



WorldHorseWelfare

Report of the Trustees and Financial Statements

31st December 2015



WORLD HORSE WELFARE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

The World Horse Welfare Trustees present their report, together with the audited accounts of World Horse Welfare, for the year ended 31 December 2015. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Reference and Administrative Information

World Horse Welfare was founded by Miss Ada Cole in 1927. It is registered with the Charity Commission for England and Wales as Charity No. 206658 in May 1979 and with the Office of the Scottish Charity Regulator under SC038384 in August 2007. The Trustees and senior executives are listed on page 17. Its principal places of business and professional advisors are listed on page 36.

Structure, Governance and Management

World Horse Welfare is governed by the Trust Deed of 3 December 1993 most recently updated by a Supplemental Deed dated 16 July 2008. These deeds are filed with the Charity Commission. The Charity has one subsidiary, ILPH LTD, company number 2486047 which is not included within these financial statements. The company ceased to trade on 31 December 2005.

Governance

The governing body of World Horse Welfare is the Council, consisting of a minimum of 14 Trustees who are legally responsible for its governance and management, which meets three times annually. Trustees are elected by Council and serve a term of five years which can be extended by a further two years. Nominations as Trustee are invited from Trustees and employees. Induction of Trustees comprises briefings from the Chairman on the objectives and governance of the Charity as laid out in the Trust Deed and from the Chief Executive on the application of its strategy and activities, including meeting senior staff and visiting at least one of the UK Centres. There were 12 Trustees who served throughout the year. At 31 December 2015 three Trustees retired and four new Trustees were appointed on 1 January 2016. The Charity is in the process of recruiting an additional Trustee.

One of the Charity's Vice Presidents, Sir Peter O'Sullivan CBE, died during the year and will be sorely missed. Sir Peter was a lifelong supporter of the Charity, supporting the campaign against the long-distance transport of horses across Europe for slaughter, and serving as a Vice-President for over a decade. His inspiration after a visit to Morocco in the 1980s led the Charity to establish its first international programmes, which have since helped thousands of working horses each year across four continents. The Charity has been one of the six beneficiaries of the Sir Peter O'Sullivan Charitable Trust, which has raised around £4m for animal welfare and racing charities since 1998.

Management

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

- General Purposes and Finance Committee

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The committee meets three times a year and is primarily responsible for reviewing the financial affairs of the Charity and making recommendations to Council. This includes considering the strategic plan, annual budget and performance against budget, management of the Charity's investments, and the annual accounts and report of the auditors. The committee also acts as a sounding board to consider proposals from the Executive prior to presentation to Council.

- **International Committee**
The committee meets twice a year and is charged with overseeing the Charity's international work, considering future approaches and reviewing progress on existing projects.
- **Communications and Fundraising Committee**
The committee meets four times a year and assists the Trustees in formulating the Charity's communications and fundraising strategy and ensuring that it matches its aims and objectives.
- **Veterinary Advisory Committee**
The committee, which is comprised chiefly of veterinarians, meets twice a year to advise the Trustees and Executive on all veterinary aspects of the Charity's work, to receive updates on developments in equine veterinary knowledge and to consider requests for equine welfare grants.

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

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

Remuneration of key management personnel

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

Objects of the Charity (incorporating Public Benefit)

The future direction of the charity is set out on the following pages. The Objects explain the long term direction of the Charity and Plans for the Future sets out the Trustees' strategic plan and the objectives for 2016. The fundraising environment during much of 2015 was affected by media focus on the poor practices of a minority of charities. The Trustees were disappointed that the regulator and umbrella bodies did so little to highlight the responsible approach that most charities adopted with their supporters and the handling of their data. The Trustees are satisfied that the Charity's practices in this regard are sound and already meet most future recommendations, but given the likely impact of the current fundraising environment, it was decided to extend the timescale of the existing strategic plan by one year to 2018.

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The primary object of World Horse Welfare is the protection and rehabilitation of equidae¹ in the United Kingdom and overseas. The 2011 Charities Act requires that charities demonstrate the public benefit of their activities. These activities are analysed as those that are based predominantly in the UK or overseas, each of which either has a direct or indirect public benefit. In considering their objectives and activities, the Charity Trustees complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Working in the UK

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

Working overseas

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

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

¹ Equidae are horses, ponies, donkeys and mules – hereafter referred to as horses.

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World Horse Welfare plans for 2015

To assist in the delivery of the charitable objectives, the plans for 2015 were:

1. To progress the second stage of the Glenda Spooner Farm (GSF) development to within three months of completion
2. To continue the overhaul of the rehoming scheme through implementing an improved web interface with potential rehomers
3. To increase the number of horses that benefit from interventions to 19,450 and increase the number of countries worked in to 12
4. To be regularly represented in general development coordination meetings in five project countries and have working relationships with three significant human development organisations in 10 project countries
5. To raise the profile of the Charity through PR and engagement activities that promote key educational initiatives and increase coverage in mainstream, equine and sector-specific media by 10%

Activities carried out during the year

The Trustees' report on performance in achieving these plans is set out below.

UK

The UK Office handles many thousands of calls from the public, giving advice, producing educational information in a range of formats and coordinating the work of the Field Officers and Rescue & Rehoming (R&R) Centres. The Charity also works closely with other agencies, including the RSPCA, Police and Trading Standards to identify horses in need.

Rescue and Rehoming

There are four R&R Centres in the UK, specialising in rescuing and rehabilitating horses which have been found in states of neglect or abuse.

The re-homing scheme website has been redeveloped to make the online application process more user-friendly and to encourage more people to rehome. Although some additional developments will be rolled out during 2016, the initial indications are extremely encouraging. As at the year-end 1,772 (2014: 1,726) horses were in homes approved by the Charity. In 2015 350 (2014: 258) new horses were taken into care, 124 (2014: 145) were returned from previous homes and 320 (2014: 301) horses were successfully re-homed. The Charity has seen a considerable number of large groups of horses come in over the last 12 months and full use is being made of the recently installed facilities for unhandled horses.

