, the Charity highlighted the benefits that could be derived from an effective licensing regime for equine welfare establishments.

Within the EU, the European Commission's review of its animal welfare legislation provided an opportunity for the Charity to actively engage with policy makers and industry on the challenges posed by current legislation affecting equine welfare during transport, on farm, at slaughter and the lack of fully transparent labelling of equine meat.

The Charity published and disseminated a 50-page, science and evidence-based report and recommendations to help inform changes to Regulation EC 1/2005 governing the welfare of equines during transport, and recommendations from this report were presented in meetings and at events with EU policy makers, politicians, industry representatives and key academics. The Charity also took part in interviews with the consultancy developing the European Commission's impact assessment on changes to the transport legislation.

The Charity also provided feedback to the European Commission on their initiative to identify shortcomings of current EU animal welfare legislation, citing the need for a wider range of equines to be covered by legislation.

Responding to a European Commission consultation on food labelling, the Charity set out the inadequacy of the current system and recommended more informative labelling of equine meat including country of birth, rearing and slaughter; it also completed a survey to validate the findings of a European Commission study on the impacts of EU animal welfare labelling.

Across all topics on which the Charity worked to inform the European Commission, the Charity highlighted the need for a fully-digitised system of equine identification to underpin their welfare legislation.

In other EU activity, the Charity helped to coordinate the guide to responsible ownership of donkeys Factsheets and the Guidelines on Working Equids in tourism which were produced by the Equine Sub-group of the EU Platform on Animal Welfare, which endorsed the materials. In partnership with Eurogroup for Animals and The Donkey Sanctuary, the Charity produced a report on working equids in the European Union which was launched in the European Parliament. The Charity joined Eurogroup for Animals' Ukraine Companion Animals Task Force, a working group set up to share information and lobby the EU on policies to protect the animals caught up in the Ukraine conflict. The Charity presented at Conference of the EU French Presidency and gave evidence to the French Parliament on the welfare of horses in sport.

Internationally, working with World Federation for Animals and the Africa Network for Animal Welfare, the Charity successfully helped the first ever animal welfare resolution to be passed by the

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United Nations Environment Assembly. The resolution calls for a report on the nexus between animal welfare, the environment and sustainable development and the Charity worked to support efforts to implement the resolution.

Working with ICWE, the Charity hosted a side event at the African Regional Forum for Sustainable Development. The Charity helped to organise two side events at the UN High Level Political Forum, one involving ICWE focusing on the recently passed UN resolution and the other hosted in association with The Donkey Sanctuary exploring the importance of cross-sectoral partnerships to achieve the SDGs. The Charity also worked with The Donkey Sanctuary to host an on-site exhibition at World Water Week to raise awareness of the role in working animals in facilitating access to water. The Charity also supported the Pan-African Donkey Conference in association with the African Union Interafrican Bureau for Animal Resources, along other organisations and working equid charities.

In horse sport, the Charity's campaign on the need for equestrianism to improve welfare to maintain its social licence to operate has attracted great interest in the horse world, and the Charity was approached by a number of organisations to speak or advise in this area. The Charity delivered almost 20 social licence presentations globally, reaching a wide range of horse sport audiences including Olympic disciplines, trade associations, leisure riders, the Tote, veterinary associations, sport horse owners, sport officials and other equestrian disciplines and organisations. Each presentation was tailored to the audience and increasingly offered practical advice on what equestrianism could do to achieve the step change in their approach to welfare and communication their social licence needs.

The Charity hosted a press event in the UK featuring a discussion panel with representatives from racing, polo, eventing, dressage and equestrian ethics, which attracted around 100 guests from equestrian community and media. The event considered the results of public opinion research the Charity commissioned from YouGov which showed public concerns about horse welfare in sport.

In consultation with the Charity, the FEI established an independent Equine Ethics and Wellbeing Commission on which the Charity is represented. Similarly, the BEF established an Equine Welfare & Ethics Advisory Group on which the Charity also has a seat.

In horse racing, following Cheltenham, the Charity submitted its report and recommendations for the meet and, along with the RSPCA, met with the BHA to encourage greater urgency in improving safety. It also held a meeting with members of racing's Horse Welfare Board to discuss progress against their strategy.

The BHA published its report and recommendations resulting from its 2021 consultation on the use of the whip in racing and the deliberations of its Steering Group on the whip, of which the Charity was part. The Charity responded by welcoming many of the recommendations but highlighting its position that it did not believe the use of the whip for encouragement could be justified on welfare or ethical grounds. The Charity also published a summary of the available research on the impacts of whip use.

Charity relationships

The Charity has a Memorandum of Understanding with the Fédération Equestre Internationale (FEI) and the International Horse Sports Confederation (IHSC). It is a member of the British Equestrian

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Federation, Eurogroup for Animals, European Horse Network, National Equine Welfare Council (NEWC), Horse Scotland, the International Coalition for Working Equids (ICWE), the International Coalition for Animal Welfare (ICFAW), the Working Animal Alliance, the World Federation for Animals, and the Fundraising Regulator. It has representation on a number of welfare committees, Defra and other devolved administration stakeholder groups, BEVA committees, the British Horse Council, the National Equine Forum Organising Committee and attends meetings of the British Horseracing Authority Welfare Committee on a regular basis.

Operationally the Charity works closely with a wide range of organisations, including:

- RSPCA and other equine charities in the UK (particularly members of NEWC)
- Animal Nepal
- Fundacion Para La Capacitacion y Asistencia Equina en Panama (FUCAEP) in Panama
- Cambodia Pony Welfare Organisation
- Costa Rica Equine Welfare
- Fundación Arrieros Colombia (FAC) in Colombia
- The Cuban Association for Veterinary Medicine (ACMV) and Flora y Fauna in Cuba
- Servicios de Apoyo en Bienestar Equino (SABE) in Guatemala
- Universidad Comprometidos Con La Excelencia (CES) in Colombia
- Equinos de Honduras (EQUHS)
- Fondation Quatre Pattes in Haiti
- Desarrollo Comunitario Sociedad Anonima (CDC-NICSA) in Nicaragua
- Universidad Autonoma Benito Juarez de Oaxaca (UABJO) in Mexico
- National University of Lesotho
- Ecole Inter-Etats des Sciences et Medicine Veterinaires de Dakar (EISMV de Dakar) in Senegal
- Palestinian Wildlife Society (PWLS) on the West Bank
- Cart Horse Protection Association and amaTrac from Eastern Cape in South Africa
- Veterinarians for Animal Welfare Zimbabwe (VAWZ) and World Vision Zimbabwe
- Nyemovec and Mwamfumba in Zambia
- Arusha Society for Protection of Animals and Meru Animal Welfare Organisation in Tanzania
- Asociatia pentru Bunastarea Cailor (ABC Romania)
- All-Creatures in Lesotho
- UNEA Working Group

The Charity is a member of Together for Animals a consortium of four charities with the Blue Cross, SPANA and Mayhew Animal Home promoting payroll giving. In 2022 the Charity received £36k (2021:£47.6k) from this source.

