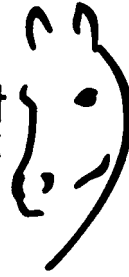


Charity Registration No. 231748
Company Registration No. 347417

The Horse Trust
Advancing Excellence
in Equine Care



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

Report and financial statements
31 December 2018

THURSDAY



A8CER7Y2

A13

22/08/2019

#120

COMPANIES HOUSE

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
Vice President	The Lady Somerleyton OBE
Board of Trustees	Professor M Bowen Professor P Clegg Lord R De Mauley Mr D Cook Mrs B Jones Mr C Marriott Professor B McGorum Mr R Neal Professor J D Slater Mrs M Soames Chairman
Chief Executive and Secretary	Miss J M Allen
Bankers	Coutts and Co St Martins Branch 440 The Strand London WC2R 0QS

The Horse Trust

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
East Parade
Leeds
West Yorkshire
LS1 5BD

Hatch Legal
12 Park House
11 Park Row
Leeds
LS1 5HB

Investment Managers

Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

The Horse Trust

Contents

	Page
Report to the board of trustees	1 - 7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cashflows	13
Notes to the financial statements	14 - 34

The Horse Trust

Report of the Board of Trustees for the year ended 31 December 2018

The Board of Trustees has pleasure in presenting its report and the financial statements for the year ended 31 December 2018.

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 charity.

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 charity operates on a day to day basis. This also gives the new trustees an opportunity to meet the Chief Executive and other key personnel. The new trustees are given a briefing pack of important documentation. This pack is due to be reviewed and updated during 2019.

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 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.

The Horse Trust

Report of the Board of Trustees for the year ended 31 December 2018 (continued)

The Charity has one wholly owned subsidiary, The Horse Trust Trading Company Limited, which is incorporated in the United Kingdom. The trading subsidiary has not been consolidated within these financial statements as in the opinion of the trustees, the trading subsidiary is not material and the exclusion of the trading subsidiary within The Horse Trust's accounts does not impact on the true and fair view of these financial statements. Further details can be found in note 1.2 and the results of the trading subsidiary and of its balance sheet are fully disclosed in note 31 of the accounts.

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 charity.

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 charity 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 charity to achieve them are reviewed regularly by the Board and a new strategic plan is devised approximately every five years.

The Horse Trust

Report of the Board of Trustees for the year ended 31 December 2018 (continued)

Statement of public benefit

The Trustees in exercising their powers and duties have compiled 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.

The Horse Trust was saddened to hear that the Vice President, Lady Somerleyton had passed away in December 2018. Belinda Somerleyton used to visit the Home of Rest for Horses in Borehamwood as a child when her stepfather Gerald Critchley was a Trustee and then Chairman. She was appointed Vice Patroness in 1965 and then President in 1994. Following her retirement in 2009 she was formally honoured with the role of Vice President. She always attended events and meetings and was incredibly supportive of the charity.

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.

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 of 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 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 2018 the charity began a major redevelopment programme to further enhance its facilities which should be finished during 2019. There is a new indoor school and education centre to enable us to deliver our training programmes in the safest way and in an environment dedicated to learning. There is also a new additional loose barn style housing for the larger, arthritic horses, three new sand paddocks for horses recovering from laminitis or foot and lower limb problems and a new storage facility that will include specialist archive storage to house our 130 years of historical documents.

The Horse Trust

Report of the Board of Trustees for the year ended 31 December 2018 (continued)

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 demonstrated clearly 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>2018</u>		<u>2017</u>	
	No	£	No	£
University of Liverpool	5	158,494	5	176,604
University of Edinburgh	4	90,978	3	101,251
RVC	3	72,060	2	81,773
Moredun Research	2	28,179	1	54,008
AHT	2	24,161	2	56,226
University of Nottingham	1	20,000		
University of Bristol	1	14,069	1	36,365
Nottingham Trent	1	5,000		
Total	19	412,941	14	506,227

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.

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 2018 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.

