

Charity Registration No. 231748
Company Registration No. 347417



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

Group report and financial statements
31 December 2020

The Horse Trust

Legal and administrative information

Charity name	The Horse Trust
Charity registration number	231748 Founded 1886, Incorporated 1938
Company registration number	347417

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

Registered office and operational address	The Horse Trust Home of Rest for Horses Speen Princes Risborough HP27 0PP
Patron	Her Royal Highness The Princess Royal
President	Baroness Mallalieu QC
Board of Trustees	Professor J D Slater- Chair (Resigned 22 September 2021) Professor M Bowen Professor P Clegg Mr D Cook – Chair (Appointed 22 September 2021) Mrs B Jones Mr C Marriott Lord R De Mauley Ms L McGillicuddy Professor B McGorum Mr R Neal Ms C Roddis Mrs C Soames (Resigned 25 November 2020)
Chief Executive and Secretary	Miss J M Allen
Bankers	Coutts and Co St Martins Branch 440 The Strand London WC2R 0QS

Legal and administrative information (continued)

Auditors

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

Solicitors

Underwood & Co
40 Welbeck Street
London
W1M 8LM

Lupton Fawcett
Yorkshire House
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Leeds
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LS1 5BD

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Investment Managers

Cazenove Capital Management Limited
12 Moorgate
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EC2R 6DA

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
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Report of the Board of Trustees for the year ended 31 December 2020

The Board of Trustees has pleasure in presenting its report and the financial statements for the year ended 31 December 2020.

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

Structure, governance and management

Status and administration

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

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

Recruitment and induction of Trustees

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

Existing trustees and members are invited to submit names of potential trustees, who have to be registered members elected by The Board of Trustees. The Board will scrutinise these nominations with a view to ensuring that the duly elected Board contains the necessary skills mix. Trustee vacancies can be filled at any time through election by the Board but such appointments have to be confirmed through election by the members at the next AGM. Trustees serve for a nominal term of three years after which they can stand for election for a further three-year term, in some cases a third term of three years can also be served.

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

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

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

Key management personnel remuneration

The Trust is managed and operated by employed staff. The key management personnel are identified to be the Chief Executive, the Equine Care Director, the Veterinary Director and the Finance Director. The pay of the senior staff is reviewed annually by the Board and benchmarked appropriately.

Organisation

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

Report of the Board of Trustees for the year ended 31 December 2020 (continued)

The group has two wholly owned subsidiaries, The Horse Trust Trading Company Limited and British Animal Rescue and Trauma Association (BARTA).

BARTA undertakes the development and delivery of nationally recognised training courses in large animal rescue. It has worked in partnership with The Horse Trust for many years and has now been fully brought under The Horse Trust's umbrella.

As the work of BARTA is so closely aligned with The Horse Trust it has been decided to consolidate the three organisations and show their financial statements in a group format.

Risk management

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

The main areas of risk are considered to be fire or an incident at The Home of Rest for Horses. A full fire assessment has been carried out by an external specialist and no major issues were found and any minor recommendations have been implemented.

Objectives and activities

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

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

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

1. Sanctuary – Demonstrate best practice

To provide lifelong sanctuary and respite care at the Home of Rest for Horses, for equines (1) who have served their country or community, (2) who come to us suffering, distressed and in need of special care or (3) for special cases as defined by the Trust.

2. Scientific Research – Develop Best Practice

To fund non-invasive research of the highest scientific standard that advances our knowledge of veterinary treatment, the optimal care of equines and the prevention of disease and suffering. The aim is to impact positively on the wider equine population.

3. Knowledge and Skills – Disseminate Best Practice

To devise and deliver a broad spectrum of training modules, courses and programmes for a variety of specified audiences and utilising a variety of media and techniques, that will impact most positively, the quality of life of the largest number of equines.

4. Policy - Direct Best Practice

To continue our policy work in a politically neutral way that does not compromise our scientific investment but that plays a key role in facilitating the development of national policy and best practice that improves equine welfare in the UK.

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

Statement of public benefit

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

Achievements and performance

The Board would like to formally thank all the volunteers who assist the employees at events and with the running of both the office and the yard. The group would also like to thank their supporters for their ongoing financial support which allows us to continue our work and secure our long-term future.

Home of Rest for Horses

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

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

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

During 2020 further work began at our Langley Farm site to improve facilities for both the equines and the employees that care for them. There is a clinic that will allow our veterinary surgeon to treat horses on this site rather than being transferred back to Speen.

The car park alongside the new training centre was also completed which will allow more training courses to be carried out onsite.

Research Grant Making Policy

The Horse Trust invites applications for both Research Grant Projects and PhDs. Once preliminary applications have been received, they are reviewed by the Science and Ethics Committee who then short list a selection that are invited to submit a full application. These full applications are then subject to a peer review and are ranked. The Board of Trustees of The Horse Trust will then make the final funding decisions from these rankings. These will be based in part on the impact assessment report of each short-listed application. The applicants will need to have clearly demonstrated the intended benefits to the UK equine population, how such benefits will be communicated to the horse owning and keeping public as well as veterinary and allied professionals and will be prompted to look at a variety of criteria when completing their reports. When the research grants are being discussed the meetings are chaired by the legally qualified trustee and all perceived, potential or actual conflicts of interest are scrupulously declared and recorded.

Research

Projects Supported	<u>2020</u>		<u>2019</u>	
	No	£	No	£
University of Liverpool	8	129,420	7	126,129
University of Edinburgh	3	64,621	2	47,092
University of Nottingham	1	56,018		-
University of Bristol	2	39,209	2	36,198
Animal Health Trust	2	27,010	2	21,973
Roslin Institute	1	20,112	2	35,264
Moredun Research	1	13,474	1	111,734
Other	2	11,666	1	5,988
Royal Veterinary College	1	4,000	1	17,041
Hartpury College	1	3,170	1	6,000
Glasgow University		-	1	9,617
Total	22	368,702	20	417,036

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

Following our second Scientific Symposium in 2019, The Horse Trust will continue in the initial development stage of the HorseLife project including working with Equine Register on the IT structure needed for the study. HorseLife is the concept of following a large group of horses over a period of several years in a longitudinal cohort study of the type that has been successfully carried out in human medicine and in dogs.