International

The objective of establishing a project in Romania designed to support advocacy work in Europe has been partially attained in that a project has been started in Romania that has so far been collecting data on the welfare status of working equids across the country. This data will allow for decisions to be made on the location and nature of a project that will provide the opportunities to learn about situation, demonstrate that actions can be taken to improve them and show commitment that will increase the ability of the Charity to influence decision makers.

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The objective to work through ICWE and other partners to promote the adoption of a UN resolution on animal welfare and to advance an animal welfare strategy for Africa was also partially attained, with a resolution related to animal welfare being adopted by UNEP. Work continues on this with partner organisations to produce a report on the nexus of the environment, human development and animal welfare.

The Charity continues to be represented on the Africa Platform for Animal Welfare, and played an active role in facilitating the recruitment of a Senior Animal Welfare Expert to assist the AU-IBAR Animal Welfare Strategy for Africa's Secretariat to coordinate the implementation of the continental strategy.

Furthermore, the Charity supported the organisation of and participated in a panel presentation during the first Pan African Donkey Conference. The event was hosted by AU-IBAR and the Government of the Republic of Tanzania, and aimed to create a forum for African Union member states which would increase the understanding of the state of donkey exploitation in Africa and strengthen a unified policy stance.

Other activities related to influencing included sharing of the results of second round of COVID-19 survey at the side event of the UN high-level political forum; Animal Nepal acting as a consultant to the FAO on the Glanders outbreak. The Charity and local partner ADANR in Senegal, supporting and participating in the National Livestock day; the Latin America regional team participating in an international animal welfare congress; conducting a joint online training for 65 local vets of the South eastern region of Oaxaca in Mexico with the support of the local Veterinary Associations in these states; carrying out the first national equine welfare stakeholder meeting in Guatemala and the creation of the Interdisciplinary Committee for Animal Welfare in Colombia.

In addition, a formal agreement was signed with the municipal government of Penonomé, Panama. This agreement contains many elements, most notable that they agreed to buy over US\$1,000 worth of harnesses made by local partner, FUCAEP saddlers, to be given out to the horse owners in need in the municipality, and that they are co-sponsoring the training of new saddlers and farriers in a town located in their municipality.

Review of the year

Financial

Overall the Charity recorded a deficit of £2.0m (2021: surplus of £1.7m); a deficit of £1.2m (2021: surplus of £505k) before investment losses of £714k (2021: gains of £1.2m).

Total income fell to £8.3m (2021: £8.5m) due to a particularly low level of legacy income accrued in the year, which is believed to be driven at least in part by delays at the probate service and HMRC. The number of legacy notifications received in 2022 was actually above average and the Charity is confident that this income stream remains robust. Non legacy income increased in 2022, with 2021 still affected by COVID-19 and not being able to plan or hold many of the Charity's regular fundraising events, coupled with the Visitor Centres being closed until mid-August. A successful fundraising campaign on behalf of British Equestrians for Ukraine also raised £357k during the year, boosting donor income.

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Total expenditure for the year was £9.5m (2021: £8.0m). The significant increase is due mostly to activity returning to normal post COVID-19. In 2021, the Charity did not undertake overseas travel and much UK based travel continues to be suppressed by restrictions and new ways of working. Continued investment under the current strategy, such as increasing capacity at Glenda Spooner farm has also increased costs, and in the latter part of the year inflation has played a role in increasing the Charity's cost base. Details of charitable expenditure are set out in note 6 on page 37.

The Charity continues to respond to the challenge of COVID-19 by ensuring that it remains alert to Government regulations and guidance. Operations had returned to normal by the end of 2022, with some practices that were improved by different ways of working retained. In December 2022 the Charity repaid the £1m Coronavirus Business Interruption Loan obtained in 2020 to assure its cashflow, due to higher interest rates increasing the cost. The Trustees are confident that cashflow can be managed effectively without it.

At the year end the Charity had total funds of £31.2m (2021: £33.1m). These were represented by fixed assets of £13.4m (2021: £13.3m), which are principally the four UK Centres that are required to provide ongoing care to the equines that are in the Charity's care at any one time, investments of £10.8m (2021: £12.2m), net current assets £7.0m (2021: £8.4m), and long term liabilities of £nil (2021: £0.8m). Current assets include £3.5m (2021: £4.0m) for residuary legacies. The Trustees regard the financial position of the Charity as strong, with free reserves above the target reserves range, and no going concern issues that need to be addressed.

2023 will see the Charity continue to invest into key areas such as research, education and increasing capacity at the UK rescue and rehoming centres. Investment into fundraising will also be increased in order to drive a step change across all sources of income over the coming years. Fundraising performance will be monitored closely over the coming year to ensure the expected return on investment is being delivered. Uncertainty exists within the budget with regards to income achievable in 2023 and also the effect of the economic environment on the Charity's cost base. This will be managed by monitoring income and costs carefully and ensuring that potential deficits can be managed within the level of reserves held. Regular monitoring and reforecasting of financial results will continue throughout the year.

Fundraising

The Communications and Fundraising teams worked closely together to launch a fundraising appeal website for the newly-created British Equestrians for Ukraine Fund, established by the Charity with the support of the BEF, BHS, BETA and BEVA, and promoted this throughout the year. Both teams also worked closely together to produce a five-year strategy working towards the Charity's centenary year in 2027.