The plan to train Highways England officers with BARTA continued in 2018 with many officers completing the course both at Speen and in a venue in the north of England. The Horse Trust has written the horse behaviour and legislation content for this and has also enabled the professional dog trainers to deliver their essential training to Highways England at The Horse Trust's Speen Farm site so the officers can do horse and dog training on the same day in the same location.

The Horse Trust

Report of the Board of Trustees for the year ended 31 December 2018 (continued)

Current delegates are working on our level 3 Diploma in Equine Legislation, Welfare and Field Skills with more waiting to be enrolled on the next cohort. They are progressing well through the qualification and their feedback is extremely positive.

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.

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 2018. 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. The Horse Trust has also supported the development by government of the central equine database and has had key input into a variety of regulation, legislation, guidance and Brexit related advice.

Financial Review

Review of the year

2018 has been a financially successful year for The Horse Trust, due in the most part to legacies, although it must be remembered that legacy income is highly unpredictable and so we cannot reasonably expect this level of legacy income every year. During 2018 The Horse Trust received legacies of £1,918,492 which was higher than the previous year (2017 - £1,534,466).

Research costs to existing grants have been made in line with the budget and new projects were awarded during 2018. Good financial management and a careful control of expenditure have meant the charity made a surplus in the year of £268,502 (2017 a loss of £184,063)

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 £17,622,876 (2017 - £20,416,795). On 31st December 2018 the stock market has taken a downturn which means the year end figure is not as healthy in comparison to the previous year. It must be remembered that these values can only be taken as an indication of the value on this date. In the first three months of 2019 the portfolios have risen significantly from the year end position.

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.

Report of the Board of Trustees for the year ended 31 December 2018 (continued)

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 Charity including long term plans to issue significant grants for further scientific research.

The General Fund is the operating reserves of the charity and is set at approximately twelve months expenditure to ensure the flexibility to meet immediate future plans. This fund currently stands at just over £3m.

Public relations and fundraising

During 2018 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 and social media, Home of Rest visitors and our attendance at external events such as Royal Windsor Horse Show remain our most effective donor recruitment tools. Costs have continued to be controlled throughout 2018 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 £6m, and is considered by the Board of Trustees to be in excess of that value if realised.

Future plans

The charity 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 Horse Trust will be continuing to redevelop specific areas at Speen to increase our charitable output still further.

Following on from the successful Scientific Symposium in 2017, "What is the State of our Equine Nation?", the charity will be using the findings of the post symposium working groups to assist in making future funding decisions for research. There are plans to hold a new Symposium in 2019 to further develop the ideas.

On 21 March 2019, The Trustees agreed the acquisition of The British Animal Rescue and Trauma Association (BARTA). The Trust will assist BARTA to standardise practical horse handling courses around the UK to ensure all fire fighters and officers receive the same standard of training.

The Horse Trust will be sponsoring Student Equine Veterinary Association (SEVA) Congress in 2019. With a mix of lectures and practical sessions delegates are to be addressed by leading experts in a range of subjects including Donkey medicine, Orthopaedics, Dentistry, Infectious diseases and Surgery practicals. The event is a perfect opportunity for the Trust to unveil some of its exciting new online courses for veterinary surgeons and students.

The Horse Trust

Report of the Board of Trustees for the year ended 31 December 2018 (continued)

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.

Towards the end of 2019 The Horse Trust will be devising a new strategic plan for the next five years.

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 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 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 20 July 2019


.....
Chairman

Independent auditors' report to the members of The Horse Trust

Opinion

We have audited the financial statements of The Horse Trust for the year ended 31 December 2018 which comprise of the Statement of financial activities, Balance sheet and Statement of cashflows. 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 charitable company's state of affairs as at 31 December 2018 and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Horse Trust

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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual 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 charitable company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Trustees' Responsibilities Statement set out on page 7, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative to do so.

The Horse Trust

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

Auditor's responsibilities for the audit of the financial statements

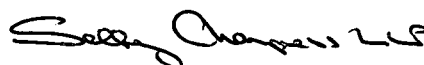
We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 members and the trustees, 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 charity'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 charity, the charity's members and trustees 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

.....