Phase two of the development at GSF is now well underway. It includes the development of an indoor arena, visitor centre and car parking, and is due to be completed by April 2016. All four Farms held successful members and legacy days. These days gave supporters the chance to ask questions about and view the Charity's work first-hand.

Education

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The Charity's range of educational materials was promoted at various events including the British Equine Veterinary Association (BEVA) Congress, Your Horse Live and a new event called Total Confidence Live. Online views and downloads of these materials continued well, with a total of 49,976 YouTube views and website downloads throughout the year. Materials have also been distributed at events and through the network of centres and field staff. Data gathering for the Advancing Equine Scientific Excellence (AESE) Equine End of Life project has been completed and analysis of the data is underway. Preliminary findings have already identified key statistics which will benefit promotion of the Charity's responsible euthanasia initiative (Just in Case). A new leaflet focusing on laminitis was produced in conjunction with the World Horse Welfare-funded CARE About Laminitis project at the Animal Health Trust, which was launched at BEVA Congress. The first of a series of 'How To' videos was produced, covering daily hoof care, and released in collaboration with the veterinary practices group XL equine.

Field Work

Sixteen full-time Field Officers are employed across the UK as well as seven part-time Rehoming Officers. During the year 1,402 (2014: 1,842) initial visits were made to welfare concerns.

International

During 2015 good progress was made in working with a broader range of stakeholders on working horse issues. Systems were also developed to help demonstrate and measure the progress made in improving working horse welfare across the Charity's programme, including a monitoring system for assessing the Charity's interventions on the actual welfare of working horses, through recording observations on five aspects of the horse's health and behaviour.

The total number of horses that were reached by the Charity's programme (15,242) was less than the estimated target (19,450). It is believed that the short fall is due to the initial inaccurate estimation of the total number of working horses in the project areas. However other data collected indicated that the overall programme methodology is working: there was a 40% increase in the number of people and horses attending training and discussion sessions and a 50% increase in owner use of service providers such as farriers, saddlers and vets. These results indicate that current projects have succeeded in their objective of influencing owner behaviour, which in turn should lead to improved welfare for their horses, an assumption that will be evaluated when sufficient welfare data becomes available in 2016.

Working horses are an essential part of livelihoods, food security and many social systems, and the Charity is exploring opportunities to develop associations with sectors and organisations that address these systems, in order to ensure that they are aware of the role of working horses and of the importance and means of protecting their welfare. For example, through membership of the International Coalition for Animal Welfare (ICFAW), the Charity has taken a leading role in providing feedback to the World Organisation for Animal Health (OIE) as it finalises a new chapter in its Terrestrial Animal Health Code dealing specifically with working horses. This has the potential to improve their welfare across the world by influencing government officials at the highest level. Action has also been taken in each of the 11 countries where the programme is operational to build relationships with bodies such as the Food and Agriculture Organisation (FAO) of the United

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Nations so that they are properly informed about the role and condition of working horses in these regions.

Security of all personnel involved with the Charity's international programme remains a priority and the situations in Lesotho and Senegal improved to the point that operations were able to resume during the year. An enhanced risk assessment process has been introduced so that all potential risks can be assessed, using information from a number of different sources, before any personnel travel to an operational area.

A review of the project in Lesotho identified that the previous approach, of providing support to horses being kept in police pounds, had been successful and it was now time to broaden the project's scope to reach more working horses. Contacts have since been made with central government and with a number of development organisations that are working with communities reliant on working horses as part of education and medical projects.

Projects were started up in new locations in Panama and Cuba. The Panama project is an extension of the project in Costa Rica, working with the communities of an indigenous people reserve that overlaps the border. A partner organisation in Panama and a project coordinator have been identified and discussions with the government are encouraging. Discussions have been on-going with the Cuban Authorities and The Dick White Charitable Trust to organise a training seminar on equine veterinary issues for 2016, as a first step to developing a project in Cuba.

An assessment visit was also made to Hong Kong and China to carry out an initial study of the feasibility and need of starting a project. Meetings were held with a number of organisations that had links to working horses, which identified that there is both a need and a willingness from other organisations to cooperate. Further visits to China are planned. Part of the costs of that visit were covered through a scheme with UK Trade and Investment (UK-TI), a UK government body that supports organisations looking to export goods or services abroad. They have sponsored other visits and provided training, support and local contacts in operational areas.

Campaigning

In 2015 several important milestones were achieved and a major review of the Charity's campaigning priorities and strategy was undertaken.

Control of Horses Act

World Horse Welfare continued to coordinate a coalition of rural and welfare organisations to tackle the issue of fly-grazing. As a result of this lobbying, the Control of Horses Act 2015 came into force on 26 May 2015. The coalition also produced guidance for private landowners, supported by Defra, to help ensure the Act is used effectively.

'Removing the Blinkers' EU equine welfare report

'Removing the Blinkers', the EU Equine Welfare Report requested in 2014 by the European Commission and drafted by World Horse Welfare and Eurogroup for Animals, was launched at the European Parliament in Strasbourg in June, and then in Brussels and London. The report, the first of its kind in the EU, made a number of recommendations to the European Commission, Member

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States and the equine sector. It was met with widespread acclaim, including from the European Commission, MEPs and the equine sector. The Executive Summary was translated into all official EU languages, and was formally handed to Commissioner Andriukaitis (in charge of animal welfare policy at a European level) in September.

Following on from the report, the first EU level conference on the welfare of horses, donkeys and mules was held in the European Parliament in October. World Horse Welfare presented on the key findings of the report, while European Commission officials presented their responses. The 50+ attendees, including civil servants, diplomats, politicians and representatives from NGOs, expressed a need for Europe's horse sector to speak with one voice. Inspired by the report's findings Julie Girling MEP will table an 'Own Initiative' Report to the European Parliament's AGRI Committee in 2016. Drafted with Eurogroup for Animals with input from World Horse Welfare, the report, if adopted by the European Parliament, will formally ask the European Commission for measures to promote the responsible ownership and care of equines.

Liaison activity

Working as part of the Equine Sector Council for Health & Welfare (ESC) the charity continues to push for effective, enforceable and enforced equine identification and a functional Central Equine Database. In conjunction with Local Authorities the Charity is also in the process of developing a secure online horse passport library for use by enforcement agencies to help with the identification of fake passports.