The Charity is extremely grateful once again to all who donate to its work -from those who give a few pounds each month, purchase raffle tickets, donate to appeals- right up to those who have decided to leave a gift in their will. Legacy income is vital to the Charity's work and it continues to promote this important form of giving both for donations and also through its Horse Gifting in Will scheme.

Events were back in full swing in 2022 with the Charity being able to attend many of the major events in the equestrian calendar including Badminton, Burghley, Your Horse Live and The London

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International Horse Show, all of which were opportunities to promote the Charity's fundraising appeals, membership and also meet with donors and supporters face to face.

The Charity was delighted to once again be able to be part of the Balmoral Jubilee Equine Ride – a joint event with the British Horse Society that saw around 200 riders take part and raise funds.

Digital fundraising and television advertising were a focus for the Charity during 2022 and these are areas that the Charity will continue to develop in the coming years. A highlight has been the launch of an advert on television which focussed on The Charity's UK welfare work that is driving new supporters and regular donations.

The Charity continued working with advisory agency Vico Partners to further develop its communications and fundraising around the Charity's strategy, and as part of this work the Charity redeveloped sections of content and navigation on its website to better reflect its strategy, positioning and case for support.

Media coverage of the Charity grew to reach a value of £12.3 million, largely as a result increased activity in horse sport welfare, and the Charity's promotion of the social licence concept in equestrian sport. The Charity proactively worked to generate interest in this topic, holding a press event in June, reaching out to international equine sport journalists and providing comment on a range of welfare issues including high-profile transgressions, the BHA review of the whip in racing and threats to equestrianism's social licence. This resulted in several peaks in coverage both in the UK mainstream media and internationally, and distributed across online networks such as MSN and Yahoo. Other issues which attracted coverage were the establishment of the British Equestrians for Ukraine Fund, equine obesity in the show world and case studies of rescued horses.

The Charity increased its social media reach, and achieved a Facebook following of 216,280 Likes, 40,178 Twitter followers, 28,631 on Instagram, 4,915 on LinkedIn and 16,060 on TikTok. The Charity's farms' combined Facebook Likes reached 41,851. The Charity's website attracted around 60k sessions per month by around 42k unique visitors. The Charity's YouTube channel now has over 66k subscribers, and the films have attracted over 33 million views. Ten films were created, as well as a number of shorts, in addition to ten webinars.

Despite Tube strikes, the Charity's annual Conference in London attracted almost 200 in-person guests and more than 600 online, in what is now a fully hybrid event. Its theme, 'When does use become abuse?' was explored by a range of international speakers and expert panellists, and the event attracted coverage in equine and sport media.

The Charity continues to produce its newsletter, farm signage, fundraising material, website, promotions and event materials in-house working closely with other teams across the Charity.

Huge thanks and appreciation to all the Trusts and Foundations that have supported the cause during 2022 including Pets at Home Foundation who provided support for much needed renovations at the Hall Farm site. Particular gratitude must also be given to the long-standing support from the Sir Peter O'Sullivan Charitable Trust, and it was an honour for the Charity to once again attend their annual fundraising lunch in December.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Charity would also like to express its appreciation to all its members and fundraising volunteers who continue to support the cause and be advocates for its work throughout Great Britain and indeed across the globe.

Risk management

The Trustees have assessed the identified major risks to which the Charity is exposed, grouping them into the following categories:

- Finance
- People
- Environment
- Technology
- Image

The plans and strategies for managing risks are to identify key risks and assess them for likelihood and impact, the Charity's tolerance of each risk is graded, and appropriate mitigation measures are defined. Risks and the effectiveness of mitigation measures are reviewed on a rolling basis so that all areas are re-assessed at least once a year. This risk register is managed by the Executive, reviewed by the General Purposes and Finance Committee, and approved by Council annually. Following the most recent review, the Trustees are satisfied that adequate systems are in place to manage the adverse effects of any such risk exposure, recognising that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Reserves policy

Total funds as at the 31st December 2022 equalled £31.2m (2021: £33.1m). £247k of this comprised funds held for restricted purposes (2021: £127k), and £13.4m (2021: £13.3m) relates to the carrying value of fixed assets required by the Charity to provide ongoing care for the equines in its care.

The Trustees reviewed the reserves policy, taking into account future income projections and expenditure plans in line with the strategic plan together with the associated risks and opportunities. As a result of this review the reserves policy was retained as follows: "To maintain a level of reserves that will enable the Charity to adjust to any significant change in resources through unplanned events". The Trustees define the reserves level in terms of a range of between 10 and 12 months of operational expenditure. Based on the 2023 budget this indicates an ideal free reserve range of £9.1m-10.9m.

At the end of 2022 the Charity held "free" reserves of £14m comprising investments and net current assets excluding legacies, and less long term liabilities, and restricted funds. The Trustees anticipate that any surplus will be used to fund the strategy and for planned investment projects including the future redevelopment at Hall Farm planned for 2023. Given the ambitions under the current strategy, and the current economic climate creating uncertainty on the Charity's ability to fundraise, the Trustees are of the opinion that the current level of reserves is in line with policy and is satisfactory. The Trustees will continue to review both the reserves policy and the level of "ideal" reserves on a regular basis through the General Purposes and Finance Committee.

Investment policy and performance

The Trustees have reviewed and retained the Charity investment policy, which states: “The Trustees of World Horse Welfare wish to pursue a policy that provides revenue for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in accordance with the purposes of the Charity. The Trustees, in delegating the management of investments, require the Managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of the Charity. The Trustees have a duty to optimise financial returns for the Charity. However, where justified, the Trustees may exclude certain types of investment from the investment portfolio. In addition, the Trustees require that the investment managers do not knowingly invest in companies involved in the transport of live animals for slaughter”.

During 2022, the investment portfolio generated total income of £138k (2021: £137k). Given prevailing market conditions in the year, the Trustees viewed this performance as satisfactory. It was decided however to move the portion of funds invested to meet the Charity’s needs over the medium (as opposed to long) term from Newton Investment Management Limited to Ruffer LLP, as the Trustees believe it better meets the needs of the Charity in the current economic conditions.