Chartered Accountants

Statutory Auditors

20.08.19

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

The Horse Trust

Statement of financial activities (including income and expenditure account) for the year ended 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Unrestricted funds £	Restricted funds £	Total funds 2017 £
Income from							
Donations and legacies	2	2,225,338	94,220	2,319,558	1,731,258	38,820	1,770,078
Charitable activities	3	24,231	-	24,231	58,022	-	58,022
Investment income	4	679,554	-	679,554	664,327	-	664,327
Rent receivable and sundry income	5	17,784	-	17,784	24,325	6,000	30,325
Total		2,946,907	94,220	3,041,127	2,477,932	44,820	2,522,752
Expenditure on:							
Raising funds	6	237,840	-	237,840	295,245	-	295,245
Charitable activities	7	2,384,745	46,858	2,431,603	2,270,640	46,021	2,316,661
Investment management costs		103,182	-	103,182	94,909	-	94,909
Total		2,725,767	46,858	2,772,625	2,660,794	46,021	2,706,815
Net gains/(losses) on investments							
Gains/(losses) on Investment assets	17	(1,372,591)	-	(1,372,591)	1,295,225	-	1,295,225
Net Income/(expenditure)		(1,151,451)	47,362	(1,104,089)	1,112,363	(1,201)	1,111,162
Transfer between funds	21	(9)	9	-	-	-	-
Total fund movement		(1,151,460)	47,371	(1,104,089)	1,112,363	(1,201)	1,111,162
Reconciliation of funds:							
Total funds brought forward	21	26,223,876	688	26,224,564	25,111,513	1,889	25,113,402
Total funds carried forward	21	25,072,416	48,059	25,120,475	26,223,876	688	26,224,564


All recognised gains and losses are included within the above statement. All amounts relate to continuing activities. The notes on pages 14 to 34 form part of these financial statements.

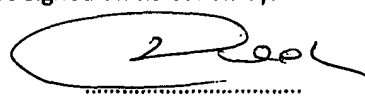
The Horse Trust

Balance sheet
As at 31 December 2018

	Note	2018	2017
		£	£
Fixed assets			
Tangible assets	16	6,007,610	5,193,267
Investments	17	17,622,876	20,416,795
		<u>23,630,486</u>	<u>25,610,062</u>
Current assets			
Stocks	18	12,944	22,279
Debtors	19	1,256,318	673,212
Cash at bank and in hand		586,179	311,823
		<u>1,855,441</u>	<u>1,007,314</u>
Creditors: amounts falling due within one year	20	365,452	392,812
Net current assets		<u>1,489,989</u>	<u>614,502</u>
Net assets		<u>25,120,475</u>	<u>26,224,564</u>
Represented by			
Funds			
<i>Unrestricted funds</i>	21		
General fund		3,055,648	2,600,000
<i>Designated funds</i>			
Charitable fixed assets		6,007,610	5,193,267
Future grants		1,500,000	1,500,000
Awarded future grants		1,390,524	1,504,179
Capital fund		13,118,634	15,426,430
		<u>25,072,416</u>	<u>26,223,876</u>
<i>Restricted funds</i>	22	48,059	688
Total accumulated funds	23	<u>25,120,475</u>	<u>26,224,564</u>

The financial statements on pages 11 to 34 were approved by the Committee of Management and authorised for issue on 20 July 2019 are signed on its behalf by:


Professor J D Slater
Chairman


Mr D Cook
Honorary Treasurer

Company Number: 347417

The notes on pages 14 to 34 form part of these financial activities.

The Horse Trust

**Statement of cashflows
As at 31 December 2018**

	Note	2018 £	2017 £
Cash used in operating activities	26	(851,520)	(583,325)
Cashflow from investing activities			
Dividends, interest and rents from investments		679,554	664,327
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(975,007)	(491,520)
Proceeds from sale of investments		2,611,858	1,099,550
Purchase of investments		(927,360)	(1,055,253)
Net cash (used in)/provided by investing activities		537,525	(366,221)
Cashflow from financing activities			
Repayment of borrowings		-	-
Cash inflows from new borrowings		-	-
Receipt of endowment		-	-
Net cash provided by/(used in) financing		-	-
Change in cash and cash equivalents in the reporting period		537,525	(366,221)
Cash and cash equivalents at the beginning of the reporting period		816,515	1,182,736
Cash and cash equivalents at the end of the reporting period	27	1,354,040	816,515

The notes on pages 14 to 34 form part of these financial statements.