The Charity attended several European Horse Network events, as well as events held by Eurogroup for Animals of which World Horse Welfare is a member and chairs the equine working group. Prior to the 2015 UK General Election the Charity was involved in producing the Manifesto for the Horse with the ESC. Meetings were held with the European Commission, MEPs, Defra, the Food Standards Agency (FSA), the Animal Health and Veterinary Laboratories Agency (AHVLA), Animal & Plant Health Agency (APHA), and Agence fédérale pour la sécurité de la chaîne alimentaire-Federaal Agentschap voor de veiligheid van de voedselketen (AFSCA-FAVV) and MPs to discuss a wide range of equine welfare issues.

World Horse Welfare, working with the Horse Trust, coordinated the ESC consultation on the Defra Equine Code of Practice. An updated draft was presented to Defra and the ESC is challenging Defra's intention to make the codes non-statutory, given the potential negative impact for court rulings on offences under the Animal Welfare Act.

Transportation

'*Practical Guidelines to Assess Fitness for Transport of Equidae*' were completed and approved by the wide EU stakeholder group involved in their production (coordinated by World Horse Welfare). The guidelines have been translated into seven EU languages and are due to be released in early 2016. '*Practical Guidelines on the Watering of Equine Animals Transported by Road*' were publicly released and have been independently endorsed by several transport bodies. Both guideline documents were promoted at a number of meetings and conferences in the UK, EU and further afield. Copies were also submitted to a European Commission-funded '*Pilot project on best practices for animal transport*' aimed at developing Standard Operating Procedures for transporting animals.

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A Ten Minute Rule Bill on the lack of checks on exported horses was debated in the House of Commons. The Charity worked closely with Greg Barker MP to draft a speech which set out the main problems with the lack of checks at ports, drawing attention to the issue which resulted in media coverage in the Express newspaper. Work continued on developing links with enforcement agencies, both in the UK and in other EU Member States, and considerable progress was made into understanding the opportunities and threats to effective enforcement. Training on the welfare, identification and other issues identified during field investigations were also provided for official vets, FSA staff and Local Authorities, along with advice on tackling the problems identified.

UK markets

At Defra's request, the Charity identified all UK premises where horses are bought and sold with auctioneers present and any known welfare concerns over the last five years. Work is ongoing to monitor horse markets as part of the Charity's strategy and it will continue to liaise with Defra to inform any policy changes regarding these sales.

Grant giving policy

Applications for grant funding are considered against the support that the applicant or project may generate for any of the Charity's operational areas. Grants are awarded at various levels:

- Veterinary undergraduate bursaries. Each grant, of up to £3,000, is made to veterinary undergraduates in their later years of study at one of the veterinary schools in the UK and Ireland. Successful applicants, who are considered by the Veterinary Advisory Committee, exhibit a special interest in horse welfare. Four awards were made in 2015 (2014: 5).
- Veterinary grants. Each grant, in the region of £40,000 per annum, usually runs over a three to four-year period and is directly related to the Charity's core activities. Most are undertaken in collaboration with veterinary schools and institutes in the UK and Ireland. Each application is considered by the Veterinary Advisory Committee before consideration and approval by the Council. There were two awards running through 2015 (2014: 2): the final year of a three year project at the University of Bristol Veterinary School reviewing the welfare of equines in England & Wales and the third year of a four year project at the Animal Health Trust, in collaboration with the Royal Veterinary College, to further elucidate modifiable risk factors for laminitis in Britain. Further one-off small grants were made to support the Advancing Equine Scientific Excellence (AESE) Equine end of life project, a workshop on recognising colic through the University of Nottingham and a project to improve assessment of musculoskeletal pain in ridden horses at the Animal Health Trust.
- An International Small Grants Scheme, for amounts of about £5,000, was established in 2015. The scheme is aimed at encouraging local organisations to become involved in working horse issues and enables the Charity to investigate potential new projects. Four grants totalling £27k were provided to organisations in Honduras, Romania, Costa Rica and Nepal.

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Charity relationships

The Charity has a Memorandum of Understanding with the Fédération Equestre Internationale (FEI). The Charity is also a member of the British Equestrian Federation, European Horse Network, National Equine Welfare Council (NEWC), Horse Scotland, the International Coalition for Animal Welfare (ICFAW) and the Fundraising Standards Board. The Charity has representation on a number of welfare committees, Defra and other devolved administration committees, BEVA committees, the Equine Sector Council (for Health & Welfare), the National Equine Forum Organising Committee and attends a meeting of the British Horseracing Authority Welfare Committee on an annual basis.

Operationally the Charity works closely with a wide range of organisations, including the RSPCA in the UK, Donkey Sanctuary in Mexico, Cambodia Pony Welfare Organisation in Cambodia, Costa Rica Equine Welfare (CREW), Servicios de Apoyo en Bienestar Equino (SABE) in Guatemala, Quatre Pattes in Haiti, Universidad de Ciencia Comerciales (UCC) in Nicaragua, and Cart Horse Protection Association, Highveld Horse Care Centre and Coastal Horse Care Association in South Africa.

The Charity is a member of Together for Animals a consortium of five charities (with the Blue Cross, SPANA, Animal Health Trust and Mayhew Animal Home) promoting payroll giving. Income to each charity in the year was £42k (2014: £42k).

Communications

The profile and campaigns of the Charity were boosted during the year through proactive use of traditional and social media, film and events including Rehome a Horse Month, the Mitsubishi Motors Badminton Horse Trials, the annual Conference and as Charity of the Year at the London International Horse Show, Olympia.

Media

World Horse Welfare generated more than £3m worth of national, regional and equine media coverage as well as coverage internationally for its ground-breaking report covering equine welfare in the European Union.

Rescue and rehoming stories topped the media coverage fuelled by the launch of Rehome a Horse month featuring comedian John Bishop's family rehoming four World Horse Welfare horses, which was covered across national, regional and equine media. The rehoming month itself attracted more than 100 pieces of coverage, mostly in regional media, helping to almost double the number of horses rehomed in that period. The heart-warming rescue of a foal called Rudolph, left injured and abandoned on a Christmas tree plantation, was covered in the Telegraph, Mirror and ITV News.