Plans for the future

The Charity’s strategic plan is scheduled to run until the end 2024. The plan identifies four discrete goals:

- To promote responsible ownership of all equines through both prevention and intervention
- To ensure responsible use of horses in sport and entertainment
- To end long-distance transport of horses for slaughter and ensure humane slaughter
- To improve the lives of working equids to support the livelihoods of their owners

To help achieve these goals the plans sets out four areas of activity:

- Care – to provide relief to equines in immediate need
- Research – to understand the causes of equine welfare challenges and using evidence to inform our work
- Education – to support and improve the horse-human partnership
- Influence – to advocate and campaign to achieve long-lasting change in equine welfare

In order to facilitate fund raising, the Charity’s activities may also be segmented between the categories of horses in need, horses in sport, and horses in work.

The activities of the Charity designed to meet its charitable objectives are not only defined in financial terms. The Charity deploys a range of resources towards meeting its objectives, including finance, people, facilities and information.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

In line with the Charity's strategic plan, the key projects for 2023 are:

Care

1. Further enhancing the rehoming process
2. Redevelopment at Hall Farm
3. Extending project reach in South America

Research

4. Collaboration around the issue of equine weight management
5. Developing the research base around social licence in horse sport
6. Establishing a pilot project to improve the sustainability of the Rescue and Rehoming Centres

Education

7. Providing further support to horse sport organisations around social licence
8. Increasing adoption of human behaviour techniques through international partners

Influence

9. Lobbying on improving enforcement of relevant legislation and on the Kept Animals Bill in the UK
10. Maximising opportunity in the EU around review of animal welfare legislation
11. Working in partnership to integrate working equids into the development agenda

Revenue and profile growth

12. Continuing DRTV testing to recruit new donors
13. Growing annual major donor income to £700k
14. Starting to implement the revised legacy marketing strategy
15. Progressing transfer of fundraising projects onto the Gifted platform
16. Updating the Charity's internal and external communications
17. Raising the Charity's profile in horse sport in racing and international media

Governance and Administrative Information

World Horse Welfare was founded by Miss Ada Cole in 1927. It is registered with the Charity Commission for England and Wales as Charity No. 206658 in May 1979 and with the Office of the Scottish Charity Regulator under SC038384 in August 2007. The Trustees and senior executives are listed on page 23. Its principal places of business and professional advisors are listed on page 43.

World Horse Welfare is governed by the Trust Deed of 3 December 1993 most recently updated on 7th December 2021. These deeds are filed with the Charity Commission. The Charity has one subsidiary, World Horse Welfare Ltd, company number 11029005, which was incorporated on 24 October 2017 and has not carried out any transactions and is not included in these financial statements. A second subsidiary, ILPH Ltd, company number 2486047, ceased to trade on 31 December 2005 and was dissolved on 6 September 2022.

Objects of the Charity (incorporating Public Benefit)

World Horse Welfare is a leading international equine welfare charity that is dedicated to promoting equine welfare worldwide through care, research, education and influence. The Charity supports the

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horse-human partnership in all its guises, and uses a compassionate, practical and evidence based approach to improve the welfare of horses, donkeys and mules playing the full range of roles in society. The Charity's work focusses around helping equines in need, sport and leisure horses and equines used in work and production.

The primary object of the Charity is the protection and rehabilitation of Equidae² in the United Kingdom and overseas. The 2011 Charities Act requires that charities demonstrate the public benefit of their activities. These activities are analysed as those that are based predominantly in the UK or overseas, each of which either has a direct or indirect public benefit. In considering their objectives and activities, the Charity Trustees complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Working in the UK

- By rescuing, rehabilitating and rehoming horses in Britain through a network of Centres and field staff (direct public benefit through the service offered by the Welfare Line and through the rehoming scheme)
- By educating horse owners in the UK on how to better care for their horses (direct public benefit through education)
- By campaigning to improve horse welfare legislation in the UK (indirect public benefit through raising horse welfare standards in the UK)
- Through research into the major horse welfare challenges and raising awareness on how to address them (indirect public benefit through raising horse welfare standards)

Working overseas

- By advising sport regulators on horse welfare internationally (indirect public benefit through raising horse welfare standards in international sport)
- By campaigning to improve horse welfare legislation internationally, including campaigning against the long-distance transport of horses for slaughter in Europe (indirect public benefit through raising international horse welfare standards)
- By running community-based programmes in Latin America, Africa and Asia to help local working horse owners better care for their horses (direct public benefit through supporting working horses in the developing world)
- Through working in partnership with other organisations to bring about improvement in the welfare of working horses (direct public benefit through supporting working horses)
- By influencing other organisations and institutions to act to consider, protect and improve the welfare of working horses throughout the world

Governance

The governing body of World Horse Welfare is the Council, consisting of a minimum of 5 Trustees who are legally responsible for its governance and management, which meets three times annually. Trustees are elected by Council and serve a term of four years which can be extended by a further four years. Nominations as Trustee are invited from Trustees, employees and supporters through the Charity's newsletter, and other publications. Induction of Trustees comprises briefings from the Chair on the objectives and governance of the Charity as laid out in the Trust Deed and from the Chief

² Equidae are horses, ponies, donkeys and mules – referred to in this report as horses

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Executive on the application of its strategy and activities, including meeting senior staff and visiting at least one of the UK Centres. There were 14 Trustees who served throughout the year. Two new Trustees were appointed during 2022 (2021: none), and one retired (2021: one).

In order to raise funds World Horse Welfare worked with appointed agencies to help create fundraising campaigns and appeals and to manage mailings and promotion. In addition, World Horse Welfare worked with several companies using a commercial participator agreement to raise funds via the sale of goods.

For fundraising work carried out on the charities behalf by external agencies, the Charity ensures that it carries out appropriate checks on them to ensure that they are confident in their abilities to act on their behalf. With specific reference to the agency working on the DRTV campaign handling telephone calls on the charities behalf, all scripts are agreed in advance and all calls are recorded for monitoring purposes. The Charity reviews calls to ensure that the agency is doing what is expected. The Charity takes a zero-tolerance approach to bullying, harassment, sexual exploitation and abuse and implements its safeguarding policy, which includes partner organisations in international projects. The Charity protects vulnerable people and follows both the Direct Marketing Association and the Chartered Institute of Fundraising's Code of Practice on safeguarding. In practice, if a staff member suspects a supporter is vulnerable, the Charity may return their donation and would not contact them again requesting financial support. The Charity may decide to stop all communication to the supporter.