The Horse Trust

Notes to the financial statements For the year ended 31 December 2018

1 Accounting policies

The Horse Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The charity 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 Charity's ability to continue as a going concern.

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

1.2 Consolidation

The Charity has one wholly owned subsidiary, The Horse Trust Trading Company Limited, which is incorporated in the United Kingdom. The trading subsidiary has not been consolidated within these financial statements as in the opinion of the trustees, the trading subsidiary is not material and the exclusion of the trading subsidiary within The Horse Trusts accounts does not impact on the true and fair view of these financial statements. The results of the trading subsidiary and of its balance sheet are fully disclosed in note 31 of the accounts.

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.

Notes to the financial statements
For the year ended 31 December 2018 (continued)

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

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 2018 (continued)

1. Accounting policies (continued)

1.11 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be 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 charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (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 charity in the delivery of its charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- 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 charity and include the audit fees and costs linked to the strategic management of the charity.

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

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

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 charity; 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 charity 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 Charity 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.

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total Funds 2018 £	Total Funds 2017 £
Donations income	306,846	94,220	401,066	235,612
Legacies	1,918,492	-	1,918,492	1,534,466
Total voluntary income	2,225,338	94,220	2,319,558	1,770,078

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2018 £	Total Funds 2017 £
Fundraising	18,985	-	18,985	32,028
Training income	4,911	-	4,911	25,089
Respite income	335	-	335	905
Total	24,231	-	24,231	58,022

4. Investment income

	2018 £	2017 £
Income from investments	676,840	662,999
Bank interest	2,714	1,328
	679,554	664,327

5. Rent receivable and sundry income

	2018 £	2017 £
Rent	16,845	14,640
Other	939	15,685
	17,784	30,325

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

6. Cost of raising funds	Unrestricted funds	Restricted funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Cost of generating voluntary income	66,365	-	66,365	66,906
Public relations	21,589	-	21,589	20,868
Promotional material	664	-	664	4,214
Support costs (see Note 12)	149,222	-	149,222	203,257
	<u>237,840</u>	<u>-</u>	<u>237,840</u>	<u>295,245</u>

Basis of allocation for support costs is direct.

7. Charitable activities expenditure	Unrestricted funds	Restricted funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Home of Rest for Horses	1,457,743	9,606	1,467,349	1,322,290
Research costs	588,499	37,252	625,751	690,269
Education in Equine Welfare	282,096	-	282,096	244,278
Governance	56,407	-	56,407	59,824
Total	<u>2,384,745</u>	<u>46,858</u>	<u>2,431,603</u>	<u>2,316,661</u>

	Activities undertaken funds	Support costs	Total 2018
	£	£	£
Home of Rest for Horses	677,835	789,514	1,467,349
Research costs	412,941	212,810	625,751
Education in Equine Welfare	41,354	240,742	282,096
Governance	-	56,407	56,407
Total	<u>1,132,130</u>	<u>1,299,473</u>	<u>2,431,603</u>