Education in Equine Welfare

The Horse Trust has continued to train first responders from various Fire and Rescue Services and other public sector organisations in 2019 in conjunction with the British Animal Rescue and Trauma Association (BARTA). These courses help to safeguard fire fighters and the public when rescuing horses, by giving them a greater understanding of how horses behave when under stress, how they learn and how human actions can greatly affect the horse's behaviour. This training also equips fire fighters and other first responders to better safeguard the public in a horse related incident. The courses have been a huge success with all fire fighters and first responders giving The Horse Trust excellent feedback, including sharing examples of when they have put the training to use within their daily work.

We also provide our own BEVA approved CPD courses for vets, vet nurses and vet students in ethical and safe horse handling and equine ethology. The Horse Trust also sponsored Student Equine Veterinary Association (SEVA) Congress. The event was a perfect opportunity for the Trust to unveil some of its exciting new online courses for veterinary surgeons and students.

Policy

The Horse Trust has continued with its policy work in a politically neutral way, that does not compromise the scientific investment, but that plays a key role in facilitating the development of national policy and best practice that improves equine welfare in the UK. Our role of sector facilitator has become ever more utilised by government and the rest of the UK's equine sector during 2020. The Horse Trust helps to facilitate the work of the British Horse Council, which brings together all aspects of equine interest in the UK including racing, breeding, elite sport, leisure riding, enforcement, veterinary and welfare agencies, providing a single unified voice to government on equine related matters where consensus exists.

During 2020, the Chief Executive and senior management team began work on their new five-year strategic plan for the group that was approved by the Board.

Financial Review

Review of the year

2020 has been an unprecedented year for the charity with the global pandemic affecting all areas of the charity's work. The Home of Rest for Horses was unable to open to the public due which did mean that donations were lower than in the previous year. It also meant The Horse Trust was unable to attend external events which is a major way the charity recruits both supporters and donations. Office based employees worked at home for much of the year and were creative in finding other ways to generate income which did mean the fall was not as large as it potentially could have been.

Other income streams such as legacies and investments were also affected. There was a significant delay in receiving solicitor's notifications, probate and selling houses which did slow up the legacy pipeline in year for both expected legacies and actual cash receipts. During 2020 The Horse Trust received legacies of £1,095,477 which was lower than the previous year. (2019 - £1,235,009).

The investment houses worked hard in an extremely difficult climate and whilst the portfolio values did hold up quite well, income was affected.

Regarding expenditure there some significant variations compared to budget as the 2020 budget was finalised prior to any certainty over the continued impact of Coronavirus and ongoing lockdown faced. The Home of Rest continued to run as normal as the animals still need to be cared for and employees in this were considered essential workers who must come into work each day. Research payments were lower than expected as some universities did place a temporary hold on their projects. Knowledge and skills training did reduce as planned training courses did not run; some courses, however, were moved online. Policy work was able to continue although meetings become virtual rather than in person.

Investment policy

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

A significant proportion of investments are held in listed equity shares. The performance of the portfolio is generally in line with the overall UK stock market. At the year end the total amount held in investments was £17,330,603 (2019 - £17,961,107). It must be remembered that these values can only be taken as an indication of the value on this date.

Reserves

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

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

The Capital Fund represents funds set aside to ensure a flow of income which is sufficient to support the future activities of the group including long term plans to issue significant grants for further scientific research. The General Fund is the operating reserves of the group and is set at approximately twelve months expenditure to ensure the flexibility to meet immediate future plans. This fund currently stands at £3m.

Public relations and fundraising

During 2020 The Horse Trust continued with a proactive donor acquisition marketing strategy to recruit new supporters in ethical ways and to encourage donations through advertising, direct mail, public relations and other fundraising initiatives. The continuing objective is to acquire new donors, turn “one off” donors into regular givers and then to encourage committed donors to become legators. The Horse Sponsorship Scheme has proven highly successful; however, being shut to the public and not being able to attend external events has limited our donor recruitment. Costs have continued to be controlled throughout 2020 and new technologies and mechanisms introduced to further increase efficiency. The Board Members are satisfied that all Horse Trust fund raising activities are ethical and conducted within the law and best practice and have adopted a new formal Ethical Fundraising Policy to ensure our very high standards are maintained in this area.

Land and buildings

The value of freehold land and properties, included in the balance sheet at a book value of £7m, and is considered by the Board of Trustees to be in excess of that value if realised.

Future plans

The group plans to continue to enhance and improve the quality of life of horses in the UK with a greater emphasis on the requirement to cater for their psychological health as well as their physical health and to do more work on how best to influence owners to change some husbandry techniques.

The site development work at Langley Farm will be completed to further enhance the care and veterinary facilities on this site.

During 2021, The Horse Trust will continue working on the new Strategic Plan which was developed by the Chief Executive and the senior management team and agreed by the Board in March 2020.

The Horse Trust plans to launch and develop Talk Equine, a platform created by The Horse Trust, to share the latest research and work from the equine science sector. It is a forum for discussion and communication, for open conversations into the latest developments in research, behaviour, and practice.

The Horse Trust will continue developing the HorseLife project including working with Equine Register on the IT structure needed for the study.