The Charity's campaign to stop horses entering and leaving British borders unchecked received a boost with a 10 Minute Rule Bill in Parliament and subsequent media coverage on BBC local radio and a story in the Express and across other equine media. The successful introduction of the Control of Horses Act in England after a campaign coordinated by World Horse Welfare received strong coverage in the regional and equine media.

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In Scotland, Belwade's win of Best Visitor Attraction in the Aberdeen City and Shire Tourism Awards (and its nomination and winning of the Tourism is Everybody's Business Award later in 2016), guaranteed prominent regional coverage of the Charity's Scottish centre, as did its hosting of the Kelpies maquettes for four weeks in May and Clydesdale Digger's appearance as the centre's new adoption horse.

The Charity's Vice-President, Christopher Hall OBE, published a book about his experiences with World Horse Welfare and British racing, which attracted coverage from the Daily Mail, the Telegraph and an interview on ITV Meridian. International coverage of the launch of the EU equine welfare report "Removing the Blinkers" received coverage in Europe and beyond, including national media in the Netherlands, Sweden, Poland, Italy, Austria and as far afield as Australia and New Zealand.

Online

An active focus on improving reach, engagement and donations on social media bore fruit as the Charity reached more than 72k Likes on Facebook, more than 29k followers on Twitter and 1.8k on Instagram marking a strong first year for the Charity's latest channel. YouTube views passed the 10 million mark – a significant milestone. The Charity's website continued to grow its reach as the average number of web sessions per month rose by 2k to 46k with an average of 29k users – 60% of which were new to the site. The expansion and redevelopment of the rehoming site helped to drive traffic as did increased use of the website to supplement social media posts.

Film

The Charity produced around 20 films in 2015, many to promote its rehoming scheme and rehome a horse month. Films were also created to support fundraising appeals, events such as Conference which was live streamed, and the Charity's international work.

Events

The sponsored fence at the Mitsubishi Motors Badminton Horse Trials once again gave the Charity significant profile at this international event, providing an excellent opportunity to promote rehoming. The annual Conference attracted almost over 370 guests with key speakers and presentations around challenging the status quo in the horse world. In December, as charity of year at the London International Horse Show, Olympia, the Charity presented its work through arena demonstrations, its stand and films focussing on rehoming and the adoption horses.

Publications

The World Horse Welfare newsletter continues to improve in quality and content with three issues published in-house in 2015. Other publications produced included the equine welfare report and the guidance for watering during transport and fitness for travel in English and other languages.

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Trustees' responsibilities

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

The law applicable to charities in England and Wales and Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Review of the Year

Financial

Overall the Charity recorded a surplus of £622k (2014: deficit of £219k) after investment gains. Full details are set out on page 20 Statement of Financial Activities

The Charity's total income was £8.2m (2014: £7.6m) an increase of 8% on the previous year. Legacy income increased by £1.2m (30%) compared to 2014. Other income decreased by £521k (14%). The main reasons for the decrease included a £224k (59%) reduction in income from trusts because two international grants were no longer receivable. Investments were also sold to fund the building of the new visitor centre at Glenda Spooner Farm, reducing investment income by £97k (34%), and the 2014 accounts included £56k of fees from the one-off Colloquium event. The Trustees consider that, given the continuing adverse media publicity for charities, individual voluntary income has held up well, which is a tribute to the Charity's loyal supporters and hard-working staff and volunteers.

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Total expenditure for the year was £7.8m (2014: £8.1m). Details of charitable expenditure are set out in note 6 on page 29. Overall charitable expenditure decreased by 2% to £5.7m (2014: £5.9m). Trustees are pleased that expenditure was largely maintained, with the only significant reduction being in the Charity's international work, following on from a reduction in grant income. £1.9m was spent on the new visitor centre at Glenda Spooner Farm during the year. This was funded by the sale of investments.

At the year end the Charity had reserves of £26m (2014: £25m). These were represented by fixed assets of £14m (2014: £12m) which is principally the 4 UK Centres, investments £7m (2014: £9m)-£2m having been sold to fund the Glenda Spooner Farm development and current assets £5m (2014: £4m). Current assets include £2.5m (2014: £2m) for residuary legacies. The Trustees regard the financial position of the Charity as satisfactory and consider it to be well placed to meet the challenges ahead and achieve future plans.

Fundraising

Fundraising income from individual supporters, and the number of people who support the Charity financially, held steady during the course of the year, and the year saw an increase in the number of enquiries from people wishing to safeguard the future of a horse by gifting it in their will. However, the negative media around charity fundraising did impact on direct appeals and recruitment of new supporters.

The first direct mail appeal of 2015 focused on Blanca and the many working horses to benefit from the international project in Choluteca, Honduras. In May supporters were asked to donate to help stop the 'Merry Go Round of Pain' endured by so many horses moved across Europe from one country to the next without adequate checks and law enforcement. In September supporters learned how Mrs Potts and her foal Jodi were brought to Hall Farm and were rehabilitated and rehomed, with the emphasis on the continued need for this vital work. The description of how neglected Nellie and Napoleon came to Penny Farm, the dedication of the supporter who contacted World Horse Welfare and the strength of the partnership between supporters and the Charity formed the theme of the Christmas appeal. The response rate and the average value of donations improved for the last appeal of 2015.

The national press acquisition programme performed consistently in terms of the return on investment. In 2016 the Charity will further test methods to increase both response and income, and to reduce the number of anonymous donations. To engage with new audiences the Charity launched a new direct response television advert focused on Adopt A Horse. The advert was narrated by Digger the gentle giant Clydesdale who is the adoption horse at Belwade Farm. Further digital promotion opportunities will be explored in 2016 including the launch of the adoption microsite.

The Charity has received generous gifts from supporters and Trusts, and the Chairman's Circle member's event held at The Royal Mews, focusing on working carriage horses in the UK and internationally was extremely well attended. The year saw a busy schedule of fundraising events, including the flagship polo day at The Guards Polo Club. The Osborne Studio Gallery in London kindly hosted a fundraising evening and auction, showcasing the work of renowned artist Katie O'Sullivan. The Charity is also benefiting from new partnerships with established equestrian

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companies and is continuing to work with its Patrons on specific opportunities and is grateful for their ongoing help and support.