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

8. Analysis of expenditure

	Charitable Activities £	Cost of raising funds £	Total 2018 £	Total 2017 £	Basis of allocation
Forage	60,411	-	60,411	35,045	Direct
Fertiliser and sprays	6,074	-	6,074	6,357	Direct
Repairs and maintenance	97,307	-	97,307	95,896	Direct
Fencing	16,965	-	16,965	37,065	Direct
Heat and light	27,586	-	27,586	39,719	Direct
Insurances	35,004	-	35,004	33,683	Direct
Council tax and water	14,171	-	14,171	14,941	Direct
Veterinary, farrier and other costs	227,468	-	227,468	194,463	Direct
Yard equipment and uniform	23,561	-	23,561	24,935	Direct
Vehicle expenses	22,321	-	22,321	20,452	Direct
Depreciation	137,360	-	137,360	114,760	Direct
Scientific research	123,769	-	123,769	242,248	Direct
Clinical scholarship	246,132	-	246,132	224,363	Direct
Symposium	5,788	-	5,788	27,144	Direct
Symposium Groups	-	-	-	1,032	Direct
Education sponsorship	14,978	-	14,978	18,809	Direct
Best Practice	5,855	-	5,855	8,576	Direct
Providing professional training	13,162	-	13,162	23,330	Direct
Welfare clinic costs	4,041	-	4,041	2,486	Direct
Equine Policy	3,319	-	3,318	607	Direct
Cost of generating voluntary income	-	66,365	66,365	66,906	Direct
Public relations	-	21,589	21,589	20,868	Direct
Promotional material	-	664	664	4,214	Direct
Support costs (see Note 12)	1,299,473	149,222	1,448,695	1,307,986	Direct
	<u>2,384,745</u>	<u>237,840</u>	<u>2,622,585</u>	<u>2,565,885</u>	

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

9. Research costs

	2018 £	2017 £
Scientific research	123,769	242,248
Clinical scholarship	246,132	224,363
Other	5,788	28,176
Support costs (see Note 12)	212,810	155,867
	<u>588,499</u>	<u>650,654</u>

10. Education in Equine Welfare

	2018 £	2017 £
Education sponsorship	14,977	18,809
Best Practice	5,855	8,575
Providing professional training	13,162	23,330
Welfare clinic costs	4,041	2,486
Equine Policy	3,319	607
Support costs (see Note 12)	240,742	184,065
	<u>282,096</u>	<u>237,872</u>

11. Analysis of grants

Analysis	Grants to institutions £	Support costs (see Note 12) £	Total £
Veterinary Research	<u>412,941</u>	<u>207,918</u>	<u>620,859</u>
Grants to institutions			
University of Liverpool	158,494		
University of Edinburgh	90,978		
RVC	72,060		
AHT	24,161		
Moredun Research	28,179		
University of Bristol	14,069		
University of Nottingham	20,000		
Nottingham Trent	5,000		
	<u>412,941</u>		

The Horse Trust

Notes to the financial statements For the year ended 31 December 2018 (continued)

12. Support costs

	Cost of Raising Funds £	The Home £	Research costs £	Education in equine welfare £	Governance costs £	Total £	Basis of apportionment
Salaries	90,602	574,816	118,771	139,065	28,720	951,974	Staff time
Salary on costs	806	7,833	642	1,216	117	10,614	Staff time
Recruitment	6,212	1,809	363	811	-	9,195	Direct costs
Sub-Contractor	3,488	3,488	3,488	3,488	3,488	17,440	Equal split
Pension	6,323	40,052	11,936	13,185	2,721	74,217	Staff time
Heat and Light	601	5,843	480	907	87	7,918	Staff
Cleaning	1,144	11,123	912	1,726	166	15,071	Staff
Telephone and Internet	2,057	20,813	1,639	3,102	298	27,909	Staff
Website							
Design	104	104	104	104	-	416	Equal split
Sundries	-	1,464	1,464	1,464	-	4,392	Equal split
Purchases	17,911	-	-	-	-	17,911	Direct costs
Depreciation of office equipment	5,826	5,826	5,826	5,826	-	23,304	Equal split
Audit and Accountancy	-	100	100	100	9,600	9,900	*
IT Support	-	6,581	6,581	6,581	-	19,743	Equal split
Legal and Professional Fees	-	41,464	41,464	41,464	-	124,392	Equal split
Site security	2,078	20,201	1,657	3,135	301	27,372	As per staff
Health and Safety	1,463	14,220	1,166	2,207	212	19,268	As per staff
Travel Expenses	778	4,251	6,847	5,384	679	17,939	Direct costs
Committee Expenses	-	-	-	-	7,508	7,508	Direct costs
Postage, Printing and Stationery	5,387	5,387	5,387	5,387	-	21,548	Equal split
Employee Development and Training	2,259	21,956	1,800	3,407	327	29,749	Direct costs
Bank Charges and Interest	2,183	2,183	2,183	2,183	2,183	10,915	Equal split
	<u>149,222</u>	<u>789,514</u>	<u>212,810</u>	<u>240,742</u>	<u>56,407</u>	<u>1,448,695</u>	