The Charity is a member of the Fundraising Regulator. In 2022 World Horse Welfare received no fundraising related complaints in line with the Charity's published complaints policy.

Management

The Trustees are responsible for setting Charity strategy and policy and ensuring that these are appropriately implemented. To help achieve this responsibility the Trustees have four committees:

- General Purposes and Finance Committee – meets three times a year and is primarily responsible for reviewing the financial affairs of the Charity and making recommendations to Council. This includes considering the strategic plan, annual budget and performance against budget, management of the Charity's investments, and the annual accounts and report of the auditors. Two Committees report to this Committee: the Nominations Committee and the Investment Committee.
- International Committee – meets twice a year and is charged with overseeing the Charity's international work, considering future approaches and reviewing progress on existing projects.
- Communications and Fundraising Committee – meets three times a year and assists the Trustees in formulating the Charity's communications and fundraising strategy and ensuring that it matches its aims and objectives.
- Veterinary Advisory Committee – meets twice a year to advise the Trustees and Executive on all veterinary aspects of the Charity's work, to receive updates on developments in equine veterinary

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

knowledge and to consider requests for equine welfare grants. The Committee is comprised chiefly of veterinarians.

All committees refer back to Council with recommendations, except where urgent decisions are required in which case the Chair will consult with other Trustees to authorise the Executive to carry out specified tasks until Council can fully consider the issues involved. Council is also responsible for the appointment of auditors and investment managers.

Council delegates the day to day running of World Horse Welfare to a management team headed by the Chief Executive. They are responsible for carrying out the policies agreed by Council.

Remuneration of key management personnel

The salaries of all staff are set annually by reference to the skills required for the role, the amount earned for comparable skills in other organisations, and government legislation. Non-salary benefits are benchmarked against those received in similar organisations.

Trustees responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and Scotland 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 Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charity's SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The members in office at the end of the year were as follows:

President

HRH the Princess Royal KG KT GCVO

Vice President

JB Johnson MRCVS

Trustees and Members of Council

Chairman

M Baines

Members of Council

J Allen

S Bullard

S Coombs BSc (Hons) BVetMed MRCVS – retired 31st December 2022

M Davies

R Davison

M Gray-Cheape

S Habib (Treasurer) – appointed 1st January 2023

J Jarvis QC (Vice Chairman)

T Morrison

C Nokes MP

C Price CBE

J Ross MBA

M Smith – appointed 1st January 2023

H Thomas

C Tufnell MRCVS

Chief Executive

R Owers MRCVS

Executive Directors

J Fernando FCA

L Maguire

P Rowbottom

J Stark

A Tyler BHSI



Mr M Baines
Chairman

27/04/2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of World Horse Welfare (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charity's affairs as at 31 December 2022 and of its incoming resources and application of resources 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 requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 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 charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE FOR THE YEAR ENDED 31 DECEMBER 2022

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 contained within the Report of the Trustees'. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 18 the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE FOR THE YEAR ENDED 31 DECEMBER 2022

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charity operate in and how the charity are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the charity's governing document and

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE FOR THE YEAR ENDED 31 DECEMBER 2022

tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees' and remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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.

Use of our report

This report is made solely to the charity'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) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity'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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB
Date 10 May 2023

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

WORLD HORSE WELFARE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Income from					
Donations and legacies	2	6,662	754	7,416	7,709
Other trading activities	3	580	-	580	434
Investments	4	138	-	138	137
Other	5	117	-	117	232
Total		7,497	754	8,251	8,512
Expenditure on					
Raising funds		1,894	-	1,894	1,192
Charitable expenditure					
Care		4,960	510	5,470	3,242
Research		301		301	1,533
Education		1,132		1,132	1,518
Influence		694	2	696	426
					96
Total	6	8,981	512	9,493	8,007
Net gains/(losses) on investments		(714)	-	(714)	1,175
Net income		(2,198)	242	(1,956)	1,680
Transfers	13	122	(122)	-	-
Net movement in funds		(2,076)	120	(1,956)	1,680
Reconciliation of funds					
Total funds at 1 January		32,989	127	33,116	31,436
Total funds at 31 December	14	30,913	247	31,160	33,116

The notes on pages 32 to 42 form part of these financial statements.
The results for the year all derive from continuing activities.

WORLD HORSE WELFARE

BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets	7a	13,397	13,264
Intangible fixed assets	7b	14	32
Investments	8	10,750	12,234
Total fixed assets		24,161	25,530
Current assets			
Legacies		3,535	3,984
Stock		20	21
Debtors	10	775	479
Cash at bank and in hand		3,447	4,548
Total current assets		7,777	9,032
Creditors: amounts falling due within one year	11	(778)	(663)
Net current assets		6,999	8,369
Creditors: amounts falling due in more than one year	12	-	(783)
Net assets		31,160	33,116
Funds			
Unrestricted-General		30,913	32,989
Restricted	13	247	127
Total Funds	14	31,160	33,116

Approved by Council on 27th April 2023



Treasurer
Saima Habib



Chairman of Trustees
Michael Baines

The notes on pages 32 to 42 form part of these financial statements.