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

Register of members

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

Statement of trustees' responsibilities – charitable company

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

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

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

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

Statement as to disclosure to our auditors

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

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

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

The report was approved by order of the Board of Trustees on 12 December 2021



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David Cook - Chair

Independent auditors' report to the members of The Horse Trust

Opinion

We have audited the financial statements of The Horse Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise of the consolidated statement of financial activities, consolidated and company balance sheet, consolidated statement of cashflows 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and parent charitable company as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group or the parent charitable company'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 members of The Horse Trust (continued)

Other information

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on 7, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

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

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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



**Karen Bartlett (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP**

21 December 2021
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Chartered Accountants

Statutory Auditors

St John's Court
Easton Street
High Wycombe
HP11 1JX

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

Consolidated statement of financial activities (including income and expenditure account)
For the year ended 31 December 2020

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Income from							
Donations and legacies	2	1,518,960	44,792	1,563,752	1,760,733	62,592	1,823,325
Charitable activities	3	26,020	-	26,020	22,496	-	22,496
Investment income	4	474,633	-	474,633	626,046	-	626,046
Rent receivable and sundry income	5	49,111	-	49,111	113,595	-	113,595
Total		2,068,724	44,792	2,113,516	2,522,870	62,592	2,585,462
Expenditure on:							
Raising funds	6	153,869	-	153,869	348,714	-	348,714
Charitable activities	7	3,051,704	41,522	3,093,226	2,792,414	33,117	2,825,531
Investment management Costs		85,431	-	85,431	92,274	-	92,274
Total		3,291,004	41,522	3,332,526	3,233,402	33,117	3,266,519
Net gains/(losses) on investments							
Gains/(losses) on Investment assets	17	980,724	-	980,724	2,206,116	-	2,206,116
Net Income/(expenditure)		(241,556)	3,270	(238,286)	1,495,584	29,475	1,525,059
Transfer between funds	21	-	-	-	-	-	-
Total fund movement		(241,556)	3,270	(238,286)	1,495,584	29,475	1,525,059
Reconciliation of funds:	21						
Total funds brought forward		26,567,999	77,534	26,645,533	25,072,415	48,059	25,120,474
Total funds carried forward	21	26,326,443	80,804	26,407,247	26,567,999	77,534	26,645,533

All recognised gains and losses are included within the above statement. All amounts relate to continuing activities. The notes on pages 16 to 41 form part of these financial statements.

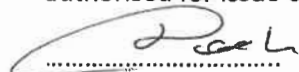
The trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. As permitted by s408 Companies Act 2006, the company has not presented its own Statement of Financial Activity and related notes. The Charity's loss for the year was £118,444 (2019 – profit of £1,625,639).

The Horse Trust

Consolidated balance sheet
As at 31 December 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	16	7,789,086	7,561,148
Investments	17	17,330,603	17,961,107
		<u>25,119,689</u>	<u>25,522,255</u>
Current assets			
Stocks	18	39,634	40,638
Debtors	19	1,283,775	977,276
Cash at bank and in hand		192,969	343,526
		<u>1,516,378</u>	<u>1,361,440</u>
Creditors: amounts falling due within one year	20	(228,818)	(238,162)
Net current assets		<u>1,287,560</u>	<u>1,123,278</u>
Net assets		<u>26,407,249</u>	<u>26,645,533</u>
Represented by			
Funds			
<i>Unrestricted funds</i>	21		
General fund		3,000,000	3,000,000
<i>Designated funds</i>			
Charitable fixed assets		7,711,749	7,545,538
Future grants		1,500,000	1,500,000
Awarded future grants		1,157,142	1,509,751
Capital fund		13,157,976	13,093,291
BARTA		(178,851)	(64,619)
Horse Trust Trading Company		(21,571)	(15,962)
		<u>26,326,445</u>	<u>26,567,999</u>
<i>Restricted funds</i>	22	80,804	77,534
Total accumulated funds	23	<u>26,407,249</u>	<u>26,645,533</u>

The financial statements on pages 11 to 41 were approved by the Committee of Management and authorised for issue on 12 December 2021 are signed on its behalf by:



Mr D Cook
Chair

Company Number: 347417

The notes on pages 16 to 41 form part of these financial activities.

The Horse Trust

Balance sheet As at 31 December 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	16		7,775,749		7,545,539
Investments	17		17,350,176		17,980,680
			<u>25,125,925</u>		<u>25,526,219</u>
Current assets					
Stocks	18	36,634		25,058	
Debtors	19	1,544,907		1,149,585	
Cash at bank and in hand		146,689		278,384	
		<u>1,728,230</u>		<u>1,453,027</u>	
Creditors: amounts falling due within one year	20	(226,912)		(233,559)	
Net current assets			<u>1,501,318</u>		<u>1,219,468</u>
Net assets			<u>26,627,243</u>		<u>26,745,687</u>
Represented by					
Funds					
<i>Unrestricted funds</i>	21				
General fund			3,019,573		3,019,573
<i>Designated funds</i>					
Charitable fixed assets			7,711,749		7,545,538
Future grants			1,500,000		1,500,000
Awarded future grants			1,157,142		1,509,751
Capital fund			13,157,976		13,093,291
			<u>26,546,439</u>		<u>26,668,153</u>
<i>Restricted funds</i>	22		80,804		77,534
Total accumulated funds	23		<u>26,627,243</u>		<u>26,745,687</u>

The financial statements on pages 11 to 41 were approved by the Committee of Management and authorised for issue on 12 December 2021 are signed on its behalf by:



Mr D Cook
Chairman

Company Number: 347417

The notes on pages 15 to 41 form part of these financial activities.