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

*Audit - governance/Accountancy – equal split

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

13. Net incoming resources for the year

	2018 £	2017 £
This is arrived at after charging or (crediting):		
Rent receivable under operating leases – land and buildings	(16,845)	(8,640)
Depreciation – owned fixed assets	160,664	139,672
Loss on capital – owned fixed assets	-	-
Auditors' remuneration – audit services	9,600	8,760
– non audit services	-	-
	<u>160,664</u>	<u>139,672</u>

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:-

	2018 £	2017 £
Farm and stables	20	20
Home support staff	14	14
	<u>34</u>	<u>34</u>

b. Employment costs

	2018 £	2017 £
Wages and salaries	872,874	859,854
Social security costs	79,100	72,901
Pension costs	74,216	70,489
	<u>1,026,190</u>	<u>1,003,244</u>

All staff are employed by the charity.

c. Staff earning in excess of £60,000

One employee earned between £100,000 – £110,000. (2017: one employee earned between £110,000 - £120,000).

The key management personnel for the charity comprise of three individuals considered to make decisions on behalf of the Trustees. Total employee benefits of the key management personnel of the charity was £210,782 (2017: £216,444).

No Trustees received remuneration during the year (2017: £nil).

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

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

	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 2018	5,284,478	318,843	284,659	73,265	5,961,245
Additions	871,158	38,289	39,811	25,749	975,007
Disposals	-	-	-	-	-
31 December 2018	<u>6,155,636</u>	<u>357,132</u>	<u>324,470</u>	<u>99,014</u>	<u>6,936,252</u>
Depreciation					
1 January 2018	425,125	131,665	164,327	46,861	767,978
Charge for the year	94,751	26,418	28,184	11,311	160,664
Disposal	-	-	-	-	-
31 December 2018	<u>519,876</u>	<u>158,083</u>	<u>192,511</u>	<u>58,172</u>	<u>928,642</u>
Net book values					
31 December 2018	<u>5,635,760</u>	<u>199,049</u>	<u>131,959</u>	<u>40,842</u>	<u>6,007,610</u>
31 December 2017	<u>4,589,353</u>	<u>187,178</u>	<u>120,332</u>	<u>26,404</u>	<u>5,193,267</u>

b. Analysis of freehold property

Included within freehold property and improvements is land of £1,963,610 (2017: £1,963,610) which is not depreciated. Freehold property comprises property at Speen Farm and Little Moseley Farm, Buckinghamshire.

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

The Horse Trust

Notes to the financial statements For the year ended 31 December 2018 (continued)

17. Investments

a. Investment in subsidiary undertaking

	2018 £	2017 £
Cost		
1 January 2018 and 31 December 2018	1	1
Additions at cost	-	-
Disposals	-	-
	<hr/>	<hr/>
31 December 2018	1	1
	<hr/>	<hr/>
Impairment		
1 January 2018 and 31 December 2018	-	-
Movement in year	-	-
	<hr/>	<hr/>
31 December 2018	-	-
Net book values		
	<hr/>	<hr/>
1 January 2018 and 31 December 2018	1	1
	<hr/>	<hr/>

The Charity has 100% ownership the Horse Trust Trading Company Limited. The transactions between the Charity and the trading subsidiary and financial results for the year end 31 December 2018 can be seen in note 31 of the financial statements.