WORLD HORSE WELFARE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Notes		2022 £'000	2021 £'000
Net cash provided by operating activities	1	(355)	1,435
Cash flows from investing activities			
Interest received		-	-
Dividends received		138	137
Purchase of fixed assets		(684)	(287)
Proceeds from sale of fixed assets		13	43
Purchase of investments		(3,001)	
Proceeds from sale of investments		3,771	
Net cash provided by investing activities		237	(107)
Cash flows from financing activities			
Repayment of borrowings		(983)	-
Net cash from financing activities		(983)	-
Change in cash and cash equivalents in the reporting period		(1,101)	1,328
Cash and cash equivalents at the beginning of the reporting period		4,548	3,220
Cash and cash equivalents at the end of the reporting period	2	3,447	4,548
1 Reconciliation of net movement in funds to net cash flow from operating activities			
		2022 £'000	2021 £'000
Net income for the reporting period		(1,956)	1,680
Investment (gains)/losses		714	(1,175)
Investment income		(138)	(137)
Decrease/(Increase) in value of legacies		449	511
Depreciation & amortisation		569	562
(Profit) on sale of tangible fixed assets		(13)	(43)
Decrease/(increase) in stocks		1	4
Decrease/(increase) in debtors		(296)	56
Increase/(decrease) in creditors		315	(23)
Net cash provided by operating activities		(355)	1,435
2 Analysis of cash and cash equivalents			
		2022 £'000	2021 £'000
Cash in hand		3,447	4,548

WORLD HORSE WELFARE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

3 Analysis of changes in net debt

	1.1.2022	Cash flows	Other non cash changes	At end of year
	£'000	£'000	£'000	£'000
Cash	4,548	(1,101)	-	3,447
	4,548	(1,101)	-	3,447
Debt due within one year	(200)	200	-	-
Debt due in more than one year	(783)	783	-	-
	(983)	983	-	-
	3,565	(118)	-	3,447

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

World Horse Welfare is an unincorporated charity domiciled and registered in England.

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention as modified by the recognition of certain financial assets measured at fair value in accordance with generally accepted accounting principles. In preparing the financial statements the Charity follows best practice as set out in the Statement of Recommended Practice Accounting and Reporting by Charities "SORP FRS 102" and the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act. References to "World Horse Welfare" relate to the financial statements and "Charity" to the Charity as an entity.

1.2 Assessment of Going Concern

As at 31 December 2022 the going concern basis of accounting was considered to be appropriate for the Charity as no material uncertainties existed. The Charity has performed financial modelling for a period greater than 12 months post the year end and no issues were identified that would give rise to a going concern risk. The Charity holds sufficient levels of cash and free reserves to fund its plans over the longer term, casting no doubt on its ability to continue as a going concern.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations (including subscriptions and grants), are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Donated fixed assets are capitalised at market value at the time of receipt.

Legacies are recognised in the financial statements once sufficient notification has been received by the charity to enable the Trustees to determine with reasonable probability that entitlement is virtually assured and capable of measurement. The financial statements recognise both specific pecuniary legacies and legacies of estate residue. The Charity holds legacies subject to a third party life interest which are only recognised at such time as the life interest terminates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Whilst both pecuniary and residuary legacies may be capable of measurement, the timing of receipt, in particular in relation to estate residue, cannot be accurately predicted. In view of this and because of the significance of residuary legacies the Trustees consider that it is impractical to distinguish between amounts receivable within one year and those receivable thereafter. As a result residuary legacies are shown separately on the face of the balance sheet. The balance receivable is measured at the present value of the likely settlement amount if settlement is delayed beyond one year and the effect is likely to be material.

Interest on funds held on deposit is included when receivable and the amount can be reliably measured; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

Sales of refreshments and merchandise represent net invoiced sales of goods excluding value added tax.

1.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be reliably measured. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance are allocated to the applicable expenditure headings. Irrecoverable VAT is charged against the expenditure headings for which it was incurred.

1.5 Governance costs

These represent costs incurred which are attributable to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

1.6 Allocation of support costs

Support costs represent central functions, such as IT, Human Resources, Finance and Premises. The costs are apportioned to expense captions on a basis consistent with the level of activity in each function.

1.7 Fund Accounting

The Charity's funds consist of general or unrestricted funds which the Charity may use as its discretion. Where restricted funds are established these are accounted for separately.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1.8 Fixed assets, depreciation and amortisation

All assets costing more than £1k are capitalised at historic cost. Fixed assets are initially measured at cost. Depreciation/amortisation is calculated to write down the cost of the fixed assets to their estimated residual value over their expected useful lives. Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, as if the asset were at the age and in the condition expected at the end of its useful life.

The rates generally applicable are:

Freehold buildings	-	2-20% straight line per annum
Farm equipment	-	14.3% straight line per annum
Other equipment	-	20% straight line per annum
Motor vehicles	-	20% straight line per annum
IT equipment	-	20% straight line per annum
Intangible IT assets	-	20% straight line per annum

No depreciation is provided on freehold land.

1.9 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction values and subsequently are included in the accounts at quoted bid value as at the financial year-end. Realised and unrealised gains and losses are recognised as they arise and are included in the Statement of Financial Activities. Realised gains and losses on investments are calculated as the difference between the fair value at the most recent valuation and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investment property comprises freehold land. The fair value of the Charity's investment property at 31 December 2016 had been arrived at on the basis of a valuation carried out at that date by Savills, Chartered Surveyors, on an open market basis. Savills are not connected with the Charity. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The Charity believes this still reflects the current valuation for 31 December 2022.

1.10 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the net result for the year.

1.11 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1.12 Taxation

Under Sections 522 to 537 of the Income Tax Act 2007 (ITA 2007), the Charity is exempt from certain taxes. Full account is taken of tax credits attaching to covenants, dividends and beneficial trust income.

1.13 Pension scheme

The Charity operates a defined contribution scheme, which is a Group Personal Plan. Contributions to the Scheme are charged to the Statement of Financial Activities in the financial year in which they become payable.

1.14 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.15 Financial instruments

The charity 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.

1.16 Debtors

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

1.17 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will 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.

WORLD HORSE WELFARE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2 Donations and Legacies**

	2022	2021
	£'000	£'000
Subscriptions and donations	2,216	1,709
Legacies	4,590	5,719
Donations from charitable trusts	610	281
	<u>7,416</u>	<u>7,709</u>

3 Other trading activities

	2022	2021
	£'000	£'000
Sales of refreshments & merchandise	211	145
Lotteries	173	186
Fundraising events	196	103
	<u>580</u>	<u>434</u>

Sales of refreshments & merchandise include donated goods which are mainly tack. Proceeds from the sale of these items were £52k (2021: £38k).