Consolidated statement of cashflows
As at 31 December 2020

	Note	2020 £	2019 £
Cash used in operating activities	26	(1,760,716)	(1,073,629)
Cashflow from investing activities			
Dividends, interest and rents from investments		474,633	626,046
Proceeds from sale of property, plant and equipment		(12,330)	-
Purchase of property, plant and equipment		(394,385)	(1,716,578)
Proceeds from sale of investments		5,005,606	4,605,114
Purchase of investments		(3,350,798)	(2,811,417)
Net cash (used in)/provided by investing activities		1,722,726	703,435
Cashflow from financing activities			
Repayment of borrowings		-	-
Cash inflows from Charity Combination		-	2,645
Receipt of endowment		-	-
Net cash provided by/(used in) financing		-	2,645
Change in cash and cash equivalents in the reporting period		(37,990)	(367,549)
Cash and cash equivalents at the beginning of the reporting period		1,037,469	1,405,018
Cash and cash equivalents at the end of the reporting period	27	999,481	1,037,469

The notes on pages 15 to 41 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2020

1 Accounting policies

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

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

1.1 Basis of accounting

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

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

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

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

1.2 Consolidation

The financial statements consolidate the results of the Charity and its wholly owned subsidiary The Horse Trust Trading Company Limited as well as British Animal Rescue and Trauma Care Association CIC, which is deemed to be included in the consolidation of the Trust due to the deemed control rather than share ownership due to the organisational status as a CIC. The consolidation has been completed on a line by line basis. Details of the undertakings together with a summary of their income and expenditure for the year and net assets are shown in notes 17 and 31.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

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

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

1. Accounting policies

(continued)

1.4 Investments

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

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

1.5 Stocks

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

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Creditors and provisions

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

1.9 Financial instruments

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

1.10 Pension costs

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

Notes to the financial statements

For the year ended 31 December 2020 (continued)

1. Accounting policies

(continued)

1.11 Incoming resources

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

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

For legacies, entitlement is taken as the earlier of the date on which either: the group is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the group has been notified of the executor's intention to make a distribution. Where legacies have been notified to the group, or the group is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 25).

1.12 Donated goods

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

1.13 Expenditure and irrecoverable VAT

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

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

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

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

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

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

1. Accounting policies

(continued)

1.14 Interest receivable

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

1.15 Allocation of support costs

Support costs are those functions that assist the work of the group but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been apportioned on an appropriate basis as set out in Note 12.

1.16 Taxation

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

1.17 Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the Committee of Management in furtherance of the Trust's general charitable objectives.

Designated funds are those funds designated for particular purposes or projects at the discretion of the Committee of Management. These are explained in more detail in Note 21.

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

1.18 Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements

For the year ended 31 December 2020 (continued)

2. Donations and legacies

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Donations income	391,813	44,792	436,605	547,455
BARTA income	31,670	-	31,670	40,861
Legacies	1,095,477	-	1,095,477	1,235,009
	<u>1,518,960</u>	<u>44,792</u>	<u>1,563,752</u>	<u>1,823,325</u>

3. Income from charitable activities

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Fundraising	23,103	-	23,103	18,802
Training income	2,917	-	2,917	3,694
	<u>26,020</u>	<u>-</u>	<u>26,020</u>	<u>22,496</u>

4. Investment income

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Income from investments	472,520	-	472,520	622,114
Bank interest	2,113	-	2,113	3,932
	<u>474,633</u>	<u>-</u>	<u>474,633</u>	<u>626,046</u>

5. Rent receivable and sundry income

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Rent	7,292	-	7,292	9,144
Trading subsidiary income	9,469	-	9,469	72,742
Other	32,350	-	32,350	12,136
Gift on acquisition of BARTA	-	-	-	19,573
	<u>49,111</u>	<u>-</u>	<u>49,111</u>	<u>113,595</u>

Notes to the financial statements

For the year ended 31 December 2020 (continued)

6. Cost of raising funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Cost of generating voluntary income	12,309	-	12,309	68,281
Public relations	811	-	811	14,879
Promotional material	4,734	-	4,734	9,384
Trading subsidiary costs	15,079	-	15,079	88,704
Support costs (see Note 12)	120,936	-	120,936	167,466
	<u>153,869</u>	<u>-</u>	<u>153,869</u>	<u>348,714</u>

Basis of allocation for support costs is direct.

7. Charitable activities expenditure

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Home of Rest for Horses	1,724,240	19,896	1,744,136	1,679,334
Research costs	807,571	-	807,571	675,315
Education in Equine Welfare	330,327	21,626	351,953	290,584
BARTA costs	145,902	-	145,902	125,053
Governance	43,664	-	43,664	55,235
Total	<u>3,051,704</u>	<u>41,522</u>	<u>3,093,224</u>	<u>2,825,531</u>

	Activities undertaken funds £	Support costs £	Total 2020 £
Home of Rest for Horses	661,141	1,063,098	1,724,239
Research costs	591,723	215,848	807,571
Education in Equine Welfare	49,713	280,614	330,327
Governance		43,664	43,664
Total	<u>1,302,577</u>	<u>1,603,224</u>	<u>2,905,801</u>

Notes to the financial statements

For the year ended 31 December 2020 (continued)

8. Analysis of expenditure

	Charitable Activities £	Governance £	Cost of raising raising funds £	Total 2020 £	Total 2019 allocation £	Basis of
Forage and rent	75,243	-	-	75,243	65,549	Direct
Fertiliser and muck disposal	9,540	-	-	9,540	4,295	Direct
Repairs and maintenance	60,723	-	-	60,723	92,665	Direct
Fencing	19,083	-	-	19,083	34,002	Direct
Heat and light	35,033	-	-	35,033	47,369	Direct
Insurances	44,608	-	-	44,608	35,924	Direct
Council tax and water	9,189	-	-	9,189	15,453	Direct
Veterinary, farrier and other Costs	178,733	-	-	178,733	210,005	Direct
Welfare rescue	1,264	-	-	1,264	56,301	Direct
Yard equipment and uniform	19,745	-	-	19,745	25,619	Direct
Vehicle expenses	20,014	-	-	20,014	21,724	Direct
Depreciation	187,967	-	-	187,967	153,306	Direct
Scientific research	189,741	-	-	189,741	207,806	Direct
Clinical scholarship	169,961	-	-	169,961	183,626	Direct
Symposium	9,000	-	-	9,000	25,605	Direct
Symposium Groups	-	-	-	-	20,660	Direct
Science Diss	3,389	-	-	3,389	7,048	Direct
HorseLife	219,632	-	-	219,632	4,238	Direct
Education sponsorship	19,396	-	-	19,396	28,413	Direct
Best Practice	4,742	-	-	4,742	760	Direct
Providing professional Training	5,589	-	-	5,589	8,788	Direct
Welfare clinic costs	15,777	-	-	15,777	5,910	Direct
Equine Policy	4,209	-	-	4,209	4,274	Direct
Cost of generating voluntary income	-	-	12,309	12,309	68,281	Direct
Public relations	-	-	811	811	14,879	Direct
Promotional material	-	-	4,734	4,734	9,384	Direct
BARTA costs	145,903	-	-	142,309	125,053	Direct
Trading subsidiary costs	-	-	15,079	15,079	-	Direct
Support costs (see Note 12)	1,559,559	43,664	120,936	1,724,159	1,571,295	Direct
	3,008,040	43,664	153,869	3,205,573	3,048,232	