The Horse Trust

**Notes to the financial statements
For the year ended 31 December 2018 (continued)**

17. Investments		(continued)	
b. Investment portfolio			
		2018	2017
		£	£
Cost			
1 January 2018	15,931,055	15,755,382	
Additions at cost	927,360	1,055,253	
Disposals	(2,382,693)	(879,580)	
31 December 2018	14,475,722	15,931,055	
Unrealised gain			
1 January 2018	3,981,047	2,905,792	
Movement in year	(1,601,755)	1,075,255	
31 December 2018	2,379,292	3,981,047	
Market value of quoted investments			
31 December 2018	16,855,014	19,912,102	
Other investment monies			
Stockbroker open accounts			
Capital account	659,939	74,880	
Income account	107,922	429,812	
31 December 2018	767,861	504,692	
Total investments	17,622,875	20,416,794	
c. Analysis of realised and unrealised gain			
	2018	2017	
	£	£	
Realised gain/(loss)	229,164	219,905	
Unrealised gain/(loss)	(1,601,755)	1,705,320	
Total net gains	1,372,591	1,925,225	

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

17. Investments

(continued)

d. Analysis of investments

Quoted investments at market value are comprised of:

	2018	2017
	£	£
UK equities	4,778,792	6,875,554
Non UK equities	5,711,533	6,766,426
UK fixed interest securities	822,570	898,171
Non UK fixed interest securities	1,860,151	1,419,234
Other UK investments held	3,117,335	3,183,579
Other non UK investments held	564,633	769,138
	16,855,014	19,912,102

e. Significant investments

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

	2018		2017	
	Market value	Proportion	Market value	Proportion
	£	%	£	%
Alpha CIF for Endowments	-	-	10,382,143	52.1%
Equity income trust for charities	891,226	5.1%	1,271,276	6.4%

18. Stocks

	2018	2017
	£	£
Forage	5,663	8,775
Veterinary Drugs	4,347	7,418
Merchandise	2,934	6,086
	12,944	22,279

19. Debtors

	2018	2017
	£	£
Income tax recoverable	24,918	26,113
Other debtors and prepayments	1,134,836	585,210
Amounts due from subsidiary undertakings	96,564	61,889
	1,256,318	673,212

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

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

20. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	204,393	113,011
Other taxes and social security costs	21,650	19,642
Other creditors	1	1
Accruals	139,408	260,158
	<hr/>	<hr/>
	365,452	392,812
	<hr/>	<hr/>

The Horse Trust

**Notes to the financial statements
For the year ended 31 December 2018 (continued)**

21. Funds movement summary

	Balance at 1 Jan 2018 £	Incoming resources £	Resources expended £	Investment gains £	Transfers in £	Transfers out £	Balance at 31 Dec 2018 £
Unrestricted funds							
General funds	2,600,000	2,946,907	(2,189,414)	-	-	(301,845)	3,055,648
Designated funds							
Charitable fixed assets	5,193,267	-	(160,664)	-	975,007	-	6,007,610
Future grants	1,500,000	-	-	-	262,034	(262,034)	1,500,000
Awarded future grants	1,504,179	-	(375,689)	-	262,034	-	1,390,524
Capital fund	15,426,430	-	-	(1,372,591)	-	(935,205)	13,118,634
	26,223,876	2,946,907	(2,725,767)	(1,372,591)	1,499,075	(1,499,084)	25,072,416
Restricted fund (note 22)	688	94,220	(46,858)	-	9	-	48,059
Total accumulated funds	26,224,564	3,041,127	(2,772,625)	(1,372,591)	1,499,084	(1,499,084)	25,120,475

The general fund represents the operating reserves of the charity 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 charity 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.

The Horse Trust

**Notes to the financial statements
For the year ended 31 December 2018 (continued)**

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 charity 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.

The Horse Trust

Notes to the financial statements For the year ended 31 December 2018 (continued)

22. Restricted funds

Scholarship funding

Balance brought forward	300
2018 donations	-
2018 expenditure	-

Balance carried forward	300
--------------------------------	------------

Scholarship funding

Balance brought forward	(1,577)
2018 donations	38,820
Transfer from general funds	9
2018 expenditure	(37,252)

Balance carried forward	-
--------------------------------	----------

Healthy Horses Partnership

Balance brought forward	1,965
2018 donations	-
2018 expenditure	-

Balance carried forward	1,965
--------------------------------	--------------

Police Horse

Balance brought forward	-
2018 donations	1,200
2018 expenditure	(1,200)

Balance carried forward	-
--------------------------------	----------

Alborada Fund

Balance brought forward	-
2018 donations	40,000
2018 expenditure	-

Balance carried forward	40,000
--------------------------------	---------------

ECT

Balance brought forward	-
2018 donations	14,200
2018 expenditure	(8,406)