The four Rescue and Rehoming Centres continue to play a vital role in thanking the Charity's existing supporters through the popular member and legacy days, where supporters have the opportunity to learn more about the Charity's work, to ask questions and to meet some of the horses they are helping. Relationships between individual supporters and the centres remain a key motivation behind the number of gifts left in wills.

The volunteer-led Scottish Committees continued to support the charity with a range of successful events including a unique ride through the Balmoral Estate. Sponsored rides both in the UK and abroad were well supported; the challenge ride to Moolmanshoek (South Africa) sold out, and a pleasure ride, by kind invitation of the Elveden Estate, attracted nearly 100 riders.

Risk management

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

- Income
- People
- Environment
- Technology
- Image

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

Reserves policy

The Trustees reviewed the reserves policy, taking into account future income projections and expenditure plans in line with the strategic plan together with the associated risks and opportunities. As a result of this review the reserves policy was retained as follows: "To maintain a level of reserves that will enable the Charity to adjust to any significant change in resources through unplanned events". The Trustees define the reserves level in terms of a range of between 10 and 12 months of operational expenditure. Based on the 2016 budget this indicates an ideal free reserve of between £6.9m and £8.3m.

At the end of 2015 the Charity held 'free' reserves of £9.6m comprising investments and net current assets excluding legacies. The Trustees anticipate that the surplus will be used for future capital investment projects including the completion of the second phase of development at Glenda Spooner Farm. Given the current financial climate the Trustees are of the opinion that the current

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

level of reserves is in line with policy and is satisfactory. The Trustees will continue to review both the reserves policy and the level of “ideal” reserves on a regular basis through the General Purposes and Finance Committee.

Investment policy and performance

The Trustees have reviewed and retained the Charity investment policy, which states:

“The Trustees of World Horse Welfare wish to pursue a policy that provides revenue for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in accordance with the purposes of the Charity.

“The Trustees, in delegating their investment management to Newton Investment Management Limited, require the Managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of the Charity.

The Trustees have a duty to optimise financial returns for the Charity. However, where justified, the Trustees may exclude certain types of investment from the investment portfolio. In addition, the Trustees require that the investment managers do not knowingly invest in companies involved in the transport of live animals for slaughter”.

During 2015 the investment portfolio generated total revenue of £190k, against a target set by the Trustees of £243k. Given prevailing market conditions in the year, the Trustees viewed this performance as satisfactory compared to benchmark.

Plans for the future

The Charity’s strategic objectives for the period 2016-2018, focus on:

1. Making better use of its farms
2. Expanding projects in the developing world
3. Raising the profile of the Charity

In line with the Charity’s strategic plan, the key projects for 2016 are:

- To complete the GSF development, implement the initial stages of the Visitor Centre business plan and establish baseline data analytics to inform future performance measurement.
- To complete the technological upgrade of the rehoming section of the website in order to improve the user experience, enhance communications and streamline the use of data.
- To increase the number of horses benefiting the charity’s international programme to 23,000 and increase the number of projects to 19 in 16 countries.
- To gather evidence of the scale and nature of compliance and welfare problems in horses arriving at slaughterhouses in Europe and the UK, particularly following long-distance transportation.
- To use the ‘Invisible horse’ campaign to increase the value of coverage in national media by 10% over 2015, increase combined social media following to 125k and reach new audiences by maximising the opportunity of being Badminton’s charity of the year.

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

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

President

HRH The Princess Royal KG KT GCVO

Vice Presidents

Capt. The Hon G Maitland-Carew LL

Mr C S Hall OBE TD DL

Trustees and Members of Council

Chairman

Dr J B Johnson BVSc DVSc MRCVS

Members of Council

Mr C Aldous QC (Vice Chairman)

Mr M Baines

Mr S Brooks-Ward CVO OBE TD – to December 2015

Mrs S Coombs BSc (Hons) BVetMed MRCVS

Mr R Davison – from January 2016

The Lord Dear QPM DL LLB – to December 2015

Ms C Dimes ACA CTA (Treasurer)

Mr M Duff

Mrs S Godley-Maynard Chartered FCSI

Mr G Hughes – from January 2016

Mrs C Mitchell

Mr T Morrison

Ms C Nokes MP – from January 2016

Mrs K Reardon – to April 2015

Mrs J Ross MBA – from January 2016

Ms A Tickel LLB (Hons) ACA – to December 2015

Chief Executive

Mr R A Owers CFRE MRCVS

Executive Directors

Mrs J Crumpton-Taylor FCA

Mr L Maguire

Mrs J Stark

Mr A R Tyler BHSI

Mrs E Williams



Dr J B Johnson BVSc DVSc MRCVS

Chairman

28 April 2016

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE
FOR THE YEAR ENDED 31 DECEMBER 2015**

We have audited the financial statements of World Horse Welfare for the year ended 31 December 2015 on pages 20 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 13 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE
FOR THE YEAR ENDED 31 DECEMBER 2015-continued**

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report is not consistent with the financial statements;
or
- the charity has not kept proper and sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Emphasis of matter – early adoption of the Charities SORP (FRS 102)

In forming our opinion, which is not modified, we have considered the disclosure in note 1 concerning the charity's early adoption of the Charities SORP (FRS 102) issued in July 2014, rather than applying the Charities 2005 SORP which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008. This departure has been necessary for the financial statements to show a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for accounting periods beginning on or after 1 January 2015.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
25 Farringdon Street
London
EC4A 4AB
Date

4 May 2016

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

WORLD HORSE WELFARE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000 (Note 18)
Income from					
Donations and legacies	2	6,798	560	7,358	6,523
Other trading activities	3	634	-	634	576
Investments	4	210	-	210	290
Other	5	51	-	51	226
Total		7,693	560	8,253	7,615
Expenditure					
Costs of raising funds		2,042	-	2,042	2,264
Expenditure on charitable activities					
UK Centres		2,387	315	2,702	2,631
UK Field Work		1,440	16	1,456	1,467
International		1,017	144	1,161	1,465
Campaigning		197	97	294	167
Grants		127	-	127	135
Total	6	7,210	572	7,782	8,129
Net gains on investments		151	-	151	295
Net income /(expenditure)		634	(12)	622	(219)
Transfers	13	3	(3)	-	-
Net movement in funds		637	(15)	622	(219)
Reconciliation of funds					
Total funds at 1 January		25,331	15	25,346	25,565
Total funds at 31 December	14	25,968	-	25,968	25,346

The notes on pages 24 to 35 form part of these financial statements.
The results for the year all derive from continuing activities.