Notes to the financial statements

For the year ended 31 December 2020 (continued)

9. Research costs

	2020 £	2019 £
Scientific research	189,741	207,806
Clinical scholarship	169,961	183,626
Other grants	9,000	25,605
Symposium	-	20,660
Science Diss	3,389	7,048
HorseLife	219,632	4,237
Support costs (see Note 12)	215,848	206,386
	<u>807,571</u>	<u>655,368</u>

10. Education in Equine Welfare

	2020 £	2019 £
Education sponsorship	19,396	28,413
Best Practice	4,742	760
Providing professional training	5,589	8,788
Welfare clinic costs	15,777	5,910
Equine Policy	4,209	4,274
Support costs (see Note 12)	280,614	242,439
	<u>330,327</u>	<u>290,584</u>

11. Analysis of grants

Analysis	Grants to institutions £	Support costs (see Note 12) £	Total £
Veterinary Research	<u>368,702</u>	<u>215,848</u>	<u>584,550</u>
Grants to institutions			
University of Liverpool	129,420		
University of Edinburgh	64,621		
University of Nottingham	56,018		
University of Bristol	39,209		
The Animal Health Trust	27,010		
Roslin Institute	20,112		
Moredun Research	13,474		
RVC	4,000		
Hartpury	3,170		
Other	<u>11,666</u>		
	368,702		

Notes to the financial statements

For the year ended 31 December 2020 (continued)

12. Support costs

	Cost of Raising Funds £	The Home £	Research costs £	Education in equine welfare £	Governance costs £	Total 2020 £	Basis of apportionment
Salaries	72,184	811,872	140,930	175,591	28,304	1,228,881	Staff time
Salary on costs	509	7,806	499	1,396	68	10,278	Staff
Recruitment	1,269	1,251	-	-	-	2,520	Direct costs
Consultancy	-	-	-	-	-	-	Equal split
Pension	8,050	55,120	16,850	29,644	2,840	112,505	Staff time
Heat and Light	-	-	-	-	-	-	Staff
Cleaning	3,041	46,661	2,985	8,344	404	61,435	Staff
Telephone and Internet	1,618	24,825	1,588	4,439	215	32,685	Staff
Website							
Design	4,092	4,092	4,092	4,092	-	16,367	Equal split
Sundries	-	1,288	1,288	1,288	-	3,865	Equal split
Purchases	11,664	-	-	-	-	11,664	Direct costs
Depreciation of office equipment	5,989	5,989	5,989	5,989	-	23,957	Equal split
Audit and Accountancy	981	981	981	981	9,000	12,924	*
IT Support	-	9,105	9,105	9,105	-	27,316	Equal split
Legal and Professional fees	-	18,378	18,378	18,378	-	55,134	Equal split
Health and Safety	8	128	8	23	1	169	Staff
Site security	2,639	40,487	2,590	7,240	351	53,307	Staff
Travel Expenses	140	1,963	1,843	2,384	82	6,412	Direct costs
Committee Expenses	-	-	-	-	40	40	Direct costs
Postage, Printing and Stationery	4,918	4,918	4,918	4,918	-	19,670	Equal split
HR							
Development	1,701	26,101	1,670	4,667	226	34,365	Direct costs
Bank Charges and Interest	2,133	2,133	2,133	2,133	2,133	10,666	Equal split
	<u>120,936</u>	<u>1,063,098</u>	<u>215,848</u>	<u>280,614</u>	<u>43,664</u>	<u>1,724,160</u>	

Notes to the financial statements

For the year ended 31 December 2020 (continued)

12. Support costs - 2019

(continued)

	Cost of Raising Funds £	The Home £	Research costs £	Education in equine welfare £	Governance costs £	Total 2019 £	Basis of apportionment
Salaries	109,928	655,149	118,205	142,694	30,412	1,056,389	Staff time
Salary on costs	565	5,910	560	1,048	84	8,167	Staff
Recruitment	717	2,103	42	920	-	3,782	Direct costs
Consultancy	2,360	2,360	2,360	2,360	2,360	11,801	Equal split
Pension	9,196	46,713	12,752	18,676	2,788	90,125	Staff time
Heat and Light	600	6,270	595	1,112	89	8,665	Staff
Cleaning	3,953	41,347	3,921	7,332	585	57,138	Staff
Telephone and Internet	1,892	19,789	1,877	3,509	280	27,347	Staff
Website							
Design	345	345	345	345	-	1,380	Equal split
Sundries	-	615	615	615	-	1,845	Equal split
Purchases	15,354	-	-	-	-	15,354	Direct costs
Depreciation of office equipment	6,181	6,181	6,181	6,181	-	24,725	Equal split
Audit and Accountancy	-	-	-	-	8,400	8,400	*
IT Support	-	6,968	6,968	6,968	-	20,904	Equal split
Legal and Professional fees	-	24,931	24,931	24,931	-	74,793	Equal split
Health and Safety	1,089	11,389	1,080	2,020	161	15,739	Staff
Site security	3,658	38,259	3,628	6,784	541	52,870	Staff
Travel Expenses	1,748	5,673	12,460	5,629	1,202	26,712	Direct costs
Committee Expenses	-	-	-	-	5,938	5,938	Direct costs
Postage, Printing and Stationery	6,051	6,051	6,051	6,051	-	24,205	Equal split
HR Development	1,680	17,570	1,666	3,116	248	24,280	Direct costs
Bank Charges and Interest	2,147	2,147	2,147	2,147	2,147	10,737	Equal split
	<u>167,464</u>	<u>899,770</u>	<u>206,384</u>	<u>242,438</u>	<u>55,235</u>	<u>1,571,295</u>	