Balance carried forward	5,794
--------------------------------	--------------

Restricted fund total	48,059
------------------------------	---------------

Notes to the financial statements
For the year ended 31 December 2018 (continued)

23. Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Unrestricted funds				
General fund	-	-	1,441,930	1,441,930
Designated funds:				
Charitable fixed assets	6,007,610	-	-	6,007,610
Future grants	-	1,390,524	-	1,390,524
Future awarded grants	-	1,500,000	-	1,500,000
Capital fund	-	14,732,352	-	14,732,352
	<u>6,007,610</u>	<u>17,622,876</u>	<u>1,441,930</u>	<u>25,072,416</u>
Restricted funds	-	-	48,059	48,059
	<u>6,007,610</u>	<u>17,622,876</u>	<u>1,489,989</u>	<u>25,120,475</u>

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 charity in independently administered funds. The pension cost charge of £79,217 (2017: £70,489) represents contributions payable to the funds and £5,997 (2017: £5,587) were in arrears at the year end.

25. Material legacies

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

As at 31 December 2018 the Charity 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 (2017: £151,533).

Notes to the financial statements
For the year ended 31 December 2018 (continued)

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

	2018 £	2017 £
Net income for the reporting period (as per SOFA)	(1,104,089)	1,111,162
Adjustments for:		
Depreciation charge	160,664	139,672
Interest and dividend income shown in investing activities	(679,554)	(664,327)
Net gains on investments	1,372,591	(1,295,225)
Decrease/(increase) in stock	9,334	6,068
Decrease/(increase) in debtors	(583,107)	(13,979)
Increase/(decrease) in creditors	(27,359)	133,304
Net cash (used in)/provided by operating activities	(851,520)	(583,325)

27. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	586,179	311,823
Notice deposits (less than 3 months)	767,861	504,692
Total cash and cash equivalents	1,354,040	816,515

28. Capital commitments

At 31 December 2018 the charitable company had capital commitments totalling £326,283 (2017: Nil). The commitment relates to the ongoing building work relating to the design, supply and erection of an extension to existing building. Inclusive of a new indoor arena and demolition and re-build of new archive building together with associated ground works. Such investment has been approved by the Board of Trustees to increase the capacity and resource for the increasing number of horses currently present. The total costs incurred in the year totalled £585,155. Based on the signed contract of work the remaining costs to completion total £326,283. The amount will be funded by the designated charitable fixed asset fund that has a carry forward balance of £6,007,610 at the yearend 31 December 2018.

29. Related party transactions

The only related party transactions during 2018 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 2018.

During the year, expenses of £5,851 (2017: £3,950) were paid to 6 Trustees (2017: 4). No other payments were made to Trustees or any persons connected with them during this financial year.

The Horse Trust

Notes to the financial statements

For the year ended 31 December 2018 (continued)

30. Post balance sheet event

On 21 March 2019, The Trustees agreed the acquisition of The British Animal Rescue and Trauma Association (BARTA). This is a company limited by guarantee and therefore no investment in share capital. No monies were transferred in relation to the acquisition. J Slater; a current Trustee is also a Director of this Company.

Miss J Allen and Mr D Cook were appointed as Directors on 21 March 2019.

31. Trading subsidiary results

Profit and Loss account

For the period ended 31 December 2018

	2018 £	2017 £
Turnover	100,561	82,491
Cost of sales	(19,164)	(19,467)
Gross profit	81,397	63,024
Administrative expenses	(64,936)	(63,024)
Profit or (loss) for the financial year	16,461	-

Balance sheet

As at 31 December 2018

	2018 £	2017 £
Fixed assets		
Tangible assets	14,884	17,259
Current assets		
Debtors	12,971	6,460
Cash at bank and in hand	50,978	48,756
Total current assets	63,949	55,216
Creditors: Amounts falling due within one year	(63,571)	(72,474)
Net current assets/(liabilities)	378	(17,258)
Total net assets	15,262	1

The surplus generated in any given year is gifted up to the parent company, The Horse Trust.