WORLD HORSE WELFARE

BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible fixed assets	7	13,915	12,225
Investments	8	7,414	9,184
Total Fixed assets		21,329	21,409
Current assets			
Legacies		2,545	2,057
Stock	10	18	12
Debtors	11	470	400
Cash at bank and in hand		2,287	2,036
Total Current assets		5,320	4,505
Creditors: amounts falling due within one year	12	(681)	(568)
Net current assets		4,639	3,937
Net assets		25,968	25,346
Funds			
Unrestricted-General		25,968	25,331
Restricted	13	-	15
Total Funds	14	25,968	25,346

Approved by Council on

28 April 2016



.....
Ms C Dimes ACA CTA
Treasurer



.....
Mr JB Johnson BVSc DVSc MRCVS
Chairman of Trustees

The notes on pages 24 to 35 form part of these financial statements.

WORLD HORSE WELFARE**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £'000	2014 £'000
Net cash provided by operating activities	1	191	593
		<hr/>	<hr/>
Cash flows from investing activities			
Rent received		41	44
Interest received		20	3
Bank charges and transaction fees		(17)	(23)
Dividends received		190	287
Purchase of tangible fixed assets		(2,113)	(639)
Proceeds from sale of fixed assets		18	150
Purchase of investments		(79)	(185)
Proceeds from sale of investments		2,000	887
Net cash provided by investing activities		60	524
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		251	1,117
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the reporting period		2,036	919
Cash and cash equivalents at the end of the reporting period	2	2,287	2,036
		<hr/>	<hr/>

WORLD HORSE WELFARE

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£'000	£'000
1 Reconciliation of net movement in funds to net cash flow from operating activities		
Net income/(expenditure) for the reporting period	622	(219)
Investment gains	(151)	(295)
Investment and rental income	(251)	(334)
Bank charges and transaction fees	17	23
(Increase)/decrease in value of legacies	(488)	979
Depreciation	413	424
(Profit) on sale of tangible fixed assets	(8)	(126)
(Increase) in stocks	(6)	-
(Increase)/decrease in debtors	(70)	125
Increase in creditors	113	16
Net cash provided by operating activities	191	593

2 Analysis of cash and cash equivalents

	2015	2014
	£'000	£'000
Cash in hand	<u>2,287</u>	<u>2,036</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

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

1.1 Basis of Accounting and assessment of Going Concern

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

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the best practice as set out above rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating the expected legacy income accrued onto the balance sheet. With respect to the next reporting period, 2016, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of investment return and the performance of investment markets.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. A restatement was required in relation to the reallocation of governance costs (for further detail see note 6). In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/ (losses) as a component of reported income.

Reconciliation of reported net income	£'000
Net expenditure as previously stated	(514)
Adjustment for gains on investments now treated as part of net income	<u>295</u>
2014 net income as restated	<u>(219)</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

1 Accounting policies (continued)

1.3 Basis of consolidation

These financial statements comprise the results of the Charity. The results of its wholly owned subsidiary, ILPH Limited, have not been consolidated because the subsidiary is dormant and the impact on the Balance Sheet is not material. Information about the subsidiary is disclosed in Note 8.

1.4 Income recognition

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

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

Legacies are recognised in the financial statements once sufficient notification has been received by the Charity to enable the Trustees to determine with reasonable certainty that entitlement is virtually assured and capable of measurement.

The financial statements recognise both specific pecuniary legacies and legacies of estate residue. The Charity holds legacies subject to a third party life interest which are only recognised at such time as the life interest terminates.

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

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

Sales of Refreshments and Merchandise represent net invoiced sales of goods excluding value added tax.

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (continued)

1.5 Expenditure

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

1.6 Governance costs

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

1.7 Allocation of Support Costs

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

1.8 Fund Accounting

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

1.9 Tangible fixed assets and Depreciation

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

The rates generally applicable are:

Freehold buildings	-	2-10% straight line per annum
Farm equipment	-	20% reducing balance per annum
Other equipment	-	20% reducing balance per annum
Motor vehicles	-	25% reducing balance per annum
IT equipment	-	25% straight line per annum

No depreciation is provided on freehold land.

1.10 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction values and subsequently are included in the accounts at quoted bid value as at the financial year-end. Realised and unrealised gains and losses are recognised as they arise and are included in the Statement of Financial Activities.

1 Accounting policies (continued)

1.11 Foreign currency translation

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

1.12 Stock

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

1.13 Taxation

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

1.14 Pension scheme

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

1.15 Operating leases

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

1.16 Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their most recent carrying value or their purchase value if acquired subsequent to the most recent valuation.

Unrealised gains and losses are calculated as the difference between the fair value at the most recent valuation and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.17 Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Donations and Legacies

	2015	2014
	£'000	£'000
Subscriptions and donations	2,156	2,256
Legacies	5,045	3,886
Donations from charitable trusts	157	381
	<u>7,358</u>	<u>6,523</u>

Donations include the value of horse trailers which were given to the charity and have been included in Other Equipment in fixed assets £6k (2014 £3k)

3 Other trading activities

	2015	2014
	£'000	£'000
Sales of refreshments & merchandise	193	171
Charitable activities		
Lotteries	175	187
Fundraising events	266	218
	<u>634</u>	<u>576</u>

The Charity's subsidiary company, ILPH Limited, has not traded since 31 December 2005. The company has no assets and no liabilities outside the group.