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

*Audit - governance/Accountancy – equal split

Notes to the financial statements

For the year ended 31 December 2020 (continued)

13. Net incoming resources for the year

	2020 £	2019 £
This is arrived at after charging or (crediting):		
Rent receivable under operating leases		
Land and buildings	(7,292)	(9,144)
Depreciation – owned fixed assets	218,117	180,422
Loss on capital – owned fixed assets	3,938	-
Auditors' remuneration		
Audit services	9,000	8,400
Non audit services	-	-

14. Employees

a. Number of employees

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

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Farm and stables	27	24	27	24
Home support staff	17	14	17	14
The Horse Trust Trading Co	2	4	-	-
BARTA	1	2	-	-
	47	44	44	38

b. Employment costs

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Wages and salaries	1,238,775	1,066,202	1,120,318	961,467
Social security costs	111,493	102,332	108,563	94,922
Pension costs	112,505	95,148	112,505	90,125
	1,462,773	1,263,682	1,341,386	1,146,514

All staff are employed by the group.

Notes to the financial statements

For the year ended 31 December 2020 (continued)

14. Employees

(continued)

c. Staff earning in excess of £60,000

One employee earned between £120,000 – £130,000 and one employee earned between £60,000 - £70,000 (2019: one employee earned between £110,000 - £120,000).

The key management personnel for the group comprise of three individuals considered to make decisions on behalf of the Trustees. Total employee benefits of the key management personnel of the group was £249,785 (2019: £239,242).

No Trustees received remuneration during the year (2019: £nil).

15. Taxation

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

16. Tangible fixed assets

a. Summary - Group

	Freehold land, property and improvements £	Loose boxes and other plant and equipment £	Furniture fixtures and fittings £	Motor vehicles and horse ambulance £	Total £
Cost					
1 January 2020	7,678,163	488,370	373,835	124,174	8,664,542
Additions	323,809	108,566	26,010		458,385
Disposals		(31,500)	(1,591)		(33,091)
31 December 2020	8,001,972	565,436	398,254	124,174	9,089,836
Depreciation					
1 January 2020	623,253	205,038	199,728	75,375	1,103,394
Charge for the year	131,883	41,062	27,877	17,295	218,117
Disposal		(19,189)	(1,572)		(20,761)
31 December 2020	755,136	226,911	226,033	92,670	1,300,750
Net book values					
31 December 2020	7,246,836	338,525	172,221	31,504	7,789,086
31 December 2019	7,054,910	283,332	174,107	48,799	7,561,148

Notes to the financial statements
For the year ended 31 December 2020 (continued)

16. Tangible fixed assets

(continued)

Summary - Charity

	Freehold land, property and improvements £	Loose boxes and other plant and equipment £	Furniture fixtures and fittings £	Motor vehicles and horse ambulance £	Total £
Cost					
1 January 2020	7,678,163	458,531	373,835	124,174	8,634,703
Additions	323,809	108,566	26,010		458,385
Disposals		(31,500)	(1,591)		(33,091)
31 December 2020	8,001,972	535,597	398,254	124,174	9,059,997
Depreciation					
1 January 2020	623,253	190,808	199,728	75,375	1,089,164
Charge for the year	131,883	38,790	27,877	17,295	215,845
Disposal		(19,189)	(1,572)		(20,761)
31 December 2020	755,136	210,409	226,033	92,670	1,284,248
Net book values					
31 December 2020	7,246,836	325,188	172,221	31,504	7,775,749
31 December 2019	7,054,910	267,723	174,107	48,799	7,545,539

b. Analysis of freehold property

Included within freehold property and improvements is land of £1,963,610 (2019: £1,963,610) which is not depreciated. Freehold property comprises property at Speen Farm, Langley Farm and Little Moseley Farm, Buckinghamshire.

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

Notes to the financial statements

For the year ended 31 December 2020 (continued)

17. Investments

a. Investment in subsidiary undertaking

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cost				
1 January 2020	-	-	19,574	1
Additions at cost	-	-	-	19,573
Disposals	-	-	-	-
31 December 2020	-	-	19,574	19,574
Impairment				
1 January 2020 and 31 December 2020	-	-	-	-
Movement in year	-	-	-	-
31 December 2020	-	-	-	-
Net book values				
Brought Forward	-	-	19,574	1
Carried Forward	-	-	19,574	19,574

The Charity has 100% ownership of The Horse Trust Trading Company Limited and has 100% control of British Animal Rescue and Trauma Care Association CIC during 2019. The acquisition shown above represents the investment treated as a “gift” at the date of the charitable combination.