4 Income from investments

	2022	2021
	£'000	£'000
Dividends receivable	138	137
Bank and stock interest	-	-
	<u>138</u>	<u>137</u>

5 Other income

	2022	2021
	£'000	£'000
Rental and other income from land	104	86
Coronavirus Job Retention Scheme	-	103
Profit on sale of tangible fixed assets	13	43
	<u>117</u>	<u>232</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6 Analysis of total expenditure

	Governance £'000	Support £'000	Direct £'000	2022 £'000	2021 £'000
Refreshments & merchandise	-	-	73	73	37
Fundraising & publicity costs	34	194	1,593	1,821	1,155
Raising funds	<u>34</u>	<u>194</u>	<u>1,666</u>	<u>1,894</u>	<u>1,192</u>
Care	91	509	4,870	5,470	3,242
Research	6	36	259	301	1,533
Education	21	138	973	1,132	1,518
Influence	13	71	612	696	426
Charitable activities	<u>131</u>	<u>754</u>	<u>6,714</u>	<u>7,599</u>	<u>96</u>
Total	<u>165</u>	<u>948</u>	<u>8,380</u>	<u>9,493</u>	<u>8,007</u>
<i>Including audit fees of</i>				<u>23</u>	<u>15</u>
<i>Including foreign exchange differences of</i>				<u>(5)</u>	<u>5</u>
				2022	2021
Support costs include				£'000	£'000
IT				498	386
HR				183	124
Finance				221	185
Premises				46	82
				<u>948</u>	<u>777</u>
Operating leases (note 16)				<u>262</u>	<u>267</u>

Included within expenditure is £25k (2021: £1k) of interest payments in relation to the bank loan.

Staff costs	2022	2021
	£'000	£'000
Wages and salaries	3,761	3,524
Social security	389	348
Pension costs	285	273
	<u>4,435</u>	<u>4,145</u>

Employee benefits totalling £121k (2021: £120k) were paid in respect of vehicles, including vans, private health and cash health plans and accommodation for farm staff. Holiday pay accrued totalled £50k (2021: £44k).

Key management personnel the key management personnel of the Charity comprise the Trustees (who are not paid), the Chief Executive and the Executive Directors listed on page 23. The total employee benefits of the key management personnel including salary, employers pension contributions, benefits in kind, employer's national insurance and accrued holiday pay were £734k (2021: £721k).

Higher paid staff one employee had earnings in the range £160,001-£170,000, one in the range £100,001 - £110,000, two in the range £80,001-£90,000, two in the range £70,001-£80,000 and one in the range £60,001 to £70,000 (2021: one in the range £160,001-£170,000, one in the range £90,001 -£100,000, one in the range £80,001-£90,000, three in the range £70,001-£80,000 and one in the range £60,001 to £70,000). These figures include benefits in kind of £24k (2021: £20k). Pension contributions for these employees were £69k (2021: £68k).

The average number of full-time equivalent employees analysed by function:

	2022	2021
Direct charitable activities	102	102
Fundraising	19	19
Management and administration	1	1
	<u>122</u>	<u>122</u>
The average head count during the reporting period was	<u>144</u>	<u>139</u>

WORLD HORSE WELFARE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7a Tangible fixed assets

	Land and buildings £'000	Farm equipment £'000	Other equipment £'000	Motor vehicles £'000	IT equipment £'000	Total £'000
Cost						
1 January 2022	17,562	942	686	323	416	19,929
Additions	526	47	43	-	68	684
Disposals	-	(22)	-	-	-	(22)
31 December 2022	<u>18,088</u>	<u>967</u>	<u>729</u>	<u>323</u>	<u>484</u>	<u>20,591</u>
Depreciation						
1 January 2022	4,750	757	611	274	273	6,665
Charge for year	414	44	29	12	52	551
Disposals	-	(22)	-	-	-	(22)
31 December 2022	<u>5,164</u>	<u>779</u>	<u>640</u>	<u>286</u>	<u>325</u>	<u>7,194</u>
31 December 2022	<u>12,924</u>	<u>188</u>	<u>89</u>	<u>37</u>	<u>159</u>	<u>13,397</u>
31 December 2021	<u>12,812</u>	<u>185</u>	<u>75</u>	<u>49</u>	<u>143</u>	<u>13,264</u>

Land & Buildings are all freehold and include £1.9m (2021: £1.9m) of land which is not depreciated.

At the year end, land and buildings contained an amount of £88k (2021: nil) relating to assets under construction.

7b Intangible fixed assets

	Intangible IT £'000	Total £'000
Cost		
1 January 2022	123	123
Additions	-	-
Disposals	-	-
31 December 2022	<u>123</u>	<u>123</u>
Depreciation		
1 January 2022	91	91
Charge for year	18	18
Disposals	-	-
31 December 2022	<u>109</u>	<u>109</u>
31 December 2022	<u>14</u>	<u>14</u>
31 December 2021	<u>32</u>	<u>32</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8 Fixed assets investments

	Land	Quoted Investments	Total
	£'000	£'000	£'000
Market value at 1 January 2022	1,587	10,647	12,234
Additions at cost	-	3,001	3,001
Disposals at market value	-	(3,771)	(3,771)
Net gains/(losses) for the year	-	(714)	(714)
Market value at 31 December 2022	1,587	9,163	10,750

Investment in subsidiary undertaking at 1 January and 31 December 2022

- -

The quoted investments held at 31 December 2022 are summarised as follows:

	2022 £'000	2021 £'000
Medium term fund: BNY MFM Ltd Newton Real Return Fund	-	4,071
Medium term fund: Ruffer Charity Assets Trust	3,064	
Long term fund: Newton Global Growth and Income Fund for Charities	6,099	6,576
Total	9,163	10,647
Historic cost	6,458	6,489

The Charity held 100% of the issued ordinary share capital of ILPH Limited, a company registered in England and Wales (Registered number - 2486047), which was dissolved during 2022. The cost of the investment was £150,000 against which a provision of £149,999 had been made prior to 2022.

9 Financial Instruments

	2022 £'000	2021 £'000
Financial assets measured at fair value	9,163	10,647

10 Debtors

	2022 £'000	2021 £'000
Trade debtors	10	6
VAT reclaimable	103	67
Prepayments and accrued income	634	368
Other debtors	28	38
	775	479

11 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	412	189
Other taxes and social security	89	95
Bank loan	-	200
Accruals	277	179
	778	663

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12 Creditors: amounts falling due in more than one year

	2022 £'000	2021 £'000
Bank loan	-	783
	<u>-</u>	<u>783</u>

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations to be applied for specific purpose.