Sales include donated goods which principally comprised tack. Proceeds from the sale of these items were £33k (2014 £21k)

4 Investments

	2015	2014
	£'000	£'000
Investments		
Dividends receivable	190	287
Bank interest	20	3
	<u>210</u>	<u>290</u>

5 Other income

	2015	2014
	£'000	£'000
Rental income	41	44
Fees from other activities (2014 the Colloquium)	2	56
Profit on sale of tangible fixed assets	8	126
	<u>51</u>	<u>226</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Analysis of total expenditure

	Governance £'000	Support £'000	Direct £'000	2015 £'000	2014 £'000
Refreshments & merchandise	-	-	81	81	83
Investment manager's fees	-	-	-	-	2
Fundraising & publicity costs	<u>37</u>	<u>177</u>	<u>1,747</u>	<u>1,961</u>	<u>2,179</u>
Raising funds	37	177	1,828	2,042	2,264
UK Centres	54	240	2,408	2,702	2,631
UK Field Work	42	115	1,299	1,456	1,467
International	16	108	1,037	1,161	1,465
Campaigning	7	25	262	294	167
Grants	-	2	125	127	135
Total	<u>156</u>	<u>667</u>	<u>6,959</u>	<u>7,782</u>	<u>8,129</u>
<i>Including audit fees of</i>	<u>13</u>				<u>13</u>
<i>Including foreign exchange differences of</i>			<u>1</u>	<u>1</u>	<u>2</u>
Support costs include				2015 £'000	2014 £'000
IT				231	200
HR				169	122
Finance				139	155
Premises				128	139
				<u>667</u>	<u>616</u>
Operating leases (note 17)				<u>118</u>	<u>90</u>
Staff costs				2015 £'000	2014 £'000
Wages and salaries				2,946	2,892
Social security				277	276
Pension costs				192	172
				<u>3,415</u>	<u>3,340</u>

Employee benefits totalling £113k (2014 £117k) were paid in respect of vehicles, including vans, private health and cash health plans and accommodation for farm staff.

Holiday pay accrued totalled £ 52k (2014 £29k)

Key management personnel The key management personnel of the Charity comprise the Trustees (who are not paid), the Chief Executive and the Executive Directors listed on page 17. The total employee benefits of the key management personnel including employers pension contributions, benefits in kind, employers national insurance and accrued holiday pay were £560k (2014: £593k).

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Analysis of expenditure (continued)

Higher paid staff One employee had earnings, excluding pension contributions and including benefits in kind, in the range £130,001-£140,000, two in the range £70,001 -£80,000 and two in the range £60,001-£70,000 (2014: one in the range £120,001 - £130,000, two in the range £70,001 - £80,000 and three in the range £60,001-£70,000). These figures include benefits in kind of £9k (2014 £12k).

The average number of full-time equivalent employees analysed by function:	2015	2014
Direct charitable activities	96	94
Fundraising	17	19
Management and administration	2	2
	<u>115</u>	<u>115</u>
The average head count during the reporting period was	<u>139</u>	<u>139</u>

7 Tangible fixed assets

	Land and buildings £'000	Farm equipment £'000	Other equipment £'000	Motor vehicles £'000	IT equipment £'000	Total £'000
Cost						
1 January 2015	<u>14,289</u>	<u>747</u>	<u>715</u>	<u>248</u>	<u>625</u>	<u>16,624</u>
Additions	1,988	46	17	1	61	2,113
Disposals	-	(21)	(1)	(33)	(5)	(60)
31 December 2015	<u>16,277</u>	<u>772</u>	<u>731</u>	<u>216</u>	<u>681</u>	<u>18,677</u>
Depreciation						
1 January 2015	<u>2,515</u>	<u>552</u>	<u>569</u>	<u>185</u>	<u>578</u>	<u>4,399</u>
Charge for year	277	48	33	15	40	413
Disposals	-	(18)	-	(27)	(5)	(50)
31 December 2015	<u>2,792</u>	<u>582</u>	<u>602</u>	<u>173</u>	<u>613</u>	<u>4,762</u>
Net book value						
31 December 2015	<u>13,485</u>	<u>190</u>	<u>129</u>	<u>43</u>	<u>68</u>	<u>13,915</u>
31 December 2014	<u>11,774</u>	<u>195</u>	<u>146</u>	<u>63</u>	<u>47</u>	<u>12,225</u>

Land & Buildings are all freehold and include £2.1m (2014: £2.1m) of land which is not depreciated. Included in Land & Buildings is £1.9m (2014 £154k) on which no depreciation has been charged because the assets are under construction.

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Fixed assets investments

	2015 £'000
Quoted investments:	
Market value at 1 January	9,184
Additions at cost	79
Disposals at carrying value	(1,944)
Net gains for the year	95
Market value at 31 December	<u>7,414</u>
Charity	
Investment in subsidiary undertaking-at 1 January and 31 December	-

The investments held at 31 December 2015 are summarised as follows:

	2015 £'000	2014 £'000
Medium term fund: BNY MFM Ltd Newton Real Return Fund	3,172	3,942
Long term fund: Newton Global Growth and Income Fund for Charities	4,242	5,242
Total Value of Investments	<u>7,414</u>	<u>9,184</u>

Quoted investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value using the bid price. The Charity holds investments for income and capital growth. The Charity manages investment risks by retaining expert advisors. If it plans to sell investments to fund capital projects or to fund operational activities in exceptional times there would be a risk of loss on that sale and so to mitigate this its holdings are balanced between the Medium fund, for stability and low risk and the Long term fund for income and future growth.

The Charity holds 100% of the issued ordinary share capital of ILPH Limited, a company registered in England and Wales (Registered number – 2486047). The cost of the investment was £150,000 against which a provision of £149,999 had been made as at 31 December 2015.