Notes to the financial statements

For the year ended 31 December 2020 (continued)

17. Investments

(continued)

b. Investment portfolio

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cost				
1 January 2020	13,374,044	14,475,721	13,374,044	14,475,721
Additions at cost	3,350,798	2,811,147	3,350,798	2,811,147
Disposals	(4,197,928)	(3,912,824)	(4,197,928)	(3,912,824)
31 December 2020	12,526,914	13,374,044	12,526,914	13,374,044
Unrealised gain				
1 January 2020	3,893,119	2,379,292	3,893,119	2,379,292
Movement in year	104,058	1,513,827	104,058	1,513,827
31 December 2020	3,997,177	3,893,119	3,997,177	3,893,119
Market value of quoted investments				
31 December 2020	16,524,091	17,267,163	16,524,091	17,267,163
Other investment monies				
Stockbroker open accounts				
Capital account	52,370	293,809	52,370	293,809
Income account	754,142	400,136	754,142	400,136
31 December 2020	806,512	693,945	806,512	693,945
Total investments	17,330,603	17,961,108	17,330,603	17,961,108

c. Analysis of realised and unrealised gain

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Realised gain/(loss)	876,666	692,289	876,666	692,289
Unrealised gain/(loss)	104,058	1,513,827	104,058	1,513,827
Total net gains/(losses)	980,724	2,206,116	980,724	2,206,116

Notes to the financial statements

For the year ended 31 December 2020 (continued)

17. Investments

(continued)

d. Analysis of investments

Quoted investments at market value are comprised of:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
UK equities	2,457,924	4,039,523	2,457,924	4,039,523
Non UK equities	8,968,561	7,763,455	8,968,561	7,763,455
UK fixed interest securities	226,716	813,263	226,716	813,263
UK bonds	1,867,838	1,614,510	1,867,838	1,614,510
Other UK investments held	1,152,149	2,392,499	1,152,149	2,392,499
Other non UK investments held	1,850,903	643,913	1,850,903	643,913
	<u>16,524,091</u>	<u>17,267,163</u>	<u>16,524,091</u>	<u>17,267,163</u>

e. Subsidiaries

Name	Business activity
Wholly owned Subsidiaries of the charity:	
The Horse Trust Trading Company Limited	• Undertakes the trading activities of the charity
British Animal Rescue and Trauma Care Association CIC	• The provisional services of the rescue and trauma care of animals

18. Stocks

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Forage	13,065	8,100	13,065	8,100
Veterinary Drugs	17,332	11,659	17,332	11,659
Merchandise	6,237	5,299	6,237	5,299
Other	3,000	15,580	-	-
	<u>39,634</u>	<u>40,638</u>	<u>36,634</u>	<u>25,058</u>

Notes to the financial statements

For the year ended 31 December 2020 (continued)

19. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Income tax recoverable	59,532	43,403	59,532	43,403
Other debtors and prepayments	1,224,243	933,873	1,221,076	1,027,406
Amounts due from subsidiary undertakings	-	-	264,299	78,776
	<u>1,283,775</u>	<u>977,276</u>	<u>1,544,907</u>	<u>1,149,585</u>

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

20. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	92,188	136,369	92,188	131,765
Other taxes and social security costs	31,016	27,099	31,016	27,099
Other creditors	-	-	1	1
Accruals	105,613	74,694	103,707	74,694
	<u>228,818</u>	<u>238,162</u>	<u>226,912</u>	<u>233,559</u>

Notes to the financial statements

For the year ended 31 December 2020 (continued)

21. Funds movement summary

Group

	Balance at 1 Jan 2020 £	Incoming resources £	Resources expended £	Investment gains £	Transfers in £	Transfers out £	Balance at 31 Dec 2020 £
Unrestricted funds							
General funds	3,000,000	2,027,585	(2,566,237)		538,652		3,000,000
Designated funds							
Charitable fixed assets	7,545,539		(195,084)		458,385	(97,091)	7,711,749
BARTA	(64,619)	31,670	(145,902)				(178,851)
Horse Trust Trading	(15,961)	9,469	(15,079)				(21,571)
Future grants	1,500,000				16,093	(16,093)	1,500,000
Awarded future grants	1,509,751		(368,702)		16,093		1,157,142
Capital fund	13,093,291			980,724		(916,039)	13,157,976
	26,568,001	2,068,724	(3,291,004)	980,724	1,029,223	(1,029,233)	26,326,445
Restricted fund (note 22)	77,534	44,792	(41,522)				80,804
Total accumulated funds	26,645,535	2,113,516	(3,332,526)	980,724	1,029,223	(1,029,233)	26,407,249

Notes to the financial statements

For the year ended 31 December 2020 (continued)

21. Funds movement summary

Charity

	Balance at 1 Jan 2020 £	Incoming resources £	Resources expended £	Investment gains £	Transfers in £	Transfers out £	Balance at 31 Dec 2020 £
Unrestricted funds							
General funds	3,019,573	2,027,585	(2,566,237)		538,652		3,019,573
Designated funds							
Charitable fixed assets	7,545,539		(195,084)		458,385	(97,091)	7,711,749
Future grants	1,500,000				16,093	(16,093)	1,500,000
Awarded future grants	1,509,751		(368,702)		16,093		1,157,142
Capital fund	13,093,291			980,724		(916,039)	13,157,976
	26,668,154	2,027,585	(3,130,023)	980,724	1,029,223	(1,029,223)	26,546,440
Restricted fund (note 22)	77,534	44,792	(41,522)				80,804
Total accumulated funds	26,745,688	2,072,377	(3,171,545)	980,724	1,029,223	(1,029,223)	26,627,244

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

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

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

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

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

21. Funds movement summary

(continued)

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

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

Notes to the financial statements
For the year ended 31 December 2020 (continued)

22. Restricted funds

CIC Formation

Balance brought forward	300
2020 donations	-
2020 expenditure	-

Balance carried forward	300
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Scholarship funding

Balance brought forward	6,045
2020 donations	25,992
2020 expenditure	(21,626)

Balance carried forward	10,411
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Healthy Horses Partnership

Balance brought forward	1,965
2020 donations	-
2020 expenditure	-

Balance carried forward	1,965
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Indoor arena fund

Balance brought forward	24,000
2020 donations	-
2020 expenditure	-

Balance carried forward	24,000
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Alborada Fund

Balance brought forward	40,000
2020 donations	-
2020 expenditure	-

Balance carried forward	40,000
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ECT

Balance brought forward	5,224
2020 donations	18,800
2020 expenditure	(19,896)

Balance carried forward	4,128
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Restricted fund total	80,804
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Notes to the financial statements