Ref	Balance 1.1.22 £'000	Movement in Funds		Transfers	Balance 31.12.22 £'000
		Incoming £'000	Outgoing £'000	£'000	
Belwade Farm	-	24	24	-	-
Hall Farm	-	1	1	-	-
Penny Farm	-	7	7	-	-
Glenda Spooner Farm	-	2	2	-	-
Rescue and rehoming centres	-	12	12	-	-
Capital items	2	166	134	(8)	26
China a	124	-	-	(124)	-
Haiti b	-	154	154	-	-
Transportation	-	2	2	-	-
Field Officers	-	4	4	-	-
Zimbabwe	1	1	2	-	-
Saddlery	-	5	3	-	2
Retraining of racehorses c	-	9	9	-	-
Ukraine d	-	357	148	10	219
Horse owner support project	-	10	10	-	-
	<u>127</u>	<u>754</u>	<u>512</u>	<u>(122)</u>	<u>247</u>

Except where shown as a balance at the year end the funds have been used in full in the year, or in the case of one capital item, in the prior financial year. There are plans to spend the remaining funds in 2023.

Reference:

a. The China fund is for building relationships and assessing the equine welfare issues. COVID-19 has seriously hampered the Charity's ability to complete this work due to a lack of access, and the donor has agreed for the remaining funds to be transferred to the Charity's unrestricted funds for general use.

b. The Haiti fund is a project funded by UK Aid Match to strengthen livelihoods and reduce vulnerability of households in Haiti reliant on working equids.

c. These are donations that fund the retraining and rehoming of former racehorses.

d. These funds were collected on behalf of British Equestrians for Ukraine to help horses and their owners caught up in the crisis created by the conflict in Ukraine.

14 Analysis of net assets between funds

Funds	Fixed Assets £'000	Legacies & Investments £'000	Cash £'000	Other Net assets £'000	Total 2022 £'000	Total 2021 £'000
Unrestricted general	13,411	14,285	3,229	(12)	30,913	32,989
Restricted	-	-	218	29	247	127
Total	<u>13,411</u>	<u>14,285</u>	<u>3,447</u>	<u>17</u>	<u>31,160</u>	<u>33,116</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15 Trustees' Expenses and Related Party Transactions

Trustees received no remuneration or any other benefits. Expenses of £3k (2021: £2k) for travel (including air fares), subsistence, telephone, postage and stationary expenses incurred on Charity business were reimbursed or paid directly for 5 (2021: 3) Trustees. There have been no related party transactions in the period which require disclosure.

16 Operating Lease Commitments

The Charity as lessee:

The total future minimum lease payments under non-cancellable operating leases are:

	2022		2021	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	37	114	36	126
Within two to five years	76	35	2	103
	113	149	38	229

17 Bank loan

During 2020 the Charity was in receipt of a £1million Coronavirus Business Interruption Loan from Lloyds Bank PLC to assist with the uncertain effects of COVID-19 upon cashflow. The outstanding balance was repaid in full during 2022. The term of the loan was six years and repayments commenced 13 months after the start date. Loan interest was covered in the first year by a Business Interruption Payment, then was charged at base rate + 1.52%. The loan was secured by way of a charge upon Glenda Spooner Farm.

	2022	2021
	£'000	£'000
Within one year	-	200
Within one to two years	-	200
Within two to five years	-	583
	-	983

18 Comparative restricted funds

	Balance 1.1.21 £'000	Movement in Funds		Transfers	Balance 31.12.21 £'000
		Incoming £'000	Outgoing £'000	£'000	
Belwade Farm	-	2	2	-	-
Capital items	-	28	26	-	2
China	125	-	1	-	124
Haiti	-	128	128	-	-
Penny Farm	-	2	2	-	-
Hall farm	-	7	7	-	-
Transportation	-	10	10	-	-
Field Officers	-	5	5	-	-
Lesotho/Zimbabwe	-	1	-	-	1
Saddlery	3	-	3	-	-
Retraining of Racehorses	-	12	12	-	-
	128	195	196	-	127

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

19 Comparative analysis of net assets between funds

Funds	Fixed Assets	Legacies & Investments	Cash	Other Net current assets	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general	13,296	16,218	4,464	(989)	32,989	31,308
Restricted	-	-	84	43	127	128
Total	13,296	16,218	4,548	(946)	33,116	31,436

20 Comparative SOFA by fund

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
Income from			
Donations and legacies	7,514	195	7,709
Other trading activities	434	-	434
Investments	137	-	137
Other	232	-	232
Total	8,317	195	8,512
Expenditure on			
Raising funds	1,192	-	1,192
Charitable activities			
UK Centres	3,190	52	3,242
UK Field Work	1,528	5	1,533
International	1,389	129	1,518
Campaigning	416	10.0	426
Grants	96	-	96
Total	7,811	196	8,007
Net gains on investments	1,175	-	1,175
Net movement in funds	1,681	(1)	1,680
Reconciliation of funds			
Total funds at 1 January 2021	31,308	128	31,436
Total funds at 31 December 2021	32,989	127	33,116

WORLD HORSE WELFARE

PRINCIPAL PLACES OF BUSINESS AND ADVISORS

Head Office	Anne Colvin House Snetterton Norwich Norfolk NR16 2LR Telephone: 01953 497200 Website: www.worldhorsewelfare.org Email: info@worldhorsewelfare.org
Auditors	RSM UK Audit LLP Blenheim House Newmarket Road Bury St Edmunds Suffolk IP33 3SB
Bankers	Lloyds 16 Gentleman's Walk Norwich NR2 1LZ
Investment Advisors	Newton Investment Management Ltd 71 Queen Victoria Street London EC4V 4DR Ruffer LLP 80 Victoria Street London SW1E 5JL
Legal Advisors	Taylor Vinters Merlin Place Milton Road Cambridge CB4 0DP
UK Rescue & Rehoming Centres	
Belwade farm	Aboyne Aberdeenshire AB34 5BJ
Glenda Spooner Farm	Somerton Somerset TA11 7LA
Hall Farm	Snetterton Norfolk NR16 2LP
Penny Farm	Preston New Road Peel Blackpool FY4 5JS