9 Financial Instruments

	2015 £'000	2014 £'000
Financial assets		
Cash	2,287	2,036
Trade debtors	13	4
Other debtors	64	97
	<u>2,364</u>	<u>2,137</u>
Financial liabilities		
Trade creditors	204	118
Accruals	407	371
	<u>611</u>	<u>489</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Stock

	2015	2014
	£'000	£'000
Stock	<u>18</u>	<u>12</u>

The amount of stock recognised as an expense in the year was £28k (2014 £31k)

11 Debtors

	2015	2014
	£'000	£'000
Trade debtors	13	4
VAT reclaimable	149	37
Prepayments and accrued income	108	94
Other debtors	200	265
	<u>470</u>	<u>400</u>

12 Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Trade creditors	204	118
Other taxes and social security	70	79
Accruals	407	371
	<u>681</u>	<u>568</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Restricted funds

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

		Balance	Movement in Funds		Transfers	Balance
		1.1.15	Incoming	Outgoing		31.12.15
		£'000	£'000	£'000	£'000	£'000
Belwade Farm Centre	a	-	49	(49)	-	-
China	b	-	2	(2)	-	-
Field Officer work in the UK	c	-	16	(16)	-	-
Glenda Spooner Farm Centre	d	1	1	(2)	-	-
Haiti	e	-	5	(5)	-	-
Honduras	f	-	121	(121)	-	-
Panama	g	-	2	(2)	-	-
Penny Farm Centre	h	-	255	(252)	(3)	-
Scotland	i	-	12	(12)	-	-
Senegal	j	14	-	(14)	-	-
Transport Campaign	k	-	97	(97)	-	-
		15	560	(572)	(3)	-

Funds have been used in full in the year. Gifts used to fund fixed assets are shown as transfers.

a The Belwade Farm fund includes gifts from Evelyn Drysdale Charitable Trust, The Elizabeth C F McGregor-Dziniak Charitable Trust for Animals and the Estates of the late HMJ Gordon, the late ME Neill, the late Mrs Gillian MacKenzie and the late Miss LJ Thom towards the cost of running the farm

b Support for development in the country was received from UK Trade & Investment.

c The work of Field Officers work in the UK includes donations from The Rodway Family Charitable Trust, The Eranda Foundation, The Walter Guinness Charitable Trust and Waynflete Charitable Trust.

d The Arab Horse Society donated funds for the rehabilitation of an Arab or part-Arab horse and a Sam Griffiths evening raised funds to support the day to day work of the farm.

e The Haiti fund includes funding from Humane Society International.

f The Spring Appeal raised funds for work in Honduras and support for development in the country was received from UK Trade & Investment.

g Development of work in Panama includes support from UK Trade & Investment.

h The day to day work of Penny farm was supported by donations from the Trustees of the late Ms E Hodgkinson, and the Estates of the late RH Isles, the late M Grimshaw and the late Mrs ME Brown. The Vera Wolstencroft Children and Animal Charitable Trust donated funds for a new field shelter and a new midden door and HDH Wills 1965 Charitable Trust supported the renewal of the outdoor riding school surface.

i Donations for work in Scotland include funds from A M Pilkington Charitable Trust and donations from events organised by the Scottish fundraising groups.

j Funds from the Senegal appeal have been used in 2015 to support the work there.

k The 2015 Summer Appeal was for the campaign to end long-distance transport for slaughter. The Eurogroup for Animals contributed to the printing of the Welfare Report "Removing the Blinkers".

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Analysis of net assets between funds

Funds	Tangible Fixed Assets £'000	Legacies & Investments £'000	Cash £'000	Other net current liabilities £'000	Total 2015 £'000	Total 2014 £'000
Unrestricted general	13,915	9,959	2,287	(193)	25,968	25,331
Restricted	-	-	-	-	-	15
Total	<u>13,915</u>	<u>9,959</u>	<u>2,287</u>	<u>(193)</u>	<u>25,968</u>	<u>25,346</u>

In 2014 restricted funds were held as cash.

15 Capital commitments

Capital commitments at 31 December 2015 in respect of expenditure authorised by Council and contracted with suppliers were:

	2015 £'000	2014 £'000
Indoor riding school and visitor centre Glenda Spooner Farm	1,174	2,546

16 Trustees' Expenses and Related Party Transactions

Trustees received no remuneration or any other benefits. Expenses of £5k (2014 9k) for travel, subsistence, telephone, postage and stationery expenses incurred on Charity business were re-imbursed or paid directly for 4 (2014 5) Trustees.

17 Operating Lease Commitments

The Charity as lessee:

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

	2015		2014	
	Land and buildings	Other	Land and buildings	Other
Within one year	-	6	-	21
Within two to five years	29	83	29	40
	<u>29</u>	<u>89</u>	<u>29</u>	<u>61</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

18 Comparative SOFA by fund

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
Income from			
Donations and legacies	5,552	971	6,523
Other trading activities	576	-	576
Investments	290	-	290
Other	226	-	226
Total	6,644	971	7,615
Expenditure			
Costs of raising funds	2,264	-	2,264
Expenditure on charitable activities			
UK Centres	2,260	371	2,631
UK Field Work	1,452	15	1,467
International	1,052	413	1,465
Campaigning	25	142	167
Grants	135	-	135
Total	7,188	941	8,129
Net gains on investments	295	-	295
Net (expenditure)/income	(249)	30	(219)
Transfers	130	(130)	-
Net movement in funds	(119)	(100)	(219)
Reconciliation of funds			
Total funds at 1 January	25,450	115	25,565
Total funds at 31 December	25,331	15	25,346

WORLD HORSE WELFARE

PRINCIPAL PLACE OF BUSINESS AND ADVISORS

Head Office	Anne Colvin House Snetterton Norwich Norfolk NR16 2LR Telephone: 01953 497200 Website: www.worldhorsewelfare.org Email: info@worldhorsewelfare.org
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Bankers	Lloyds 16 Gentlemans Walk Norwich NR2 1LZ
Investment Advisors	Newton Investment Management Ltd 71 Queen Victoria Street London EC4V 4DR
Legal Advisors	Taylor Vinters Merlin Place Milton Road Cambridge CB4 0DP
UK Rescue & Rehoming Centres	
Belwade Farm	Aboyne Aberdeenshire AB34 5BJ
Glenda Spooner Farm	Somerton Somerset TA11 7LA
Hall Farm	Snetterton Norfolk NR16 2LP
Penny Farm	Preston New Road Peel Blackpool FY4 5JS