For the year ended 31 December 2020 (continued)

23. Analysis of net assets between funds

Group

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Unrestricted funds				
General fund		1,759,184	1,240,816	3,000,000
Designated funds:				
Charitable fixed assets	7,775,749		(64,000)	7,711,149
BARTA	2,331		(181,182)	(178,851)
Trading Company	11,006		(32,577)	(21,571)
Future grants		1,500,000		1,500,000
Future awarded grants		1,157,142		1,157,142
Capital fund		12,914,277	243,699	13,157,976
Fund transfers	(64,000)		64,000	
	7,725,086	17,330,603	1,270,756	26,326,445
Restricted funds	64,000		16,804	80,804
	<u>7,789,086</u>	<u>17,330,603</u>	<u>1,287,560</u>	<u>26,407,249</u>

Charity

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Unrestricted funds				
General fund		1,778,757	1,240,815	3,019,572
Designated funds:				
Charitable fixed assets	7,775,749		(64,000)	7,711,749
BARTA				
Trading Company				
Future grants		1,500,000		1,500,000
Future awarded grants		1,157,142		1,157,142
Capital fund		12,914,277	243,699	13,157,976
Fund transfers	(64,000)		64,000	-
	7,711,749	17,350,176	1,484,514	26,546,439
Restricted funds	64,000		16,804	80,804
	<u>7,775,749</u>	<u>17,350,176</u>	<u>1,501,318</u>	<u>26,627,244</u>

Notes to the financial statements

For the year ended 31 December 2020 (continued)

24. Pensions

The charitable company operates a defined contribution plan and a group personal pension plan. The assets of both schemes are held separately from the group in independently administered funds. The pension cost charge of £112,505 (2019: £90,125) represents contributions payable to the funds.

25. Material legacies

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

As at 31 December 2020 the group has also been notified of a number of legacies that are subject to life tenancies. These legacies have not been accrued for in the financial statements as the conditions of recognition had not been met. These legacies cannot be measured reliably however the best estimate of the value of these legacies is approximately £151,533 (2019: £151,533).

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

	Group 2020 £	Group 2019 £
Net income for the reporting period	(238,284)	1,505,469
Adjustments for:		
Depreciation charge	218,117	180,422
Profit /loss on disposal of fixed assets	12,330	
Interest and dividend income shown in investing activities	(474,633)	(626,046)
Net gains on investments	(980,724)	(2,206,116)
Decrease/(increase) in stock	1,004	(8,800)
Decrease/(increase) in debtors	(307,870)	(57,338)
Increase/(decrease) in creditors	9,344	138,781
	<u>(1,760,716)</u>	<u>(1,073,629)</u>

27. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	192,969	343,527
Notice deposits (less than 3 months)	806,512	693,945
	<u>999,481</u>	<u>1,037,472</u>

28. Capital commitments

At 31 December 2020 the charitable company had capital commitments totalling £49,314 (2019: £nil). The commitment related to ongoing building work relating to the design, supply and erection of an extension to existing building and accompanying car park.

29. Related party transactions

The only related party transactions during 2020 are the transactions with The Horse Trust Trading Company Limited; a 100% wholly owned subsidiary. See note 31 for the trading results of the year ended 31 December 2020.

During the year, there were no expenses of paid to Trustees (2019: £5,938). No other payments were made to Trustees or any persons connected with them during this financial year or the prior period.

At the yearend 31 December 2020 there was a balance of £210,536 (2019: £98,064) owed from BARTA to the Charity. A revolving loan facility agreement is in place for up to £100,000, repayable at an interest rate of 2% above base rate.

30. Post Balance Sheet Events

On 17 May 2021 The Horse Trust entered into an agreement to purchase land for the sum of £400,000 adjacent to the Horse Trust site in Speen, in North Dean. This Purchase was completed in June 2021.

Notes to the financial statements

For the year ended 31 December 2020 (continued)

31. Subsidiary results

The Charity owns the whole of the issued ordinary share capital of The Horse Trust Trading Company Limited, company number 08614961 and has control over British Animal Rescue and Trauma Care Association CIC, company number 08255580. Each entity is registered in England and details of their activities are given below.

The following results are for The Horse Trust Trading Company Limited;

Profit and Loss account

For the period ended 31 December 2020

	2020	2019
	£	£
Turnover	9,469	72,742
Cost of sales	(2,185)	(19,277)
Gross profit	7,284	53,465
Administrative expenses	(12,893)	(69,427)
Profit or (loss) for the financial year	(5,610)	(15,962)

Balance sheet

As at 31 December 2020

	2020	2019
	£	£
Fixed assets		
Tangible assets	11,006	12,867
Current assets		
Debtors	224	835
Cash at bank and in hand	21,456	49,256
Total current assets	21,680	50,091
Creditors: Amounts falling due within one year	(54,256)	(78,920)
Net current assets/(liabilities)	(32,576)	(28,829)
Total net assets/(liabilities)	(21,570)	(15,962)

Notes to the financial statements
For the year ended 31 December 2020 (continued)

31. **Subsidiary results**

(continued)

The following results are for British Animal Rescue and Trauma Care Association CIC.

Profit and Loss account

For the period ended 31 December 2020

	2020	2019
	£	£
Turnover	31,670	40,861
Cost of sales	(19,296)	(79,765)
Gross profit	12,374	(38,904)
Administrative expenses	(126,305)	(45,288)
Profit or (loss) for the financial year	(113,931)	(84,192)

Balance sheet

As at 31 December 2020

	2020	2019
	£	£
Fixed assets		
Tangible assets	2,331	2,742
Current assets		
Stocks	3,000	15,580
Debtors	2,943	3,696
Cash at bank and in hand	24,824	15,887
Total current assets	30,767	35,163
Creditors: Amounts falling due within one year	(211,949)	(102,524)
Net current assets/(liabilities)	(181,182)	(67,361)
Total net assets/(liabilities)	(178,851)	(64,619)